



**Draft Prospectus**

**Dated: April 13, 2022**

*Please read Section 26 of the Companies Act, 2013*

**Fixed Price Issue**



## SABAR FLEX INDIA LIMITED

**CIN: U25209GJ2018PLC102720**

REGISTERED OFFICE		CONTACT PERSON		TELEPHONE AND EMAIL	WEBSITE
B/1/104, Palledium, Nr. Orchid Wood Opp. Divya Bhaskar, Corporate Road, Prahladnagar Ahmedabad- 380015, Gujarat, India		Mr. Kushang Surendrakumar Thakkar, Company Secretary & Compliance Officer		Tel: 9429111979 Email: <a href="mailto:info@sabarflex.in">info@sabarflex.in</a> ;	<a href="http://www.sabarflex.com">www.sabarflex.com</a>
PROMOTER OF OUR COMPANY: MR. HIKMATBAHADUR KRISHNABAHADUR KUNWAR					
DETAILS OF THE ISSUE					
TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY	
Fresh Issue	₹ [●] Lakhs	Nil	₹ [●] Lakhs	THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.	
DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES					
RISK IN RELATION TO THE FIRST ISSUE					
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 and the Issue Price is [●] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “Basis for Issue Price” beginning on Page No. 58 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.					
GENERAL RISKS					
Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited of the section titled “Risk Factors” beginning on Page No. 19 of this Draft Prospectus.					
ISSUER’S ABSOLUTE RESPONSIBILITY					
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.					
LISTING					
The Equity Shares offered through the Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an ‘in-principle’ approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the EMERGE Platform of the NSE. For the purpose of this Offer, the Designated Stock Exchange will be National Stock Exchange of India Limited (“NSE”).					
LEAD MANAGER: GYR CAPITAL ADVISORS PRIVATE LIMITED					
NAME AND LOGO		CONTACT PERSON		EMAIL & TELEPHONE	
		Mr. Yash Doshi		Telephone: +91 95375 94321 Fax: N.A. E-mail: <a href="mailto:info@gyrcapitaladvisors.com">info@gyrcapitaladvisors.com</a>	
REGISTRAR TO THE ISSUE: BIGSHARE SERVICES PRIVATE LIMITED					
NAME AND LOGO		CONTACT PERSON		EMAIL & TELEPHONE	
		Mr. Swapnil Kate		Tel: 022 6263 8200 Fax: 022 6263 8280 Email: <a href="mailto:ipo@bighareonline.com">ipo@bighareonline.com</a>	
ISSUE PROGRAMME					
ISSUE OPENS ON: [●]			ISSUE CLOSES ON: [●]		



## SABAR FLEX INDIA LIMITED

CIN: U25209GJ2018PLC102720

Our Company was originally formed as a Partnership Firm under the Partnership Act, 1932 ("Partnership Firm") having Firm Registration Number MHN/6001 in the name and style of "Sabar Flex Industries" pursuant to Deed of Partnership dated March 06, 2007. Sabar Flex Industries was thereafter converted from Partnership Firm to a Public Limited Company under Part I Chapter XXI of the Companies Act, 2013 with the name and style of "Sabar Flex India Limited" and received a Certificate of Incorporation from the Registrar of Companies, dated June 7, 2018. The corporate identification number of our Company is U25209GJ2018PLC102720. For further details, including change in our Registered Office, please refer the chapter "History and Certain Corporate Matters" beginning on Page No. 106 of this Draft Prospectus.

**Registered Office:** B/1/104, Palledium, Nr. Orchid Wood Opp. Divya Bhaskar, Corporate Road, Prahladnagar Ahmedabad- 380015, Gujarat, India

**Tel:** 9429111979; **Email:** [info@sabarflex.in](mailto:info@sabarflex.in); **Website:** [www.sabarflex.com](http://www.sabarflex.com);

**Contact Person:** Mr. Kushang Surendrakumar Thakkar, Company Secretary and Compliance Officer.

PROMOTER OF OUR COMPANY: MR. HIKMATBAHADUR KRISHNABAHADUR KUNWAR	
THE ISSUE	
PUBLIC ISSUE OF UPTO 42,00,000* EQUITY SHARES OF ₹ 10/- EACH ("EQUITY SHARES") OF SABAR FLEX INDIA LIMITED ("SFIL" OR THE "COMPANY") FOR CASH AT A PRICE BAND OF ₹ [●] PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ [●] LAKHS ("THE ISSUE"), OF WHICH UPTO [●] EQUITY SHARES OF ₹ 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO [●] EQUITY SHARES OF ₹ [●] EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.	
THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10/- AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE	
In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. All potential investors shall participate in the issue only through and Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the irrespective bank accounts and/or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention invited to chapter titled "Issue Procedure" beginning on Page No. 155 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.	
RISK IN RELATION TO THE FIRST ISSUE	
This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10/- each and the Issue Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under chapter titled "Basis for Issue Price" beginning on Page No. 58 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.	
GENERAL RISKS	
Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to chapter titled "Risk Factors" beginning on Page No. 19 of this Draft Prospectus.	
COMPANY'S ABSOLUTE RESPONSIBILITY	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.	
LISTING	
The Equity Shares offered through this Draft Prospectus are proposed to be listed on Emerge Platform of National Stock Exchange of India Limited ("NSE EMERGE"). Our Company has received an In-Principal Approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").	
BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p><b>GYR CAPITAL ADVISORS PRIVATE LIMITED</b> (Formerly known as Alpha Numero Services Private Limited) 428, Gala Empire, Near T.B. Tower Drive In Road, Thaltej, Ahmedabad – 380054, Gujarat, India <b>Tel No.:</b> +91 95375 94321 <b>Fax No.:</b> N.A. <b>Email:</b> <a href="mailto:info@gyrcapitaladvisors.com">info@gyrcapitaladvisors.com</a> <b>Website:</b> <a href="http://www.gycapitaladvisors.com">www.gycapitaladvisors.com</a> <b>Investor Grievance Email:</b> <a href="mailto:info@gyrcapitaladvisors.com">info@gyrcapitaladvisors.com</a> <b>Contact Person:</b> Mr. Yash Doshi <b>SEBI Registration No.:</b> INM000012810</p>	 <p><b>BIGSHARE SERVICES PRIVATE LIMITED</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059, Maharashtra, India <b>Tel. No.:</b> 022 6263 8200 <b>Fax No.:</b> 022 263 8280 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Mr. Swapnil Kate <b>SEBI Registration No.:</b> INR000001385</p>
ISSUE OPENS ON	ISSUE CLOSES ON
[●]	[●]

\* Number of shares may need to be adjusted for lot size upon determination of the Issue Price

*(This page is intentionally left blank)*

## Table of Contents

<b>SECTION I – GENERAL .....</b>	<b>2</b>
DEFINITIONS AND ABBREVIATIONS .....	2
CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA .....	11
FORWARD-LOOKING STATEMENTS .....	13
<b>SECTION II - SUMMARY OF THE OFFER DOCUMENT .....</b>	<b>15</b>
<b>SECTION III – RISK FACTORS .....</b>	<b>19</b>
<b>SECTION IV – INTRODUCTION .....</b>	<b>35</b>
THE ISSUE .....	35
SUMMARY OF FINANCIAL INFORMATION .....	36
GENERAL INFORMATION .....	37
CAPITAL STRUCTURE .....	45
OBJECTS OF THE ISSUE .....	53
BASIS FOR ISSUE PRICE .....	58
STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS .....	61
<b>SECTION V – ABOUT THE COMPANY .....</b>	<b>62</b>
OUR INDUSTRY .....	62
OUR BUSINESS .....	86
KEY INDUSTRY REGULATIONS AND POLICIES .....	95
HISTORY AND CERTAIN CORPORATE MATTERS .....	106
OUR MANAGEMENT .....	108
OUR PROMOTER AND PROMOTER GROUP .....	118
DIVIDEND POLICY .....	121
<b>SECTION VI – FINANCIAL INFORMATION .....</b>	<b>122</b>
FINANCIAL STATEMENTS .....	122
OTHER FINANCIAL INFORMATION .....	123
CAPITALIZATION STATEMENT .....	124
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS .....	125
<b>SECTION VII – LEGAL AND OTHER INFORMATION .....</b>	<b>134</b>
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS .....	134
GOVERNMENT & OTHER APPROVALS .....	137
OTHER REGULATORY AND STATUTORY DISCLOSURES .....	139
<b>SECTION VIII – ISSUE RELATED INFORMATION .....</b>	<b>146</b>
TERMS OF THE ISSUE .....	146
ISSUE STRUCTURE .....	152
ISSUE PROCEDURE .....	155
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....	198
<b>SECTION IX – MAIN PROVISIONS OF AOA .....</b>	<b>200</b>
<b>SECTION X – OTHER INFORMATION .....</b>	<b>231</b>
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	231
DECLARATION .....	232

## **SECTION I – GENERAL**

### **DEFINITIONS AND ABBREVIATIONS**

*This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.*

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

#### **General Terms**

<b>Term</b>	<b>Description</b>
“Company”, “our Company”, “Sabar Flex India”, “the Company”, “the Issuer” or “SFIL”	Sabar Flex India Limited, a public limited company incorporated under Part I chapter XXI of the Companies Act, 2013 and having its registered office situated B/1/104, Palledium, Nr. Orchid Wood, Opp. Divya Bhaskar, Corporate Road, Prahladnagar, Ahmedabad – 380015, Gujarat India
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.

#### **Company Related Terms**

<b>Term</b>	<b>Description</b>
Articles / Articles of Association / AoA	The Articles / Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 108 of this Draft Prospectus.
Auditor / Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, M/s. Patel Jain & Associates, Chartered Accountants.
Board / Board of Directors	Board of directors of our Company or a duly constituted committee thereof.
Chairman	The Chairman of our Board of Directors.
Chief Financial Officer / CFO	Tinkle Rawal, the Chief Financial Officer of our Company.
Company Secretary and Compliance Officer	Kushang Surendrakumar Thakkar, the Company Secretary and the Compliance Officer of our Company.
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Equity Shares	Equity shares of our Company of face value of Rs. 10 each.
Executive Directors	Executive directors of our Company.
Group Companies	Companies (other than our Subsidiary) with which there have been related party transactions, during the last three financial years, as covered under the applicable accounting standards and other companies as considered material by the Board in accordance with the Materiality Policy.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
Promoters	Promoter of our Company is Mr. Hikmatbahadur Krishnabhadur Kunwar. For further details, please see the section entitled “ <i>Our Promoters and Promoter Group</i> ” on page 118 of this Draft Prospectus.
Key Managerial Personnel / KMP	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “ <i>Our Management – Key Managerial Personnel</i> ” on page 108 of this Draft Prospectus.
Managing Director/ MD	The managing director of our Company.
Materiality Policy	A policy adopted by our Company, in its Board meeting held on March 17, 2022, for identification of group companies, material creditors and material litigations.

<b>Term</b>	<b>Description</b>
Memorandum of Association / MoA	Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's nomination and remuneration committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, see " <i>Our Management</i> " on page 108 of this Draft Prospectus.
Non-executive Directors	Non-executive Directors of our Company.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see " <i>Our Promoter and Promoter Group</i> " on page 118 of this Draft Prospectus.
Registered Office	The registered office of our Company situated B/1/104, Palledium, Nr. Orchid Wood, Opp. Divya Bhaskar, Corporate Road, Prahladnagar, Ahmedabad – 380015, Gujarat India
Registrar of Companies/ RoC	Registrar of Companies, Gujarat at Ahmedabad.
Restated Financial Statements /Restated Financial Information	Restated financial statements of our Company for the period ended December 31, 2021 and for the Fiscals 2021, 2020 and 2019 prepared in accordance with Ind AS and examined by the Auditor in accordance with the requirements of the Companies Act and restated in accordance with the provisions of the SEBI ICDR Regulations.  For details, see " <i>Financial Information</i> " on page 122 of this Draft Prospectus.
Shareholders	Shareholders of our Company, from time to time.
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see " <i>Our Management</i> " on page 108 of this Draft Prospectus.
Whole-time Director	The whole-time director of our Company.

#### **Issue Related Terms**

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allot/Allotment/ Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants.
Allotment Advice	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	The successful applicant to whom the Equity Shares are being / have been allotted.
Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form and unless otherwise stated or implied includes an ASBA Applicant.
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for all Applicants participating in the Issue.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Draft Prospectus and the Application Form including through UPI mode (as applicable).
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicant and which will be considered as an application for Allotment in terms of the Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Banker(s) to the Issue	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Public Issue Account will be opened, in this case being [●].

Term	Description
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in “ <i>Issue Procedure</i> ” on page 58 of this Draft Prospectus.
Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form and unless otherwise stated or implied includes an ASBA Applicant.
Bidding Centers	The centers at which the Designated Intermediaries shall accept the Application Forms i.e. Designated Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centers	Broker centers notified by the Stock Exchanges, where Applicants can submit the ASBA Forms to a Registered Broker.  The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and are updated from time to time.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant(s)/ CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications 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 website of National Stock Exchange of India Limited ( <a href="http://www.nseindia.com">www.nseindia.com</a> ).
Controlling Branches	Such branches of SCSBs which coordinate Applications under the Issue with the LM, the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable).
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited
DP ID	Depository Participant’s identity number
Designated Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.

Term	Description
Draft Prospectus/DP	This Draft Prospectus dated April 13, 2022 issued in accordance with Section 23, 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the equity shares.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Equity Listing Agreements	The listing agreements to be entered into by our Company with the Stock Exchange in relation to our Equity Shares.
Escrow Account(s)	Account(s) opened with the Banker(s) to the Issue pursuant to Escrow and Sponsor Bank Agreement.
Escrow Agent	[●]
Escrow Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue and Sponsor Bank to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
First Applicant	The Applicant whose name appears first in the Application Form or the Revision Form and in case of a joint Application and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof.
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI / HO / CFD / DIL1 / CIR / P / 2020 / 37 dated March 17, 2020 and the circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars The General Information Document shall be available on the website of the Stock Exchange and the LM.
Issue Agreement	The agreement dated April 13, 2022 between our Company and the LM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under the Draft Prospectus and the Prospectus being ₹ [●]/- per share.
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” on page 53 of this Draft Prospectus.
Issue/Issue Size	Initial Public Offering of up to 42,00,000 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] each, aggregating up to ₹ [●] lacs.
Lead Manager/ LM	The lead manager to the Issue, being GYR Capital Advisors Private Limited.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Maker	Market Maker of the Company, in this case being [●]
Market Maker Reservation Portion	The Reserved portion of [●] Equity shares of ₹ 10/- each at an Issue Price of ₹ [●] aggregating to ₹ [●] lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated [●].
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Proceeds	Proceeds of the Issue less our Company’s share of Issue related expenses. For further information about the Issue related expenses, see “ <i>Objects of the Issue</i> ” on page <b>Error! Bookmark not defined.</b> of this Draft Prospectus.
Non-Institutional Applicant / Investors	All Applicants, including Eligible FPIs, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs, OFIs other than eligible QFIs).
Non-Resident/ NR	A person resident outside India, as defined under FEMA and includes a non-resident Indian,



<b>Term</b>	<b>Description</b>
	FPIs and FVCIs.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Account Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account for collection of Application Amounts from Escrow Account(s) and ASBA Accounts will be opened, in this case being [●].
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Qualified Institutional Buyers/ QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 and the UPI Circulars issued by SEBI.
Registrar Agreement	The registrar agreement dated March 09, 2022 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents/ RTAs	The registrar and the share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI as per the list available on the website of National Stock Exchange of India Limited.
Registrar to the Issue / Registrar	Bigshare Services Private Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date.
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●].
Stock Exchange	National Stock Exchange of India Limited.
Systemically Important Non-Banking Financial Companies	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
TRS/Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	[●]
Underwriting	The agreement dated [●] entered into among the Underwriters and our Company prior to the

<b>Term</b>	<b>Description</b>
Agreements	filing of the Prospectus with the RoC.
Unified Payment Interface or UPI	Unified Payment Interface is an instant payment system developed by National Payments Corporation of India, which enables merging several banking features, seamless fund routing and merchant payments into one hood. It allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a persons' bank account.
UPI	Unified Payment Interface.
UPI Circulars / SEBI UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	Process for applications by RIBs submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of the Issue Price; and (b) Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI, including the UPI Circulars.

#### **Conventional and General Terms and Abbreviations**

<b>Term</b>	<b>Description</b>
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate.
Category I AIF	AIFs which are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations.
Category II AIF	AIFs which are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations.
Category III AIF	AIFs which are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulation.
Category I FPI(s)	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations.
Category II FPI(s)	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III FPIs	FPIs who are registered as Category III FPIs under the SEBI FPI Regulations, and shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts,

Term	Description
	individuals and family offices.
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act	Companies Act, 1956 and / or the Companies Act, 2013 as applicable.
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Companies Act 2013	Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder.
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CRAR	Capital to Risk Asset Ratio
CSR	Corporate social responsibility
Depository(ies)	NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant's Identity Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Term Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 duly amended
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India

<b>Term</b>	<b>Description</b>
Indian GAAP	Generally Accepted Accounting Principles in India
INR or ₹ or Rs. Or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
IPO	Initial public offering
IRDAI	Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999
IRR	Internal rate of return
IST	Indian Standard Time
Insolvency Code	Insolvency and Bankruptcy Code, 2016
ISIN	International Securities Identification Number
IT	Information Technology
Lacs	Lakhs
LIBOR	London Inter-Bank Offer Rate
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NACH	National Automated Clearing House, a consolidated system of ECS.
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NRO	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
PIO	Person of India Origin
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
RTI	Right to Information, in terms of the Right to Information Act, 2005
Rule 14A	Rule 144A under the Securities Act
₹/Rs./ Rupees/ Indian Rupees	The lawful currency of India
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000

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

#### **Industry Related Terms**

<b>Term</b>	<b>Description</b>
Covid-19	Coronavirus Disease
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IMF	International Monetary Fund
U.S.	United States of America
UK	United Kingdom
US\$	United States Dollar

Notwithstanding the foregoing, terms in “*Main provisions of AoA*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure*” on pages 200, 61, 122, 95, 134 and 155 respectively of this Draft Prospectus, will have the meaning ascribed to such terms in these respective sections.

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

### **Certain Conventions**

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

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

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

### **Financial Data**

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled “*Financial Information*” on page 122 of this Draft Prospectus.

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

The Restated Financial Statements of our Company for the period ended December 31, 2021 and for the Financial Years ended March 2021, 2020 and 2019 which comprise 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 Indian Accounting Standard (Ind AS) financial statements for respective period/year and in accordance with the requirements provided under the provisions of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI.

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

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 19, 86 and 125 respectively, of this Draft Prospectus, and elsewhere in this Draft Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, prepared in accordance with Ind AS, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on pages 19, 62 and 86 respectively, this Draft Prospectus.

### **Currency and Units of Presentation**

All references to:

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

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

### **Exchange rates**

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

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

Currency	Exchange rate as on			
	December 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019*
1 USD	72.98	73.53	75.38	69.17

(Source: RBI reference rate)

\*Exchange rate as on March 29, 2019, as RBI reference rate is not available for March 31, 2019 and March 30, 2019 being a Saturday and Sunday, respectively.

(Source: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://www.fbil.org.in))

### Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

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

The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "Basis for Issue Price" on page 58 of this Draft Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the LM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors" on page 19 of this Draft Prospectus.

## **FORWARD-LOOKING STATEMENTS**

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

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

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

- A reduction in the demand of the products in which we deal in and/or competing products gaining wider market acceptance;
- Loss of one or more of our key intermediary or trader or customer;
- 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;
- Any qualifications or other observations made by our future statutory auditors which may affect our results of operations;
- 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 and Group Companies and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer/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 further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” beginning on pages 19, 86 and 125, respectively, of this Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.



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

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

In accordance with the SEBI ICDR Regulations, our Company, the Promoters and the Lead Managers will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Issue.

## **SECTION II - SUMMARY OF THE OFFER DOCUMENT**

### **SUMMARY OF BUSINESS**

Our Company is engaged in the business of manufacturing of flexible packing materials. We commenced our business as partnership firm in year 2007, however we converted to a public limited company in year 2018.

### **SUMMARY OF INDUSTRY**

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

### **OUR PROMOTER**

Our Company is promoted by Mr. Hikmatbahadur Krishnabhadur Kunwar

### **SIZE OF THE ISSUE**

<b>Equity Shares<sup>(1)</sup>:</b> Present Issue of Equity Shares by our Company <sup>(2)</sup>	Upto 42,00,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	[●] Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
<b>Net Issue to the Public<sup>(3)</sup></b>	[●] Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
	<b>Of Which<sup>(3)</sup>:</b>
	[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of up to Rs. 2.00 lakhs
	[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of above Rs. 2.00 lakhs
<b>Equity Shares outstanding prior to the Issue</b>	1,09,99,524 Equity Shares of Rs. 10/- each
<b>Equity Shares outstanding after the Issue</b>	[●] Equity Shares of Rs. 10/- each
<b>Objects of the Issue</b>	Please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on Page No. 53 of this Prospectus

### **OBJECT OF THE ISSUE**

We intend to utilize the Net Proceeds of the Issue (“Net Proceeds”) of Rs. [●] lakhs for financing the objects as set forth below:

(₹ in lakhs)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount</b>	<b>% of Net Proceeds</b>
1.	Funding the working capital requirements of the company	Upto 310.00	[●]
2.	General Corporate Purposes	[●]	[●]
	<b>Total</b>	[●]	<b>100</b>

For further details pertaining to Object of Issue, kindly refer to the chapter titled “*Object of the Issue*” beginning on Page No. 53 of this Draft Prospectus.

#### **SHAREHOLDING OF OUR PROMOTER AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY**

Set forth is the shareholding of our Promoter and Promoter Group as a percentage of the paid-up share capital of the Company:

Sr. No.	Name of the Shareholders	Pre-Issue		Post Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital		
1.	Mr. Hikmatnabadur Krishnabadur Kunwar	58,57,388	53.25%	[●]	[●]
<b>Total</b>		<b>58,57,388</b>	<b>53.25%</b>	<b>[●]</b>	<b>[●]</b>

#### **SUMMARY OF RESTATED FINANCIAL STATEMENT**

(Rs. in lakhs)

Particulars	As on peiord ended on December 31, 2021	For the year ended March 31,		
		2021	2020	2019
Share Capital	1,099.95	1,099.95	1,099.95	1,099.95
Net Worth	1,480.09	1,398.28	1,258.44	1,168.64
Total Revenue	4,112.91	7,397.88	6,364.32	1,060.24
Profit after Tax	81.81	139.84	89.80	74.15
Basic & Diluted EPS (in Rs.)	0.74	1.27	0.82	0.67
Net Asset Value Per Share (in Rs.)	13.46	12.71	11.44	10.62
Total borrowings	2,422.59	2,390.62	2,018.41	1,388.61

There are no Auditor’s Qualifications in any of the Financial Statements of the Company.

#### **SUMMARY OF OUTSTANDING LITIGATION ARE AS FOLLOWS**

Name of Entity	Criminal Proceedings	Actions by Regulatory Authorities	Tax Proceedings	Other Material Proceedings
By the Company	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil
By the Promoter	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil
By the Directors	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil
By Group Companies	Nil	Nil	Nil	Nil
Against Group Companies	Nil	Nil	Nil	Nil
By the Subsidiaries	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil

Please refer chapter titled “*Outstanding litigations*” beginning on Page No. 134 of this Draft Prospectus.

Investors should read chapter titled “*Risk Factors*” beginning on Page No. 19 of this Draft Prospectus to get a more informed view before making any investment decisions.

#### **SUMMARY OF CONTINGENT LIABILITIES**

There are no contingent liabilities recognized as indicated in our Restated Financial Statements and also certified by our statutory auditors. For further information, please refer Note in relation to “*Provisions and Contingent Liabilities*” under chapter titled “*Financial Statements*” beginning on Page No. 122 of this Draft Prospectus.

#### **SUMMARY OF RELATED PARTY TRANSACTIONS**

(Rs. in lakhs)

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the period ended December 31, 2021	Amount of transaction during the year ended March 31			Amount of transaction during the period ended June 6, 2018
				2021	2020	2019	
Sabar Flexipack Private Limited	Associate* Company	Purchase of materials	-	1,169.76	1,321.05	999.23	238.43
		Sale of materials		1,650.10	1,483.66	1,205.54	246.08
		Vendor Advances		-	53.00	-	-
Hikmatbaha dur Kunwar	Director	Director Remuneration	(110.77)	36.00	36.00	36.00	-
		Loan Taken		15.50	11.95	53.58	13.50
		Loan Repayment		40.25	-	21.00	1.00
		Capital Introduced		-	-	-	4.29
		Capital Withdrawn		-	-	-	7.50
Vishalkumar Bharatbhai Patel	Director** & Promoter	Director Remuneration	(4.46)	-	-	6.00	-
		Loan Taken		-	-	8.00	-
		Interest on Loan		-	-	0.41	-
		Loan Repayment		-	6.20	3.74	-
		Capital Introduced		-	-	-	4.00
Manoj Kumar Agarwal	Director	Director Remuneration	(8.25)	12.00	6.00	6.05	-
		Loan Given		32.00	18.20	-	-
		Loan Taken		-	0.50	0.70	-
		Loan Repayment		33.72	-	-	-
Parth Kunwar	Relative of Director	Salary	(54.67)	12.00	12.00	-	-
		Interest on Loan		-	-	4.38	-
		Loan Given		-	-	-	-
		Loan Taken		2.00	-	-	-
		Loan Repayment		1.05	1.40	0.44	2.00
Radha Kunwar	Relative of Director	Director Remuneration	(5.15)	6.00	6.00	-	-
		Interest on Loan		-	-	3.18	-
		Loan Repaid		5.00	38.00	0.32	-
		Loan Taken		-	0.22	3.04	-
Rahi Tradelinks	HUF of Relative of Director	Purchase of materials	(123.14)	475.34	103.14	-	-
		Vendor Advances		-	50.51	-	-

		Sale of materials		28.94	3.17	-	-
Jagdamba Trading Co.	Proprietorship Firm of Director	Purchase of materials	36.25	14.41	-	-	-
		Sale of materials		3,406.79	1,952.67	712.83	176.04
Aniruddhsingh A Bhati	Promoter	Loan Taken	-	-	8.00	-	-
		Salary	-	3.10	-	-	-
		Loan Repaid	-	8.00	-	-	-
		Capital Withdrawn	-	-	-	-	2.00
		Advance Given	-	-	4.30	-	-
		Advance Repaid	-	4.30	4.30	-	-
Ashoksingh B Bhati (HUF)	HUF of Relative of Promoter	Loan Taken	(4.65)	-	2.00	-	-
		Interest on Loan	-	-	0.72	-	-
		Loan Repaid	-	1.00	-	7.07	-
Manishkumar Govindbhai Chaudhary	Promoter	Loan Taken	-	3.00	1.00	1.00	-
		Salary	-	-	3.00	-	-
		Advance Given	-	3.80	2.85	-	-
		Advance Repaid	-	-	-	-	-
		Loan Repaid	-	3.00	1.75	0.25	-
Nanduba Ashoksingh Bhati	Relative of Promoter	Advance Given	-	-	8.00	-	-
		Advance Repaid	-	-	-	-	-
Ashoksingh Bhati	Relative of Promoter	Advance Given	-	2.00	-	-	-
		Advance Repaid	-	-	-	-	-
Bharatbhai Bhikabhai Patel	Relative of Director** & Promoter	Advance Given	-	17.00	-	-	-
		Advance Repaid	-	-	-	-	-
Sourabh Agrawal	Promoter	Advance Given	-	1.50	-	-	-
		Advance Repaid	-	-	-	-	-
		Capital Introduced	-	-	-	-	1.00

\*Director of the company were promoters and directors of the company upto FY 2021.

\*\*Director upto 22.06.2020

There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoter of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Prospectus.

#### **COST OF ACQUISITION**

The average cost of acquisition of Equity Shares by our Promoter is:

Promoter and Promoter's Group	Average Cost of Acquisition (in Rs.)
Mr. Hikmatbahadur Krishnabhadur Kunwar	10

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

Our Promoters have not acquired any shares in last one year.

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus except as mentioned in the chapter titled "Capital Structure" beginning on Page No. 45 of this Draft Prospectus.

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

### **SECTION III – RISK FACTORS**

*An investment in Equity Shares involves a high degree of risk. Potential investors should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. 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 chapters titled “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Position and Results of Operations” and “Restated Financial Information” beginning on Page Nos. 86, 62, 125 and 122, respectively as well as the other financial and statistical information contained in this Draft 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 period ended December 31, 2021 included herein is derived from the Restated Financial Statements, included in this Draft Prospectus. For further information, please refer the section titled “Financial Information” beginning on Page No. 122 of this Draft Prospectus.*

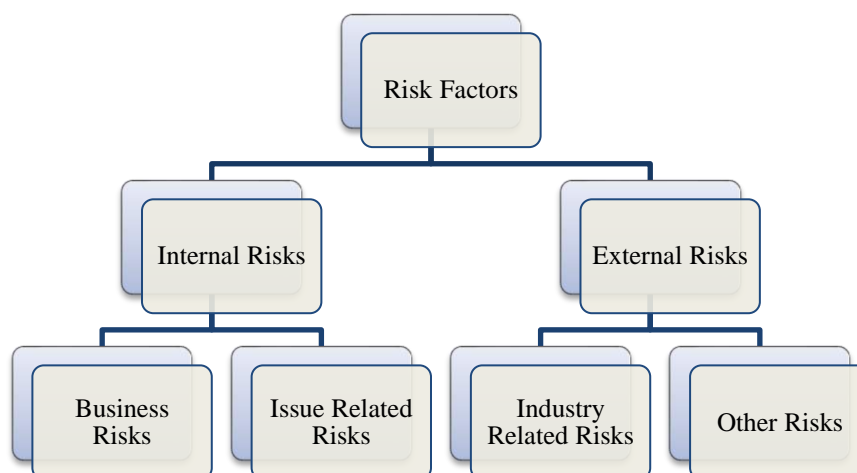
*This Draft Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. For details, please refer the chapter titled “Forward Looking Statements” beginning on Page No. 13 of this Draft 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 Sabar Flex Industries 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 quanlitatively 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**

*Any investment in equity securities involves a high degree of risk. You should carefully consider all of the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with section titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 86 and 125 respectively, as well as the other financial and statistical information contained in this Draft Prospectus.*

*Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.*

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

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issuing unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*The financial information in this section is, unless otherwise stated, derived from our Consolidated Restated Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act 2013 and SEBI (ICDR) Regulations. The risk factors have been determined on the basis of their materiality. Some events may not be material individually but may be found to be material collectively, some events may have a material impact qualitatively instead of quantitatively and some events may not be material at present but may have material impacts in the future.*

### **1. Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations**

In late calendar 2019, COVID-19, commonly known as "novel coronavirus" was first reported in Wuhan, China. Since then, the virus has progressively spread globally to many countries. The World Health Organization declared the COVID-19 outbreak as a health emergency of international concern on January 30, 2020 and thereafter categorized the outbreak as a pandemic on March 11, 2020.

In order to contain the spread of COVID-19 virus, the Government of India initially announced a 21-days lockdown on March 24, 2020, which, after being subject to successive extensions, is being relaxed currently. During the duration of the lockdown, there were several restrictions in place including travel restrictions and directive to all citizens to not move out of their respective houses unless essential. However, during the initial stages of the lockdown our business operations were temporarily disrupted and we faced limited availability of drivers and customers.

Due to the rising number of infected cases of COVID-19 in the country, there is no certainty if additional restrictions will be put back in place or if another lockdown would be re-imposed to control the spread of the pandemic. We cannot assure you that we may not face any difficulty in our operations due to such restrictions and such prolonged instances of lockdown may adversely affect our business, financial condition and results of operations. Further, our ability to ensure the safety of our workforce and continuity of operations while confirming with measures implemented by the central and state governments in relation to the health and safety of our employees may result in increased costs. In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Further, in the event any of our employees contract COVID-19, we may be required to quarantine our employees and shut down a part of or the entire our offices, as necessary. Risks arising on account of COVID-19 can also threaten the safe operation of our facility, offices, loss of life, injuries and impact the well-being of our employees. The ultimate impact will depend on a number of factors, many of which are outside our control. These factors include the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity in India and globally, the eventual level of infections in India or in the regions in which we operate, and the impact of any actions taken by governmental bodies or health organizations (whether mandatory or advisory) to combat the spread of the virus. These risks could have an adverse effect on our business, results of operations, cash flows and financial condition. As on the date of this Draft Prospectus, while we have started our operations post lockdown, there is significant uncertainty on the impact of COVID-19 on global and Indian economy and we may not be able to accurately predict its near term or long term impact on our business

**2. Outstanding Litigations involving our Company and against our Promoters**

<b>Name of Entity</b>	<b>Criminal Proceedings</b>	<b>Actions Regulatory Authorities by</b>	<b>Tax Proceedings</b>	<b>Other Material Proceedings</b>
By the Company	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil
By the Promoter	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil
By the Directors	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil
By Group Companies	Nil	Nil	Nil	Nil
Against Group Companies	Nil	Nil	Nil	Nil
By the Subsidiaries	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil

**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. 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 further details, please refer the chapter titled “*Government and Other Approvals*” beginning on Page No. 137 of this Draft 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 process 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. There can be no assurance that electricity supplied will be sufficient to meet our requirements or that we will be able to procure adequate and interrupted 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 manner, 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, our power cost will increase and it may not be possible to pass on any increase in our power cost to our customers, which may adversely affect our profit margins. Additionally, we require water for process in manufacturing of our products and for human consumption. 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. ***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 various Forms relating to appointment and resignation of directors i.e. Form DIR-12 and Annual Filing in form AOC-4 and MGT-7 with Registrar of Companies.

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.

6. ***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.

7. ***Our success largely depends upon the knowledge and experience of our Key Managerial Personnel, namely Mr. Hikmatbahadur Krishnabahadur Kunwar. Loss 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. Hikmatbahadur Krishnabahadur Kunwar 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 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, please refer to the chapter titled "Our Management" beginning on Page No. 108 of this Draft Prospectus.

8. ***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 and other parties for short-term and long-term borrowings. As on December 31, 2021, we had total outstanding borrowings of ₹ 2,422.59 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, please refer to the chapter titled "Financial Information" beginning on Page No. 122 of this Draft 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.

**9. *Our Promoters and Promoter Group 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 Prospectus, our Promoters and Promoter Group hold approximately 53.25% of the share capital of our Company. Accordingly, our Promoters and Promoter Group 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 shareholders. The interests of the Promoters and promoter Group 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.

**10. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue price.***

Our Promoter average cost of acquisition of Equity Shares in our Company could be lower than the Issue Price as decided by the Company in consultation with the Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoter in our Company and build-up of Equity Shares by our Promoter in our Company, please refer chapter title "Capital Structure" and "Summary of Offer Document" beginning on page 45 and 15, respectively of this Draft Prospectus.

**11. *Industry information of the Company included in this Draft 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 Prospectus. This data is subject to various limitations and based upon certain assumptions that are subjective in nature. None of our Company, the Lead Manager 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 Lead Manager 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 Prospectus.

**12. *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.

**13. *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, chapter titled “Restated Financial Information” beginning on Page No. 122 of this Draft Prospectus.

**14. *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, please refer to the chapter titled “Objects of the Issue” beginning on Page No. 53 of this Draft 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.

**15. *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 No. 53 of this Draft 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 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.

**16. *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, please refer to the chapter titled "Dividend Policy" beginning on Page No. 121 of this Draft 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. 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.

**17. *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 our 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.

**18. *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.

**19. *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 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 can be no assurance that any transaction, 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, please refer to the chapter titled "Restated Financial Information" beginning on Page No. 122 of this Draft Prospectus.

**20. *Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of manufacturing equipment, fire, riots, loss-in-transit for our products, accidents and natural disasters. The policies insure us against loss or damage caused by burglary, fire, earthquake etc. and insure inter alia our godown, plant and machinery, accessories, furniture, fixture and fittings, goods, etc. 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. 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 could adversely affect our results of operations and financial position.

**21. *Our individual Promoters and certain other persons 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 and certain other persons 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.

**22. *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 plastic packing materials, LDPE (Low Density Poly Propylene) is used as the primary raw material during our manufacturing process. Therefore, we are highly dependent on yarn, 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 raw materials. 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.

**23. *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. 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 may lead 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.

**24. *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 No. 53 of this Draft 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 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.

***25. Any future acquisitions, joint ventures, partnerships, strategic alliances, tie-ups or investments could fail to achieve expected synergies and may disrupt our business and harm the results of operations and our financial condition.***

Our success will depend, in part, on our ability to expand our business in response to changing technologies, customer demands and competitive pressures. We have, in the past, explored and continue to explore opportunities on our own, through collaborations, tie-ups, strategic alliances, partnerships or joint venture across the country and regions of focus. In some circumstances, we may also decide to acquire, or invest in, complementary technologies instead of internal development. While we are currently evaluating opportunities and negotiating with several potential partners, we have not entered into any definitive agreements. The risks we face in connection with acquisitions may include integration of product and service offerings, co-ordination of R&D and marketing functions and the diversion of management’s time and focus from operating our business to addressing challenges pertaining to acquisition and integration. Our failure to address these risks or other problems encountered in connection with our acquisitions and investments could result in our failure to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally

***26. We will require additional capital to support the growth of our business, and this capital might not be available on reasonable terms or at all.***

To continue to effectively compete, we will require additional funds to support the growth of our business and allow us to invest in new products, offerings, and markets. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders may suffer significant dilution, and any new equity securities we issue may have rights, preferences, and privileges superior to those of existing stockholders. Certain of our existing debt instruments contain, and any debt financing we secure in the future could contain, restrictive covenants relating to our ability to incur additional indebtedness and other financial and operational matters that make it more difficult for us to obtain additional capital with which to pursue business opportunities. For example, our existing debt instruments contain significant restrictions on our ability to incur additional secured indebtedness. We may not be able to obtain additional financing on favorable terms, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when required, our ability to continue to support our business growth and to respond to business challenges and competition may be significantly limited.

***27. 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.

***28. 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 plastic 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.

**29. *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.

**30. *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 quality standards by our 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.

## **EXTERNAL RISK FACTORS**

**31. *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.

**32. *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 by 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.

**33. *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.

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.

**34. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors assessments of Our Company's financial condition. Our failure to successfully adopt IFRS may have an adverse effect on the price of our Equity Shares. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.**

Our financial statements, including the financial statements provided in this Draft Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, refer chapter titled “*Certain Conventions, Presentation of Financial, Industry and Market Data*” beginning on Page No. 11 of this Draft Prospectus. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

India has decided to adopt the “Convergence of its existing standards with IFRS” and not the “International Financial Reporting Standards” (“IFRS”), which was announced by the MCA, through the press note dated January 22, 2010. These “IFRS based / synchronized Accounting Standards” are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS). The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, MCA Notification dated February 16, 2015, has provided an exemption to the Companies proposing to list their shares on the SME Exchange as per Chapter IX of the SEBI ICDR Regulations and hence the adoption of IND (AS) by a SME exchange listed Company is voluntary. Accordingly, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP and IFRS as applied to its financial statements. There can be no assurance that the adoption of IND-AS will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND-AS may have an adverse effect on the trading price of our Equity Shares. Currently, it is not possible to quantify whether our financial results will vary significantly due to the convergence to IND (AS), given that the accounting principles laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of the converged standards (i.e., IND (AS)) and for future periods.

Moreover, if we volunteer for transition to IND (AS) reporting, the same may be hampered by increasing competition and increased costs for the relatively small number of IND (AS)-experienced accounting personnel available as more Indian companies begin to prepare IND (AS) financial statements. Any of these factors relating to the use of converged Indian Accounting Standards may adversely affect our financial condition.

**35. 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

**36. *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.

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

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

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

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

#### **RISKS RELATING TO EQUITY SHARES**

**39. *Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

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

**40. *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.

**41. *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 LM through the Fixed Price process. This price will be based on numerous factors, as described under the chapter “Basis for Issue Price” beginning on Page No. 58 of this Draft 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.

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

***43. 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, please refer to the chapter titled “Restrictions on Foreign Ownership of Indian Securities” beginning on Page No. 198 of this Draft Prospectus.

***44. 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.

**45. *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 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.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India.

**47. *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 listing and commencement of trading of Equity Shares. 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. 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.

**48. *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, please refer to the chapter titled "Terms of the Issue" beginning on Page No. 146 of this Draft Prospectus. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

**49. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.***

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose

onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge being collected by the central and state governments. The GST has led to increase tax incidence and administrative compliance. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

## **SECTION IV – INTRODUCTION**

### **THE ISSUE**

#### **PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS:**

<b>Equity Shares<sup>(1)</sup>:</b> Present Issue of Equity Shares by our Company <sup>(2)</sup>	Upto 42,00,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	[●] Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
<b>Net Issue to the Public<sup>(3)</sup></b>	[●] Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
	<b>Of Which<sup>(3)</sup>:</b>
	[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of up to Rs. 2.00 lakhs
	[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of above Rs. 2.00 lakhs
<b>Equity Shares outstanding prior to the Issue</b>	1,09,99,524 Equity Shares of Rs. 10/- each
<b>Equity Shares outstanding after the Issue</b>	[●] Equity Shares of Rs. 10/- each
<b>Objects of the Issue</b>	Please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on Page No. 53 of this Prospectus

<sup>(1)</sup> This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer the section titled “Issue Related Information” beginning on Page No. 146 of this Draft Prospectus.

<sup>(2)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated March 16, 2022 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on March 21, 2022.

<sup>(3)</sup> The allocation is the net issue to the public category shall be made as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
  - i. Individual applicants other than retail individual investors; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

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

For further details please refer to the chapter titled “Issue Structure” beginning on Page No. 152 of this Draft Prospectus.

**SUMMARY OF FINANCIAL INFORMATION**

<b>Particulars</b>	<b>Page Nos.</b>
Summary of Restated Financials	SF-1 to SF-3

## STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

## ANNEXURE - I

(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
1)	<b><u>EQUITY AND LIABILITIES</u></b>						
	<b><u>Shareholders Funds</u></b>						
	a. Share Capital	V	1,099.95	1,099.95	1,099.95	1,099.95	1,099.95
	b. Reserves & Surplus	VI	380.14	298.33	158.49	68.69	(5.46)
2)	<b><u>Non - Current Liabilities</u></b>						
	a. Long-term Borrowings	VII	920.87	723.85	448.32	279.67	110.87
	b. Deferred tax liability (net)	VIII	46.76	40.33	29.81	16.50	1.87
	c. Long-term Provisions	IX	23.23	22.04	15.15	9.48	1.84
3)	<b><u>Current Liabilities</u></b>						
	a. Short Term Borrowings	X	1,501.72	1,666.77	1,570.09	1,108.94	943.62
	b. Trade Payables	XI					
	-Due to Micro, Small and Medium Enterprises		-	-	-	-	-
	-Due to others		1,163.66	776.80	627.15	840.98	556.53
	c. Other Current liabilities	XII	45.73	487.71	112.40	59.18	64.88
	d. Short Term Provisions	XIII	69.30	46.30	29.56	25.20	4.78
<b>TOTAL</b>			<b>5,251.36</b>	<b>5,162.08</b>	<b>4,090.92</b>	<b>3,508.59</b>	<b>2,778.88</b>
1)	<b><u>ASSETS</u></b>						
	<b><u>Non Current Assets</u></b>						
	a. Property, Plant & Equipment						
	- Tangible Assets	XIV	854.92	885.51	827.90	858.91	599.66
	- Capital Work-in-Progress		-	-	-	-	133.45
	b. Non-Current Investments	XV	0.02	0.02	0.02	0.02	0.02
	b. Long-term Loans & Advances	XVI	20.25	20.25	26.12	24.70	17.83
	c. Other Non Current Assets	XVII	-	0.11	0.11	0.11	0.11
2)	<b><u>Current Assets</u></b>						
	a. Inventories	XVIII	2,863.31	2,207.53	1,766.64	1,258.16	811.24
	b. Trade Receivables	XIX	1,372.65	1,832.20	1,275.48	1,239.23	1,142.39
	c. Cash and Cash Equivalents	XX	40.28	29.60	7.65	9.31	6.68
	d. Short term loan and advances	XXI	97.45	181.91	187.00	118.15	67.50
	e. Other current assets	XXII	2.48	4.95	-	-	-
<b>TOTAL</b>			<b>5,251.36</b>	<b>5,162.08</b>	<b>4,090.92</b>	<b>3,508.59</b>	<b>2,778.88</b>

See accompanying annexures forming part of the restated standalone financial statements (Refer Annexure No. IV to XXXVIII)

For Patel Jain & Associates  
Chartered Accountants  
FRN - 129797W

For and on behalf of the Board of Directors of  
Sabar Flex India Limited

SD/-  
Kunjit M Patel  
Partner  
Mem No- 131711  
UDIN - 22131711AGYAJR8344

SD/-  
Hikmatbahadur Krishabhadur Kunwar  
(Director)  
DIN - 00024010

SD/-  
Manoj Kumar Agarwal  
(Director)  
DIN - 08108458

Place : Ahmedabad  
Date : 30/03/2022

SD/-  
Tinkle Rawal  
(Chief Financial Officer)  
Place : Ahmedabad  
Date : 30/03/2022

SD/-  
Kushang Surendrakumar Thakkar  
(Company Secretary)



## STATEMENT OF PROFIT AND LOSS AS RESTATED

## ANNEXURE - II

(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
<b>A</b>	<b>INCOME</b>						
	Revenue from Operations	XXIII	4,099.48	7,391.70	6,358.99	3,615.59	1,054.66
	Other income	XXIV	13.43	6.18	5.33	1.48	5.58
	<b>Total Income (A)</b>		<b>4,112.91</b>	<b>7,397.88</b>	<b>6,364.32</b>	<b>3,617.07</b>	<b>1,060.24</b>
<b>B</b>	<b>EXPENDITURE</b>						
	Cost of raw material consumed	XXV	3,871.33	6,813.01	5,836.68	2,587.89	794.98
	Direct Expenses	XXVI	132.53	250.65	212.15	742.21	183.37
	Changes in inventories of work-in-progress and finished goods	XXVII	(438.28)	(370.28)	(324.46)	(209.45)	(23.86)
	Employee benefits expense	XXVIII	194.35	222.23	216.61	186.38	19.98
	Finance costs	XXIX	174.90	199.71	184.77	110.43	16.04
	Depreciation and Amortization	XXX	52.98	62.35	58.25	41.76	6.80
	Other expenses	XXXI	13.67	31.16	58.80	53.35	40.37
	<b>Total Expenses (B)</b>		<b>4,001.48</b>	<b>7,208.83</b>	<b>6,242.80</b>	<b>3,512.57</b>	<b>1,037.68</b>
<b>C</b>	<b>Profit before tax</b>		<b>111.43</b>	<b>189.05</b>	<b>121.52</b>	<b>104.50</b>	<b>22.56</b>
<b>D</b>	<b>Tax Expense</b>						
	(i) Current tax	XXXVII	23.19	38.69	18.96	20.11	4.85
	(ii) Deferred tax	VIII	6.43	10.52	13.31	14.63	(28.58)
	(iii) MAT Credit Entitlement		-	-	(0.55)	(4.39)	-
	<b>Total Tax Expenses (D)</b>		<b>29.62</b>	<b>49.21</b>	<b>31.72</b>	<b>30.35</b>	<b>(23.73)</b>
<b>E</b>	<b>Profit for the year (C-D)</b>		<b>81.81</b>	<b>139.84</b>	<b>89.80</b>	<b>74.15</b>	<b>46.29</b>
<b>F</b>	<b>Earnings per share (Face value of ₹ 10/- each):</b>						
		XXXVI					
	<b>i. Basic</b>		<b>0.74</b>	<b>1.27</b>	<b>0.82</b>	<b>0.67</b>	<b>0.42</b>
	<b>ii. Diluted</b>		<b>0.74</b>	<b>1.27</b>	<b>0.82</b>	<b>0.67</b>	<b>0.42</b>

See accompanying annexures forming part of the restated standalone financial statements (Refer Annexure No. IV to XXXVIII)

For Patel Jain & Associates  
Chartered Accountants  
FRN - 129797W

For and on behalf of the Board of Directors of  
Sabar Flex India Limited

SD/-  
Kunjit M Patel  
Partner  
Mem No- 131711  
UDIN - 22131711AGYAJR8344

SD/-  
Hikmatbahadur Krishabhadur Kunwar  
(Director)  
DIN - 00024010

SD/-  
Manoj Kumar Agarwal  
(Director)  
DIN - 08108458

Place : Ahmedabad  
Date : 30/03/2022

SD/-  
Tinkle Rawal  
(Chief Financial Officer)  
Place : Ahmedabad  
Date : 30/03/2022

SD/-  
Kushang Surendrakumar Thakkar  
(Company Secretary)

## STATEMENT OF CASH FLOW AS RESTATED

## ANNEXURE - III

(₹ In Lakhs)

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
<b>Cash Flow From Operating Activities:</b>					
Net Profit before tax as per Profit And Loss A/c	111.43	189.05	121.52	104.50	22.56
<b>Adjustments for:</b>					
Interest Income	-	-	(0.96)	(0.92)	(0.83)
Depreciation & Amortization Expenses	52.98	62.35	58.25	41.76	6.80
Gratuity Provision	2.24	7.98	5.84	8.04	1.84
Finance Cost	143.76	193.63	183.26	109.75	16.04
<b>Operating Profit Before Working Capital Changes</b>	<b>310.41</b>	<b>453.01</b>	<b>367.91</b>	<b>263.13</b>	<b>46.41</b>
Adjusted for (Increase)/Decrease in operating assets					
Long-Term Loans and advances	-	5.87	(0.87)	(2.48)	(17.84)
Inventories	(655.78)	(440.89)	(508.48)	(446.92)	(57.22)
Trade Receivables	459.55	(556.72)	(36.25)	(96.84)	69.25
Short Term Loans and advances	84.46	5.09	(68.85)	(50.65)	(41.74)
Other Non-Current Assets	0.11	-	-	-	-
Other Current Assets	2.47	(4.95)	-	-	-
Adjusted for Increase/(Decrease) in operating liabilities:					
Trade Payables	386.86	149.65	(213.83)	284.45	28.42
Other Current Liabilities	(441.98)	375.31	53.22	(5.70)	40.14
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>146.10</b>	<b>(13.63)</b>	<b>(407.15)</b>	<b>(55.01)</b>	<b>67.42</b>
Net Income Tax paid/ refunded	(1.24)	(23.04)	(14.77)	(0.10)	(0.07)
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>144.86</b>	<b>(36.67)</b>	<b>(421.92)</b>	<b>(55.11)</b>	<b>67.35</b>
Purchase of Fixed Assets (Incl Capital WIP)	(22.39)	(119.96)	(27.24)	(167.55)	(27.58)
Interest Income	-	-	0.96	0.92	0.83
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(22.39)</b>	<b>(119.96)</b>	<b>(26.28)</b>	<b>(166.63)</b>	<b>(26.75)</b>
<b>Cash Flow from Financing Activities:</b>					
Proceeds(Repayment) of Partner Capital	-	-	-	-	(4.41)
Proceeds from Borrowings	31.97	372.21	629.80	334.12	(18.36)
Finance Cost Paid	(143.76)	(193.63)	(183.26)	(109.75)	(16.04)
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>(111.79)</b>	<b>178.58</b>	<b>446.54</b>	<b>224.37</b>	<b>(38.81)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	10.68	21.95	(1.66)	2.63	1.79
Cash & Cash Equivalents As At Beginning of the Year	29.60	7.65	9.31	6.68	4.89
Cash & Cash Equivalents As At End of the Year	<b>40.28</b>	<b>29.60</b>	<b>7.65</b>	<b>9.31</b>	<b>6.68</b>

See accompanying annexures forming part of the restated standalone financial statements (Refer Annexure No. IV to XXXVIII)

Note: The Cash Flow Statements has been prepared under Indirect Method as set out in Accounting Standard 3, 'Cash Flow Statements' notified under section 133 of the Companies Act, 2013.

For Patel Jain & Associates  
Chartered Accountants  
FRN - 129797W

For and on behalf of the Board of Directors of  
Sabar Flex India Limited

SD/-  
Kunjit M Patel  
Partner  
Mem No- 131711  
UDIN - 22131711AGYAJR8344

SD/-  
Hikmatbahadur Krishabhadur Kunwar  
(Director)  
DIN - 00024010

SD/-  
Manoj Kumar Agarwal  
(Director)  
DIN - 08108458

Place : Ahmedabad  
Date : 30/03/2022

SD/-  
Tinkle Rawal  
(Chief Financial Officer)  
Place : Ahmedabad  
Date : 30/03/2022

SD/-  
Kushang Surendrakumar Thakkar  
(Company Secretary)

## **GENERAL INFORMATION**

Our Company was originally formed as a Partnership Firm under the Partnership Act, 1932 (“Partnership Firm”) having Firm Registration Number MHN/6001 in the name and style of “*Sabar Flex Industries*” pursuant to Deed of Partnership dated March 06, 2007. Sabar Flex Industries was thereafter converted from Partnership Firm to a Public Limited Company under Part I Chapter XXI of the Companies Act, 2013 with the name and style of “*Sabar Flex India Limited*” and received a Certificate of Incorporation from the Registrar of Companies, dated June 7, 2018. The corporate identification number of our Company is U25209GJ2018PLC102720. For further details, including change in our Registered Office, please refer the chapter “*History and Certain Corporate Matters*” beginning on Page No. 106 of this Draft Prospectus.

### **REGISTERED OFFICE OF OUR COMPANY**

#### **SABAR FLEX INDIA LIMITED**

B/1/104, Palledium, NR. Orchid Wood,  
Opp. Divya Bhaskar, Corporate Road,  
Prahladnagar Ahmedabad- 380015, Gujarat, India

**Telephone:** +91 9429111979

**E-mail:** [info@sabarflex.in](mailto:info@sabarflex.in)

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

**CIN:** U25209GJ2018PLC102720

### **CORPORATE OFFICE OF OUR COMPANY**

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

### **REGISTRAR OF COMPANIES**

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

#### **REGISTRAR OF COMPANIES, GUJARAT**

ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad-380013,  
Gujarat, India.

### **BOARD OF DIRECTORS OF OUR COMPANY**

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

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
1.	Hikmatbahadur Krishnabahadur Kunwar	Chairman and Managing Director	00024010	Shree Chandika Niwas, Zarneshwar Road, Opp. Gujarati School, Mahetapura, Himatnagar, Gujarat – 383001, India
2.	Manoj Kumar Agarwal	Executive Director	08108458	4/B, Status Appartments, Mahavir Nagar, Near Bombay Society, Himatnagar-383001, Gujarat, India
3.	Sonalbahen Pratikbhai Bhatt	Additional Non-Executive Director	09507674	Nr. Bank of Baroda, Opp. Seth ni pole, Tal.- Sidhpur, Dist. Patan- 384151
4.	Shubham Bhatt	Additional Independent Director	09507674	207, Chandan Apartment, 585/3, MG Road, Indore, Madhyapradesh - 452001
5.	Bhavna Shah	Additional Independent Director	09494548	7, Chandanwadi, Sahibaug, Behind Circuit House, Ahmedabad – 380 004, Gujarat, India.

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 108 of the Draft Prospectus.

#### **CHIEF FINANCIAL OFFICER**

**Tinkle Rawal**, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

B/1/104, Palledium, NR. Orchid Wood,

Opp. Divya Bhaskar, Corporate Road,

Prahladnagar Ahmedabad- 380015, Gujarat, India

**Telephone:** +91 9429111979

**E-mail:** [info@sabarfex.in](mailto:info@sabarfex.in)

#### **COMPANY SECRETARY AND COMPLIANCE OFFICER**

**Kushang Surendrakumar Thakkar**, is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

B/1/104, Palledium, NR. Orchid Wood,

Opp. Divya Bhaskar, Corporate Road,

Prahladnagar Ahmedabad- 380015, Gujarat, India

**Telephone:** +91 9429111979

**E-mail:** [info@sabarfex.in](mailto:info@sabarfex.in)

#### **INVESTOR GRIEVANCES**

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

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

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

Details of key intermediaries pertaining to this issue of our company:

#### **LEAD MANAGER**

##### **GYR Advisors Private Limited**

428, Gala Empire, Near JB Tower,

Drive in Road, Thaltej, Ahmedabad-380 054,

Gujarat, India.

**Tel:** +91 95375 94321

**Fax:** N.A.

**Email ID:** [info@gyrcapitaladvisors.com](mailto:info@gyrcapitaladvisors.com)

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

**Investor Grievance ID:** [compliance@gyrcapitaladvisors.com](mailto:compliance@gyrcapitaladvisors.com)

**Contact Person:** Mr. Yash Doshi

**SEBI Registration Number:** INM000012810

#### **REGISTRAR TO THE ISSUE**

**Bigshare Services Private Limited**

1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East),  
Mumbai 400059, India.

**Contact Person:** Mr. Swapnil Bhate

**Tel:** 022 6263 8200

**Fax:** 022 6263 8280

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

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

**SEBI Registration No. :** INR000001385

**LEGAL ADVISOR TO THE ISSUE****T&S LAW**

Near VVIP Mall, Raj Nagar Extension,  
Ghaziabad – 201 017, Uttar Pradesh, India

**Tel:** +91 959 922 9770

**Fax:** N.A.

**Email:** [info.tandslaw@gmail.com](mailto:info.tandslaw@gmail.com)

**STATUTORY AND PEER REVIEW AUDITOR OF OUR COMPANY****M/S. PATEL JAIN & ASSOCIATES**

Chartered Accountants

702, 7<sup>th</sup> Floor, Silicon Tower, B/h Samartheshwar Mahadev,  
Law Garden, Ellisbridge, Ahmedabad-380006  
Gujarat, India.

**Tel:** + 91 9978607608 / 079 48997522

**Fax:** N.A.

**Email:** [kmp@pateljain.com](mailto:kmp@pateljain.com)

**Contact Person:** Mr. Kunjit Patel

**Membership No.:** 131711

**Firm Registration No.:** 129797W

**Peer Review Certificate No.:** 013962

**BANKER TO THE COMPANY**

[●]\*

*\*The banker to the company will be appointed prior to registering Prospectus with the RoC*

**PUBLIC ISSUE BANK/ BANKER TO THE ISSUE AND REFUND BANKER**

[●]\*

*\*The banker to the Issue will be appointed prior to registering Prospectus with the RoC*

**SPONSOR BANK**

[●]\*

*\*The Sponsor Bank will be appointed prior to registering Prospectus with the RoC*

**DESIGNATED INTERMEDIARIES**

## **Syndicate Member**

The Syndicate Member(s) shall be appointed prior to filing of the Prospectus.

## ***Self-Certified Syndicate Banks***

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

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

## ***SCSBs enabled for UPI Mechanism***

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

## ***Registered Brokers***

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

## ***Registrar and Share Transfer Agent***

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

## ***Collecting Depository Participants***

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on collecting depository participants, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

## **IPO GRADING**

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

## **CREDIT RATING**

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

## **GREEN SHOE OPTION**

No Green Shoe Option is applicable for this Issue.

## **BROKERS TO THE ISSUE**

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

## **DEBENTURE TRUSTEES**

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

## MONITORING AGENCY

As the Net Proceeds of the Issue will be less than ₹10,000 lacs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

## APPRAISING ENTITY

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

## EXPERT OPINION

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

Our Company has received written consent dated March 30, 2022 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated March 30, 2022 on our restated consolidated financial information; and (ii) its report dated March 30, 2022 on the statement of special tax benefits in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

## INTER-SE ALLOCATION OF RESPONSIBILITIES

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

## FILING

The Draft Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, a copy of Draft Prospectus shall be furnished to the Board. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of this Draft Prospectus, will be filed with the Emerge Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed.

A copy of the Prospectus, along with the material contracts and documents will also be submitted to the RoC under Section 32 and Section 26 of the Companies Act, 2013 at its office situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India.

## CHANGES IN AUDITORS DURING THE LAST THREE YEARS

There has been no change in the Auditors of our Company during the last three years.

## ISSUE PROGRAMME

An indicative time table in respect of the Issue is set out below:

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment / Refunds / Unblocking of Funds <sup>(1)</sup>	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

<sup>(1)</sup>In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager 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 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. 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 Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by

our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Prospectus and 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.

Applications and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between 10.00 a.m. and 3.00 p.m. (IST) or such extended time as permitted by the Stock Exchange, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchange. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

For further details, see “Issue Structure” and “Issue Procedure” beginning on pages **Error! Bookmark not defined.** and **Error! Bookmark not defined.**, respectively.

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

## UNDERWRITING AGREEMENT

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

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

(₹ in lacs)

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

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

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



The Board, 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.

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

Our Company has entered into a Market Making Agreement dated [●] with the following Market Maker for fulfilling the Market Making obligations under this Issue:

[●]	[●]	[●]
-----	-----	-----

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with National Stock Exchange of India Limited to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

[●], registered with Emerge Platform of National Stock Exchange of India Limited will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by National Stock Exchange of India Limited and SEBI in this matter from time to time.

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the Investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and Emerge Platform of National Stock Exchange of India Limited from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Maker for the Company's Equity Shares at any point of time and the Market Maker may compete with other Market Maker for better quotes to the investors.
6. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on Emerge Platform of National Stock Exchange of India Limited and market maker will remain present as per the guidelines mentioned under National Stock Exchange of India Limited and SEBI circulars.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
8. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Managers, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Managers to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Lead Managers reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

9. **Risk containment measures and monitoring for Market Maker:** Emerge Platform of National Stock Exchange of India Limited will have all margins which are applicable on the National Stock Exchange of India Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base

Minimum Capital etc. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.

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

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

11. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
12. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Markets Makers during market making process has been made applicable, based on the Issue size and as follows:

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

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

**On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.**

#### **WITHDRAWAL OF THE ISSUE**

Our Company and Selling Shareholders in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared, and the Stock Exchange will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## CAPITAL STRUCTURE

The share capital of our Company as on date of this Draft Prospectus is set forth below:

(in Rs. except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
<b>A.</b>	<b>Authorised Share Capital out of which :</b>		
	1,60,00,000 Equity Shares having face value of Rs. 10/- each	16,00,00,000	-
<b>B.</b>	<b>Issued, Subscribed and Paid-up Share Capital before the Issue out of which</b>		
	1,09,99,524 Equity Shares having face value of Rs. 10/- each	10,99,95,240	-
<b>C.</b>	<b>Present Issue in terms of this Draft Prospectus<sup>(1)</sup></b>		
	Issue of upto 42,00,000 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share	[●]	[●]
	<b>Which comprises:</b>		
	[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
	Net Issue to Public of [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share to the Public	[●]	[●]
	<b>Of which<sup>(2)</sup>:</b>		
	Up to [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of up to Rs. 2.00 lakhs	[●]	[●]
	Up to [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of above Rs. 2.00 lakhs	[●]	[●]
<b>D.</b>	<b>Paid-up Share Capital after the Issue</b>		
	[●] Equity Shares of Rs. 10/- each		[●]
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		NIL
	After the Issue		[●]

<sup>(1)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated March 16, 2022 and a special resolution of our Shareholders at an Extra-Ordinary General Meeting dated March 21, 2022 under Section 62(1)(c) of the Companies Act, 2013.

<sup>(2)</sup> Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under-subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

### Classes of Shares

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

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

The initial authorised capital of our Company is Rs. 16,00,00,000 /- (Rupees Sixteen Crore only) divided into 1,60,00,000 Equity Shares of Rs. 10/- each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Shareholder's Meeting	Particulars of Change				AGM/EGM
	From		To		
January 07, 2022	Rs. 11,00,00,000/- divided into 1,10,00,000 Equity Shares of Rs. 10/- each		Rs. 16,00,00,000/- divided into 1,60,00,000 Equity Shares of Rs. 10/- each		EGM

## NOTES TO THE CAPITAL STRUCTURE

### 1. Share Capital History of our Company:

#### Equity Share Capital

The following table sets forth details of the history of paid-up Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up Capital (Rs.)
On Incorporation*	1,09,99,524	10	10	Cash	Subscription to Memorandum of Association	1,09,99,524	10,99,95,240

\* Pursuant to conversion of partnership firm M/s Sabar Flex Industries into Company under Part I chapter XXI of the Companies Act, 2013, the Initial Subscribers to Memorandum of Association subscribed 1,09,99,524 Equity Shares of face value of Rs. 10/- each fully paid up.

### 2. Preference Share capital history of our Company

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

### 3. Issue of equity shares for consideration other than cash or out of revaluation reserves and through Bonus Issue:

Except upon incorporation as conversion from Partnership firm to Company, our Company does has not issued any Equity Shares for consideration other than cash as on date of this Draft Prospectus.

- As of date of this Draft Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
- Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
- Our Company has not issued any Equity Shares at a price lower than the Issue Price during a period of the one year preceding the date of this Draft Prospectus.

### 7. Shareholding Pattern of our Company

The table below represents the shareholding pattern of our Company as on the date of this Draft Prospectus:

Category (I)	Category of Share- holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII) As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)				No of Underlying Outstanding Convertible securities (incl. Warrants) (X)	Share Holding as a % assuming Full convertible securities (as a % of Diluted Share Capital)(XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held in Demat form (XIV)
								No of voting Right			Total As a % of (A+B+C)			No (a)	As a %of total shares held (b)	No (a)	As a % of total shares held (b)	
								Class Equity	Class	Total								
A	Promoters & Promoter Group	01	58,57,388	-	-	58,57,388	53.25	58,57,388	-	53.25	53.25	-	53.25	[●]	[●]	-	-	58,57,388
B	Public	06	51,42,136	-	-	51,42,136	46.75	51,42,136	-	46.75	46.75	-	46.75	[●]	[●]	-	-	51,42,136
C	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	7	1,09,99,524	-	-	1,09,99,524	100	1,09,99,524	-	1,09,99,524	100	-	100	[●]	[●]	-	-	1,09,99,524

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

## 8. Other details of shareholding of our Company:

- a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 100% of the paid-up share capital and the number of shares held by them as on the date of filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Mr. Hikmatnahadur Krishnabahadur Kunwar	58,57,388	53.25%
2.	Mrs. Nanduba Ashoksinh Bhati	10,30,655	9.37%
3.	Mr. Sourabh Praveen Agarwal	7,88,654	7.17%
4.	Mr. Manoj Kumar Basudev Agarwal	12,40,854	11.28%
5.	Mr. Manishbhai Govindbhai Chaudhari	1,00,000	0.91%
6.	Mr. Bharatkumar Bhikhabhai Patel	1,00,000	0.91%
7.	Mr. Vishalkumar Bharatkumar Patel	1,00,000	0.91%
8.	Mrs. Nayana Chandubhai Thakor	17,81,973	16.20%
Total		1,09,99,524	100.00%

- b) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten (10) days prior to the date of filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Mr. Hikmatnahadur Krishnabahadur Kunwar	58,57,388	53.25%
2.	Mrs. Nanduba Ashoksinh Bhati	10,30,655	9.37%
3.	Mr. Sourabh Praveen Agarwal	7,88,654	7.17%
4.	Mr. Manoj Kumar Basudev Agarwal	12,40,854	11.28%
5.	Mr. Manishbhai Govindbhai Chaudhari	1,00,000	0.91%
6.	Mr. Bharatkumar Bhikhabhai Patel	1,00,000	0.91%
7.	Mr. Vishalkumar Bharatkumar Patel	1,00,000	0.91%
8.	Mrs. Nayana Chandubhai Thakor	17,81,973	16.20%
Total		1,09,99,524	100.00%

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

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Mr. Hikmatnahadur Krishnabahadur Kunwar	58,57,388	53.25%
2.	Mr. Anirudhsinh Ashoksinh Bhati	10,30,655	9.37%
3.	Mr. Sourabh Praveen Agarwal	7,88,654	7.17%
4.	Mr. Manoj Kumar Basudev Agarwal	12,40,854	11.28%
5.	Mr. Manishbhai Govindbhai Chaudhari	5,96,821	5.43%
6.	Mr. Bharatkumar Bhikhabhai Patel	6,54,471	5.95%
7.	Mr. Vishalkumar Bharatkumar Patel	8,30,681	7.55%
Total		1,09,99,524	100.00%

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

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Mr. Hikmatnahadur Krishnabahadur Kunwar	58,57,388	53.25%
2.	Mr. Anirudhsinh Ashoksinh Bhati	10,30,655	9.37%

3.	Mr. Sourabh Praveen Agarwal	7,88,654	7.17%
4.	Mr. Manoj Kumar Basudev Agarwal	12,40,854	11.28%
5.	Mr. Manishbhai Govindbhai Chaudhari	5,96,821	5.43%
6.	Mr. Bharkumar Bhikhabhai Patel	6,54,471	5.95%
7.	Mr. Vishalkumar Bharkumar Patel	8,30,681	7.55%
<b>Total</b>		<b>1,09,99,524</b>	<b>100.00%</b>

- e) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of the Draft Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.
- f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Draft Prospectus.
9. Our Company does not have any intention or proposal to alter its capital structure within a period of six (06) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

#### 10. Shareholding of our Promoters

Set forth below are the details of the build-up of shareholding of our Promoter:

Date of Allotment / Transfer	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	Nature of Transaction	Consideration	% of Pre-Issue Equity Paid Up Capital	% of Post-Issue Equity Paid Up Capital
June 17, 2018	30,50,366	10	10	Subscription to MoA upon conversion of company from Partnership firm	Other than cash	27.73%	[●]
August 29, 2018	7,69,950	10	10	Transfer from Mr. Anirudhsinh Ashoksinh Bhati	Cash	7.00%	[●]
	5,96,821	10	10	Transfer from Mr. Manishbhai Govindbhai Chaudhari	Cash	5.43%	[●]
	4,40,251	10	10	Transfer from Mr. Bharkumar Bhikhabhai Patel	Cash	4.00%	[●]
	10,00,000	10	10	Transfer from Mr. Sourabh Praveen Agarwal	Cash	9.09%	[●]
<b>Total</b>	<b>58,57,388</b>					<b>53.25%</b>	

11. As on the date of the Draft Prospectus, the Company has 8 (Eight) members/shareholders.

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

Sr. No.	Name of the Shareholders	Pre-Issue		Post Issue	
		Number of Equity Shares	% of Equity Capital	Pre-Issue Share	
1.	Mr. Hikmatnabadur Krishnabadur Kunwar	58,57,388	53.25%	[●]	[●]

Sr. No.	Name of the Shareholders	Pre-Issue		Post Issue	
		Number of Equity Shares	% of Equity Capital	Pre-Issue Share	
<b>Total</b>		<b>58,57,388</b>	<b>53.25%</b>	<b>[●]</b>	<b>[●]</b>

**13.** The Promoter, Promoter Group, Directors of our Company and their relatives have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (06) months preceding the date on which this Draft Prospectus is filed with Stock Exchange.

**14.** There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of the Draft Prospectus.

**15. Promoter's Contribution and other Lock-In details:**

Pursuant to Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20.00% of the fully diluted post-Issue capital of our Company held by the Promoters shall be locked in for a period of three years from the date of Allotment ("**Minimum Promoter's Contribution**"), and the Promoters' shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The lock-in of the Minimum Promoter's Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock exchange before the listing of the Equity Shares.

Following are the details of Minimum Promoter's Contribution:

Number of Equity Shares locked-in <sup>*(1)(2)(3)</sup>	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in Rs.)	Issue Acquisition Price per Equity Share (in Rs.)	Nature of consideration (cash / other than cash)	% of fully diluted post-Issue paid-up capital	Period of lock-in
<b>Mr. Hikmatnabadur Krishnabadur Kunwar</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 years
<b>TOTAL</b>	[●]					[●]	3 years

\* Subject to finalisation of Basis of Allotment.

<sup>(1)</sup> For a period of three years from the date of allotment.

<sup>(2)</sup> All Equity Shares have been fully paid-up at the time of allotment.

<sup>(3)</sup> All Equity Shares held by our Promoters are in dematerialized form.

For details on the build-up of the Equity Share capital held by our Promoters, see chapter titled "Capital Structure" shareholding" on page 45.

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

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoter's Contribution under Regulation 237 of the SEBI (ICDR) Regulations. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

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



- Equity Shares held by the Promoters that are subject to any pledge; and
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

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

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

Other than the Equity Shares locked-in as Promoter's Contribution for a period of three years as stated in the table above, the entire pre-Issue capital of our Company, including the excess of minimum Promoter's Contribution, as per Regulation 238 of the SEBI (ICDR) Regulations, shall be locked in for a period of one year from the date of Allotment of Equity Shares in the Issue. Such lock – in of the Equity Shares would be created as per the bye laws of the Depositories.

#### ***Other requirements in respect of 'lock-in'***

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be Transfer to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, may be Transfer to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 242(a) of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans.

In terms of Regulation 242(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in for a period of one year from the date of allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

16. Our Company, our Promoters, our Directors and the Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.
17. The post-Issue paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.
18. There have been no financing arrangements whereby our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Prospectus.
19. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.
20. There neither have been and there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Prospectus until the Equity Shares have been listed on the Stock Exchange or all application monies have been refunded, as the case may be.
21. Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Prospectus.
22. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

23. Our Company shall ensure that any transactions in Equity Shares by our Promoters and the Promoter Group during the period between the date of filing the Draft Prospectus and the date of closure of the Issue, shall be reported to the Stock Exchanges within 24 hours of the transaction.
24. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus.
25. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Lead Manager 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.
26. Our Promoters and the members of our Promoter Group will not participate in the Issue.
27. Following are the details of Equity Shares of our Company held by our Directors, Key Management Personnel:

Sr. No.	Name of Director	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1.	Mr. Hikmatnahadur Krishnabhadur Kunwar	58,57,388	53.25%
2.	Mr. Manoj Kumar Basudev Agarwal	12,40,854	11.28%

28. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.
29. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “Basis of Allotment” in the chapter titled “Issue Procedure” beginning on page 155 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
30. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
31. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
32. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
33. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
34. As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

## **OBJECTS OF THE ISSUE**

### **Requirement of Funds**

Our Company proposes to utilize the funds which are being raised through this Issue (“**Net Proceeds**”) towards the following objects:

- a) Funding the working capital requirements of the company
- b) General Corporate Purposes

(Collectively referred as “**Objects**”)

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

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company’s brand name and creation of a public market for our Equity Shares in India.

### **Issue Proceeds & Net Proceeds**

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

(₹ in lakhs)

Particulars	Amount
Gross Proceeds of the Issue	[●]
Less: Issue related expenses	[●]
<b>Net Proceeds of the Issue</b>	<b>[●]</b>

### **Utilization of Net Proceeds**

The proposed utilization of Net Proceeds is set forth as stated below:

(₹ in lakhs)

Sr. No.	Particulars	Amount	% of Net Proceeds
1.	Funding the working capital requirements of the company	Upto 310.00	[●]
2.	General Corporate Purposes	[●]	[●]
<b>Total</b>		<b>[●]</b>	<b>100</b>

### **Requirement of Funds and Means of Finance**

The fund requirements mentioned above are based on the internal management estimates of our Company and quotations provided by suppliers in this industry which are not been verified or appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates and requirements from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations.

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

Accordingly we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 104(1)(d) of the SEBI (ICDR), Regulations, 2018, as amended, through verifiable means towards 75% of the stated means of finance excluding the amount to be raised the net proceeds and existing identifiable internal accruals.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer chapter titled “*Risk Factors*” beginning on Page No. 19 of this Prospectus.

### **DETAILS OF THE FUND REQUIREMENTS**

## 1) Funding of working capital requirements

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth and financing from various banks and financial institutions. Our Company's existing working capital requirement and funding on the basis of Restated Financial Statements for Fiscal 2021 and estimated financial statements for Fiscal 2022 are as stated below:

(₹ in lakhs)

Particulars	Fiscal 2021 (Restated)	Fiscal 2022 (Estimated)
<b>Current Assets</b>		
Inventories		
- Raw Materials	807.40	993.71
- Finished Goods	592.18	300.00
- Semi-Finished Goods	784.25	555.00
Trade Receivables	1,397.54	1,876.49
Cash and Bank Balance	29.59	127.25
Short term loans & advances	12.00	-
Other Current Assets	76.47	121.00
<b>Total (A)</b>	<b>3,699.43</b>	<b>4,023.25</b>
<b>Current Liabilities</b>		
Trade Payables	707.31	496.86
Other Current Liabilities & Short Term Provision	86.30	404.35
<b>Total (B)</b>	<b>793.61</b>	<b>901.21</b>
<b>Total Working Capital (A)-(B)</b>	<b>2,905.82</b>	<b>3,122.04</b>
<b>Funding Pattern</b>		
Short-term borrowings from banks	<b>1,666.76</b>	<b>1,650.00</b>
Long-term borrowings (Term loans taken for working capital requirement)	-	-
Networth / Internal Accruals	<b>1,239.06</b>	<b>1,340.00</b>

### Basis of estimation of working capital requirement

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated March 30, 2022 has approved the business plan for the Fiscal 2023. The estimated and projected working capital requirements for Fiscal 2022 is stated below:

Particulars	Fiscal 2023 (Projected)
<b>Current Assets</b>	
Inventories	
- Raw Materials	940.33
- Finished Goods	970.00
- Semi-Finished Goods	485.00
Trade Receivables	2,566.04
Cash and Bank Balance	32.59
Short term loans & advances	50.00

Other Current Assets	121.00
<b>Total (A)</b>	<b>5,164.96</b>
<b>Current Liabilities</b>	
Trade Payables	805.99
Other Current Liabilities & Short Term Provision	469.09
<b>Total (B)</b>	<b>1,275.08</b>
<b>Total Working Capital (A)-(B)</b>	<b>3,889.88</b>
<b>Funding Pattern</b>	
Short-term borrowings from banks/others	<b>1,750.00</b>
Long-term borrowings (Term loans taken for working capital requirement)	-
Networth / Internal Accruals	<b>1,829.88</b>
Proceeds from IPO	<b>310.00</b>

**Assumption for working capital requirements:**

*(In months)*

Particulars	Holding Level for Fiscal 2023 (Projected)
<b>Current Assets</b>	
Inventories	
- Raw Materials	1.00
- Semi Finished Goods	1.00
- Finished Goods	1.00
Trade Receivables	2.00
<b>Current Liabilities</b>	
Trade Payables	0.86

**Justification for “Holding Period” levels**

The justifications for the holding levels mentioned in the table above are provided below:

<b>Current Assets</b>	
Trade receivables	Our company is engaged in manufacturing of plastic packing materials. The payment is released by the customer on the delivery of the products or periodically as agreed between the parties.
<b>Current Liabilities</b>	
Trade Payables	As mentioned above our company receives delayed payment from the customers for which the company requires huge working capital, to reduce the burden the company intends to shift this burden to partners by increasing the credit period.

Our Company proposes to utilize upto ₹ 310.00 lakhs of the Net Proceeds in Fiscal 2023 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2023 will be arranged from borrowings and internal accruals/net worth.

**2) General corporate purposes**

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for General corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance

with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- strategic initiatives, partnerships, joint ventures and acquisitions;
- brand building and strengthening of promotional & marketing activities; and
- On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

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

## ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ [●] lakhs, which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue Size
1.	Issue Management fees including Merchant Banking fees and Market Making fees, Underwriting fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses	[●]	[●]	[●]
2.	Advertising and Marketing Expenses	[●]	[●]	[●]
3.	Fees payable to the to the Regulators including stock exchange(s)	[●]	[●]	[●]
4.	Printing & Stationery, Distribution, Postage, etc.	[●]	[●]	[●]
5.	Brokerage and selling commission <sup>(1)(2)(3)</sup>	[●]	[●]	[●]
6.	Other Expenses (Banker’s to the Issue, Auditor’s fees etc.)	[●]	[●]	[●]
	<b>Total Estimated Issue Expense</b>	[●]	[●]	[●]

<sup>(1)</sup>The SCSBs and other intermediaries will be entitled to a commission of ₹ 10/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

<sup>(2)</sup>The SCSBs would be entitled to processing fees of ₹ 10/- per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

<sup>(3)</sup>Further the SCSBs and other intermediaries will be entitled to selling commission of 0.01% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.

## Proposed Schedule of Implementation and funds deployed

Our Company plans to deploy the funds towards the above stated Objects during FY 2023, depending upon various factors including the actual timing of the completion of the Issue and the receipt of the Net Proceeds. In the event that estimated utilization out of the funds in any given financial year is not completely met, the same shall be utilized in the next financial year.

## Appraisal and Bridge Loans

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds of the Issue.

However if the Company avails any bridge loans from the date of the Prospectus upto the date of the IPO; the same shall be refunded from the IPO proceeds and related details will be updated in the Prospectus or likewise.

## Monitoring of Utilization of Funds

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

#### **Interim Use of Funds**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act, 1934. Our Company confirms that it shall not use the Net Proceeds for any purpose other than abovementioned objects.

#### **Variation in Objects**

In accordance with Section 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

#### **Other Confirmations**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, our board of Directors, our Key Management Personnel or Group Companies except in the normal course of business in compliance with applicable law.

## **BASIS FOR ISSUE PRICE**

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is Rs.10/- and Issue Price is Rs. [●]/- per Equity Shares and is [●] times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on Page No. 19, 122 and 86 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

### **Qualitative Factors**

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

- Experienced Promoters and Management Expertise
- Quality Customer Base
- Quality and focus on customer satisfaction
- Satisfactory track record

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please refer chapter titled “Our Business” beginning on Page No. 86 of this Draft Prospectus.

### **Quantitative Factors**

The information presented in this section for the audited financial statements of the Company for the period ended December 31, 2021 and financial year ended March 31, 2021, 2020 and 2019 prepared in accordance with Indian GAAP, the Companies Act and Restated in accordance with SEBI ICDR Regulations. For more details on financial information, investors please refer the chapter titled “Financial Statements” beginning on Page No. 122 of this Draft Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

#### **1) Basic and Diluted Earnings / Loss Per Share (“EPS”)**

Period / Year ended	Basic & Diluted	
	EPS (in Rs.)	Weights
March 31, 2019	0.67	1
March 31, 2020	0.82	2
March 31, 2021	1.27	3
<b>Weighted Average</b>	1.02	
<b>For period ended on December 31, 2021</b>	0.74	

#### **Notes:**

- a. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$

- b. Diluted EPS has been calculated as per the following formula:

$$\text{Diluted EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year/period}}$$

- c. Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 “Earnings per Share”, notified under section 133 of Companies Act, 2013 read together along with paragraph 7 of Companies (Accounting) Rules, 2014.
- d. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Statements as appearing in the section titled “Financial Information” beginning on Page No. 122 Draft Prospectus.

#### **2) Price Earnings Ratio (“P/E”) in relation to the Price of Rs. [●]/- per share of Rs. 10/- each**



Particulars	P/E*
P/E ratio based on Basic and Diluted EPS as at March 31, 2021	[●]
P/E ratio based on Weighted Average EPS	[●]

\*The same shall be updated once IPO Price is finalised and updated in the Prospectus prior to opening of the Issue.

### 3) Industry Price / Earning (P/E) Ratio

Particulars	Industry P/E
Highest	38.69
Lowest	25.31
Average	21.33

**Note:**

The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.

### 4) Return on Net worth (RONW)

Period / Year ended	RoNW (%)	Weight
March 31, 2019	6.34	1
March 31, 2020	7.14	2
March 31, 2021	10	3
<b>Weighted Average</b>	<b>8.44</b>	
<b>For Period ended on December 31, 2021</b>	<b>7.37</b>	

\* Not Annualised

**Note:** Return on Net worth has been calculated as per the following formula:

$$\text{RONW} = \frac{\text{Net profit/loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

### 5) Net Asset Value (NAV)

Financial Year	NAV (in Rs.)
NAV as at March 31, 2021	12.71
NAV as on December 31, 2021	13.46
NAV after Issue – at Issue Price	[●]
Issue Price (in Rs.)	[●]

**Note:** Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares at the end of the year}}$$

### 6) Comparison with Industry Peers

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

Name of the Company	CMP*	EPS (₹)	Face Value (₹)	P/E Ratio	RoNW (%)	NAV Per Share	Total Income (₹ in Million)
Peer Group							

Name of the Company	CMP*	EPS (₹)	Face Value (₹)	P/E Ratio	RoNW (%)	NAV Per Share	Total Income (₹ in Million)
Huhtmaki PPL Limited	183.50	(3.00)	2.00	-	(3.17)	11.04	26,252.80
Mold-tek Packaging Limited	800.40	20.59	5.00	38.69	22.31	89.35	4,789.25
Essel Propack Limited	692.65	27.20	10.00	25.31	16.50	342.58	46,350.70
<b>The Company</b>							
Sabar Flex India Limited	[●]	1.27	10.00	[●]	10.00	12.71	739.788

\*Source: All the financial information for listed industry peers mentioned above is on standalone basis, sourced from the filings made with stock exchanges, available on [www.bseindia.com](http://www.bseindia.com) for the Financial Year ending March 31, 2021. The CMP and related figures are as on April 12, 2022.

# The names disclosed as peer group in this draft prospectus are not the exact comparable peers of the issuer. The said peer group belong to the same industry but the revenue that issuer generates is through sale of only flexible packaging products where as the others are engaged into manufacturing and trading of hard packaging, plastic packaging, with large product portfolio.

Source for Sabar Flex India Limited: Based on the Restated Financial Statements for the year ended March 31, 2021. P/E Ratio shall be computed at the Issue Price.

The Company in consultation with the Lead Manager believes that the Issue price of Rs. [●] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is Rs. 10/- per share and the Issue Price is [●] times of the face value i.e. Rs. [●] per share.

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS**

Particulars	Page Nos.
Statement of Tax Benefit	S-1 to S-3

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

**To,**  
**The Board of Directors**  
**Sabar Flex India Limited**  
B/1/104, Palledium, Nr. Orchid Wood,  
Opp. Divya Bhaskar, Corporate Road,  
Prahladnagar, Ahmedabad,  
Gujarat - 380015

Dear Sirs,

**Sub: Statement of possible special tax benefits available to Sabar Flex India Limited ("the Company") and its shareholders under direct and indirect tax laws**

We refer to the proposed issue of equity shares of Sabar Flex India Limited("the Company"). We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, The Central Goods and Services Tax Act, 2017, The Integrated Goods and Services Tax Act, 2017, The State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2021, i.e., applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, presently in force in India for inclusion in the Draft Prospectus ("DP") for the proposed public offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

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

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the DP for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

## **LIMITATIONS**

*Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.*

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

**For Patel Jain & Co.  
Chartered Accountants  
FRN – 129797W**

**SD/-  
(CA Kunjit M Patel)  
Partner  
Membership No. - 131711  
(UDIN – 22131711AGYBAU383)**

**Place: Ahmedabad  
Date: March 30, 2022**

## **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

### **Direct Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2021 i.e., applicable for Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India

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

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it has not opted section 115BAA for the assessment year 2021-22 and for the period ended September 30, 2021.

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

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

### **Indirect Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") (collectively referred as "Indirect Tax").

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

There are no special tax benefits available to the Company under GST law.

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

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

## **SECTION V – ABOUT THE COMPANY**

### **OUR INDUSTRY**

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

#### **Global Economic Overview**

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

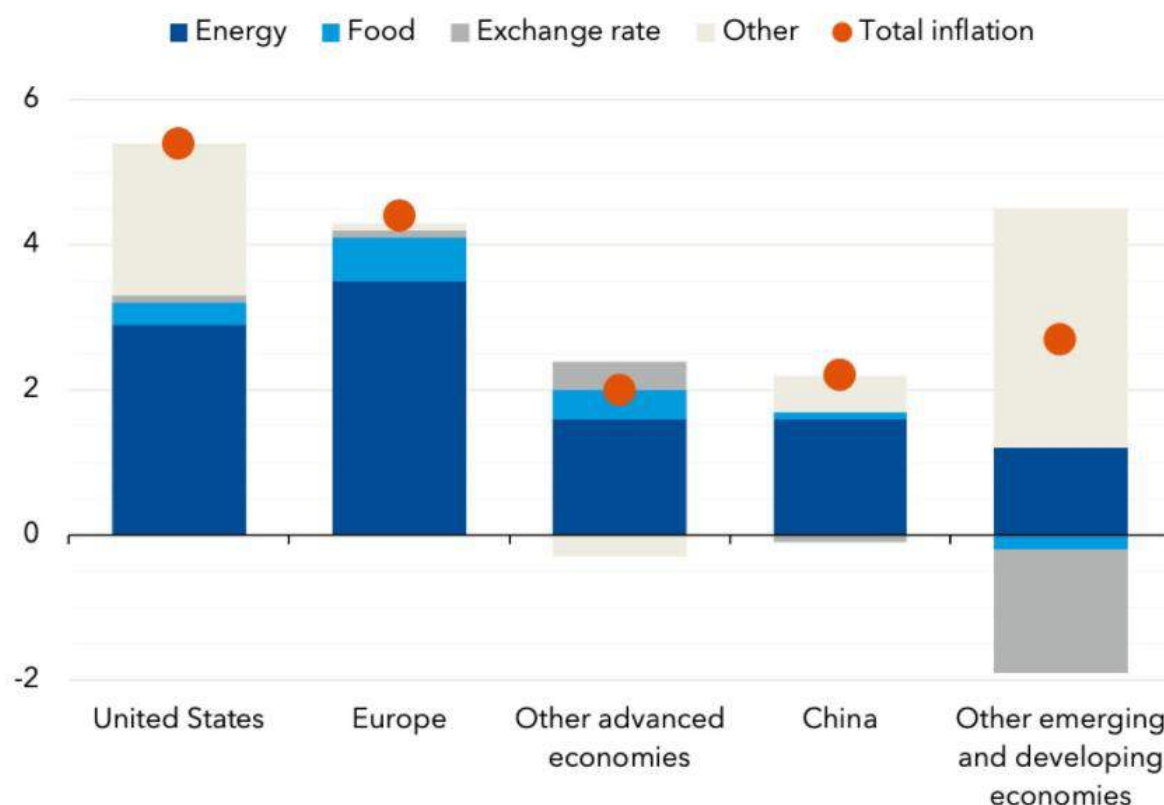
Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective.

Elevated inflation is expected to persist for longer than envisioned in the October WEO, with ongoing supply chain disruptions and high energy prices continuing in 2022. Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds.

Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions—especially with debt levels having increased significantly in the past two years—may emerge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous COVID-19 variants. This requires increased production of supplies, as well as better in-country delivery systems and fairer international distribution. Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy—operating with more limited space than earlier in the pandemic—will need to prioritize health and social spending while focusing support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change.

The following graph shows the rise in inflation across the globe due to varying factors.



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022>)

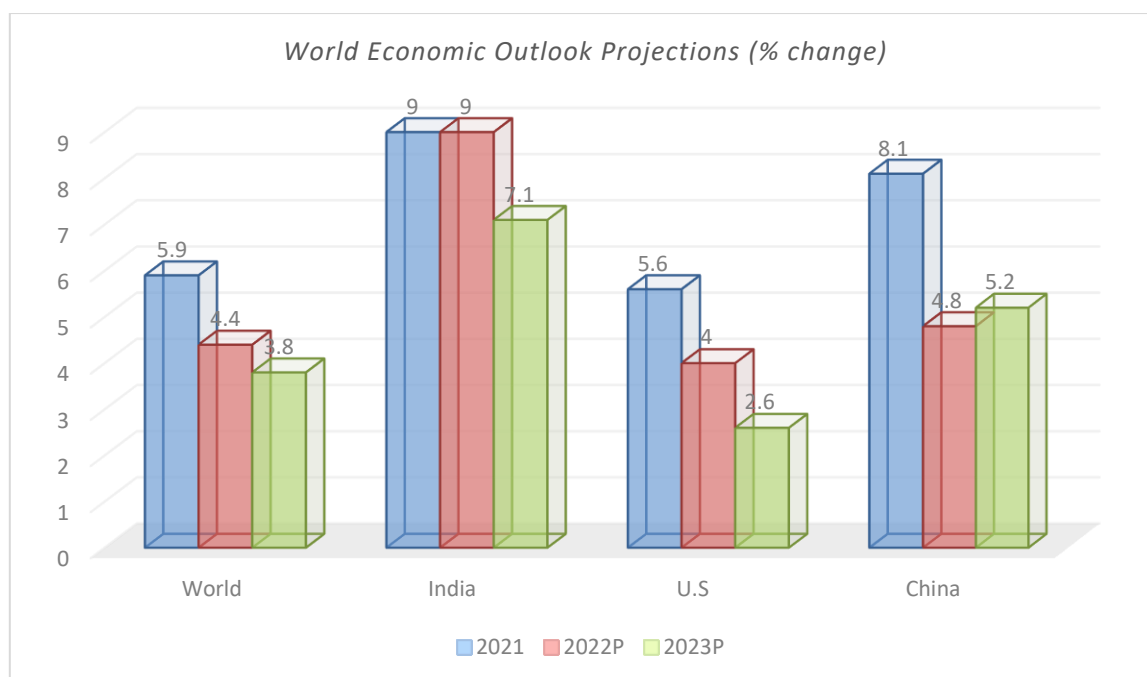
### Emerging Markets Lead the Rebound

Emerging markets, excluding China, have faced numerous cyclical challenges in recent years. Now, with more favourable COVID-19 dynamics in many developing nations, emerging markets could set the pace for global growth. Morgan Stanley economists expect this momentum to continue into next year. At the same time, emerging markets should benefit from widening U.S. current account deficits, low U.S. real interest rates, a weaker dollar, and accommodative macroeconomic policies.

*World Economic Outlook Projections (% change)*

	2021	2022P	2023P
<b>World Output</b>	<b>5.9</b>	<b>4.4</b>	<b>3.8</b>
<b>Advanced Economies</b>	<b>5</b>	<b>3.9</b>	<b>2.6</b>
India	9	9	7.1
U.S	5.6	4	2.6
France	6.7	3.5	1.8
Brazil	4.7	0.3	1.6
Russia	4.5	2.8	2.1
Japan	1.6	3.3	1.8
U.K	7.2	4.7	2.3
Germany	2.7	3.8	2.5
China	8.1	4.8	5.2
<b>Emerging Market &amp; Developing Economies</b>	<b>6.5</b>	<b>4.8</b>	<b>4.7</b>





(Source: <https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022>)

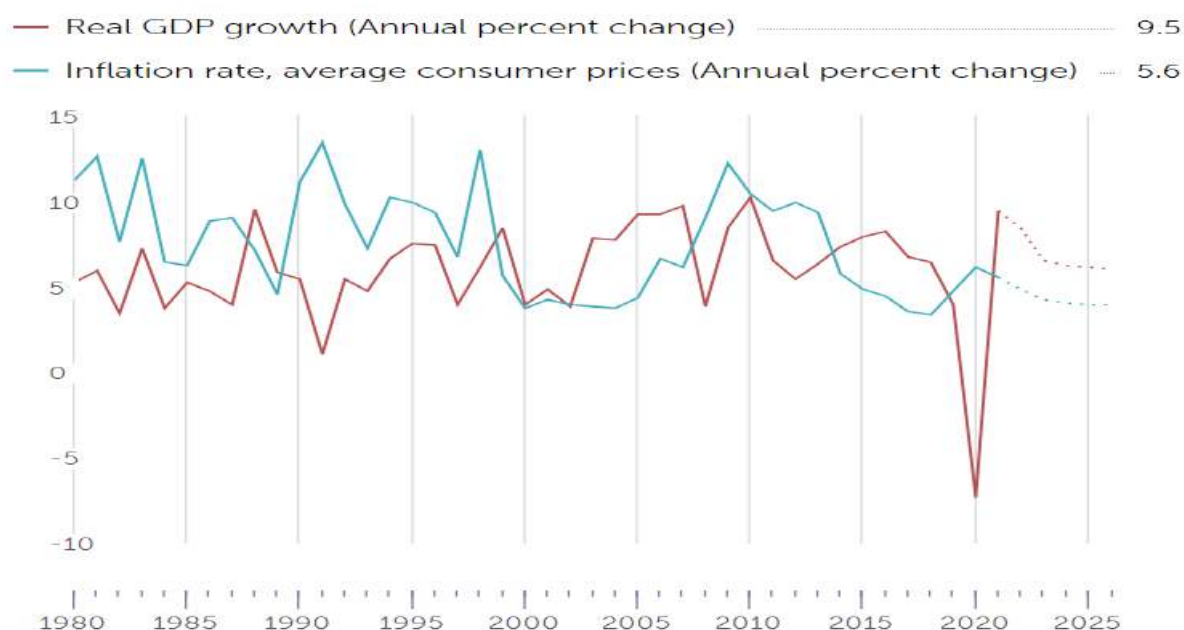
### Indian Economic Overview

India's gross domestic product (GDP) at current prices stood at Rs. 51.23 lakh crore (US\$ 694.93 billion) in the first quarter of FY22, as per the provisional estimates of gross domestic product for the first quarter of 2021-22.

India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

According to data from the Department of Economic Affairs, as of August 27, 2021, foreign exchange reserves in India reached US\$ 633.5 billion mark.



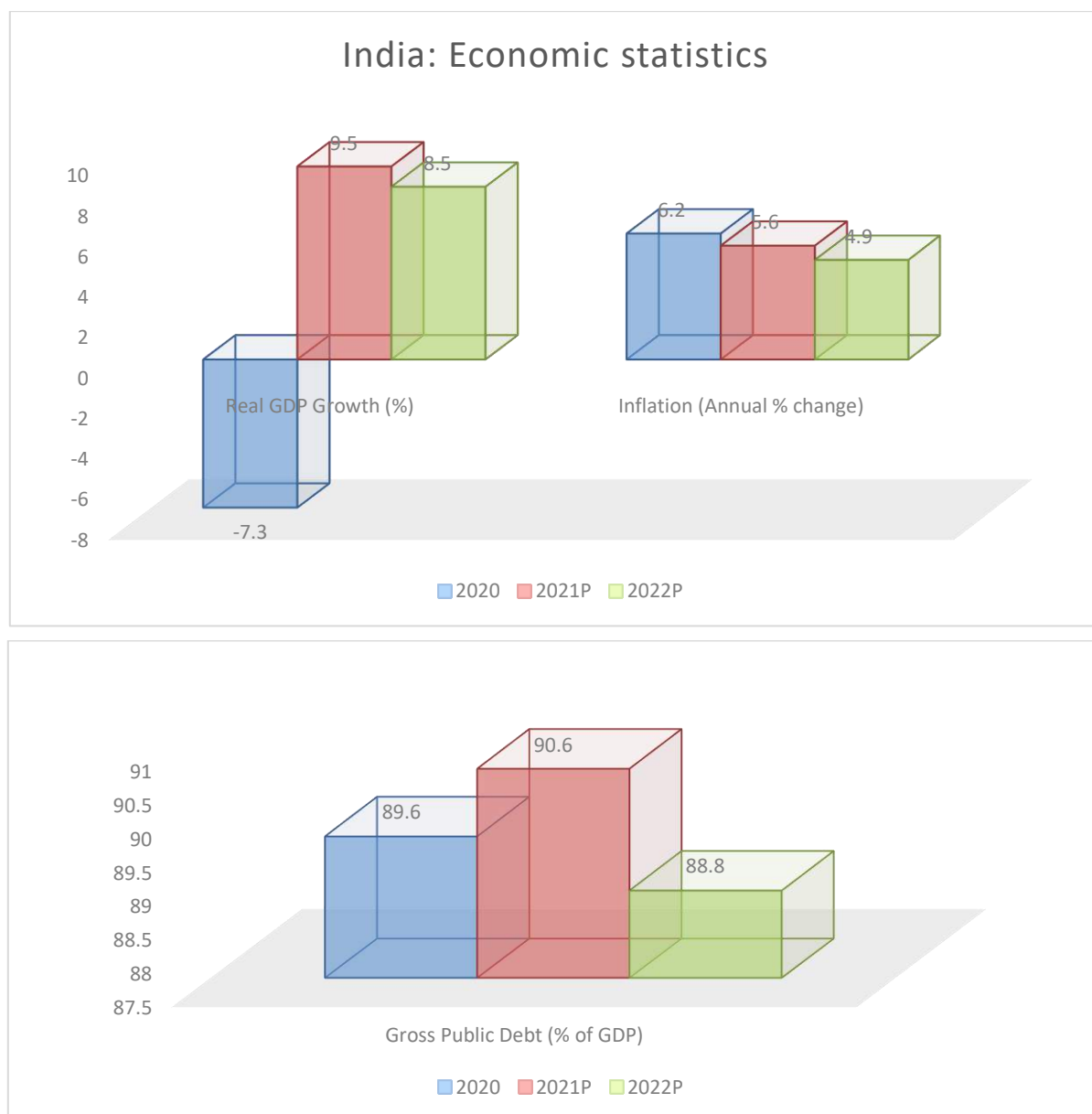
(Source: <https://www.ibef.org/economy/indian-economy-overview>)

## GDP and Inflation rate in India

(Source: <https://www.imf.org/en/Countries/IND>)

India's economy is poised for a rebound after enduring a second wave of COVID-19 infections this year that further constrained activity and took a heavy toll on its people.

India's broad range of fiscal, monetary and health responses to the crisis supported its recovery and, along with economic reforms, are helping to mitigate a longer-lasting adverse impact of the crisis.



(Source: <https://www.imf.org/en/News/Articles/2021/11/02/na111121-indias-economy-to-rebound-as-pandemic-prompts-reforms>)

Following the deadly 'second wave,' growth in FY22 is expected to be nearer to the lower bound of the range of 7.5 to 12.5 percent – still putting India among the fastest growing economies in the world. The pace of vaccination, which is increasing, will determine economic prospects this year and beyond. Successful implementation of agriculture and labor reforms would boost medium-term growth, while weakened household and corporate balance sheets may constrain it. The economic slowdown triggered by the outbreak is believed to have had a significant impact especially on poor and vulnerable households. Recent projections of GDP per capita growth, taking into account the impact of the pandemic, suggest that poverty rates in 2020 have likely reverted to estimated levels in 2016.

The informal sector, where the vast majority of India's labor force is employed, has been particularly affected. As in most countries, the pandemic has exacerbated vulnerabilities for traditionally excluded groups, such as youth, women, and migrants. Labor market indicators suggest that urban households are now more vulnerable to fall into poverty than they were before the onset of the pandemic.

The response of the government to the COVID-19 outbreak has been swift and comprehensive. A national lockdown to contain the health emergency was complemented by a comprehensive policy package to mitigate the impact on the poorest households (through various social protection measures) as well as on small and medium enterprises (through enhanced liquidity and financial support).

To build back better, it will be essential for India to stay focused on reducing inequality, even as it implements growth-oriented reforms to get the economy back on track. The World Bank is partnering with the government in this effort by helping strengthen policies, institutions, and investments to create a better future for the country and the people through green, resilient and inclusive development.

In response to the COVID-19 shock, the government and the Reserve Bank of India took several monetary and fiscal policy measures to support vulnerable firms and households, expand service delivery (with increased spending on health and social protection) and cushion the impact of the crisis on the economy. Thanks in part to these proactive measures, the economy is expected to rebound.

(Source: <https://www.worldbank.org/en/country/india/overview#1>)

Real GDP of India increased by 8.4% YoY in Q2 of FY 22, recovering more than 100% of pre-pandemic output in the equivalent quarter of FY 20. India is one of the few countries to have grown for four consecutive quarters in Covid-19 (Q3, Q4 of FY21 and Q1, Q2 of FY22), demonstrating the economy's resiliency.

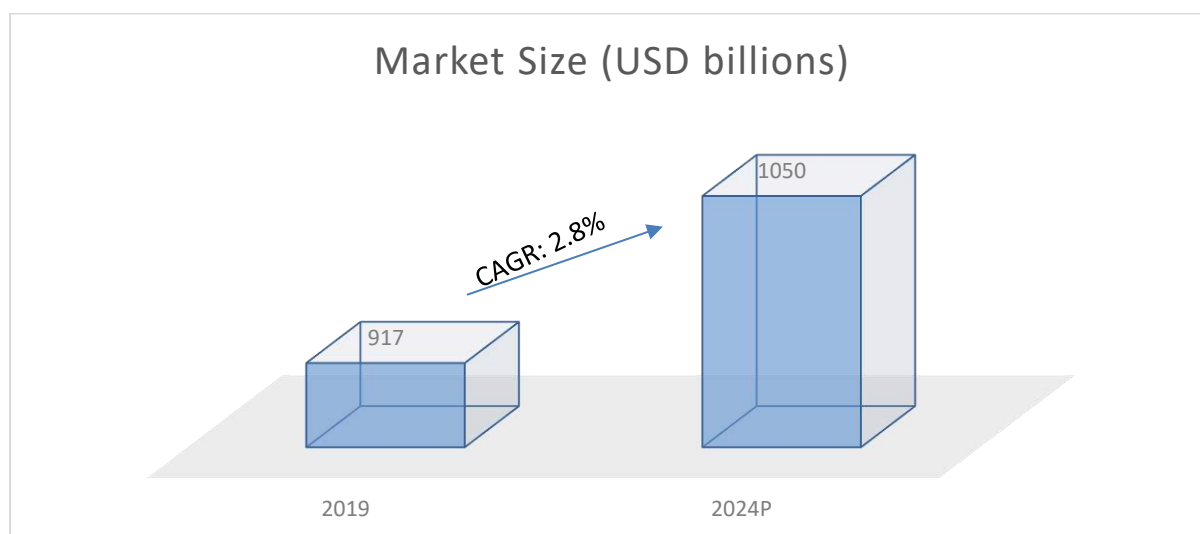
The recovery was fuelled by a resurgence in the services sector, a complete recovery in manufacturing, and continued expansion in the agriculture sector. In addition to successful pandemic management and signalling impact of promised measures, recovery was aided by a quick increase in vaccine coverage from 32% of the adult population at the end of Q1 to 75% at the end of Q2 of FY 22. According to the latest GDP estimates issued by the NSO, the Indian economy increased by 8.4% YoY in Q2 of FY 22, after growing by 20.1% YoY the previous quarter.

(Source: <https://www.ibef.org/economy/monthly-economic-report>)

### Packaging market – Global

Globally, the packaging industry sector has positioned itself as one of the fastest growing industry across all countries. The industry is worth over \$ 917 billion (in 2019), growing at CAGR 2.8% to reach to \$ 1.05 trillion by 2024. Packaging is an emerging science, an emerging engineering discipline, and a successful contributor to major industries such as pharmaceutical, FMCG and electronics.

Packaging is the world's third largest industry following the food industry (1st) and energy (2nd) and the only industry that has to do with every single product produced in an economy.



(Source: <https://www.investindia.gov.in/team-india-blogs/indian-packaging-sector-outlook-industry>)

### Top packaging companies – Global

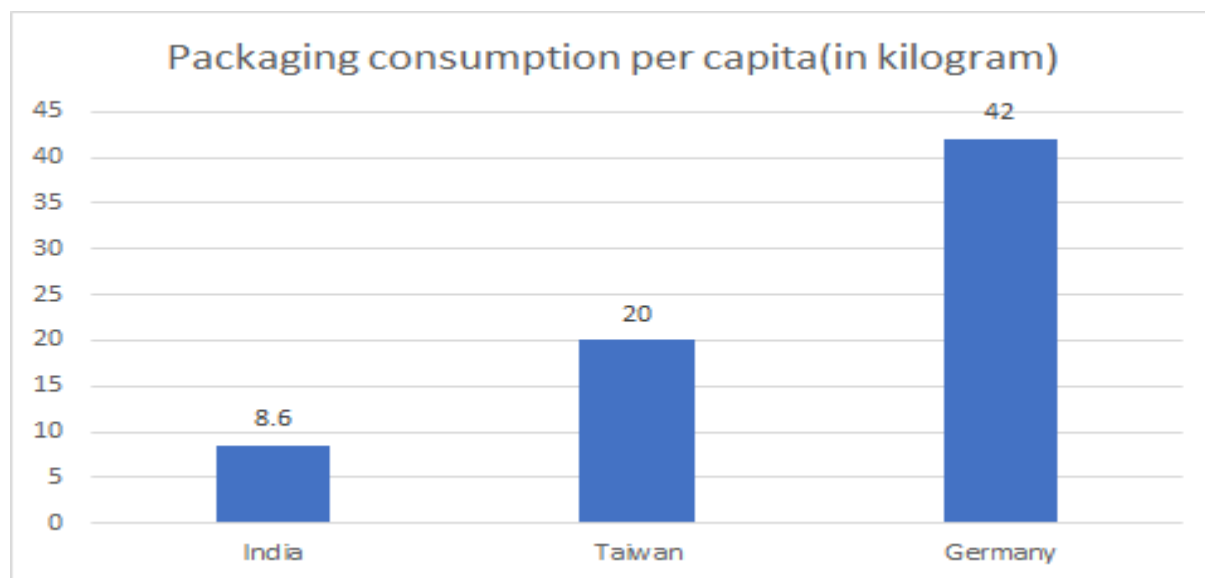
The following table shows the world's top 10 companies by market capitalization

Companies	Market Cap (Sep-01-2021) (USD billions)
Yamuna Energy New	36.61
Material <a href="https://www.value.today/company/west-pharmaceutical-services">https://www.value.today/company/west-pharmaceutical-services</a>	
West Pharmaceutical Services	33.41
Ball Corporation	31.34
International Paper Company	23.48
Amcor	19.84
Avery Dennison Corporation	18.68
Smurfit Kappa Group	15.02
Packaging Corporation Of America	14.54
Crown Holdings	14.42
Westrock Company	13.89

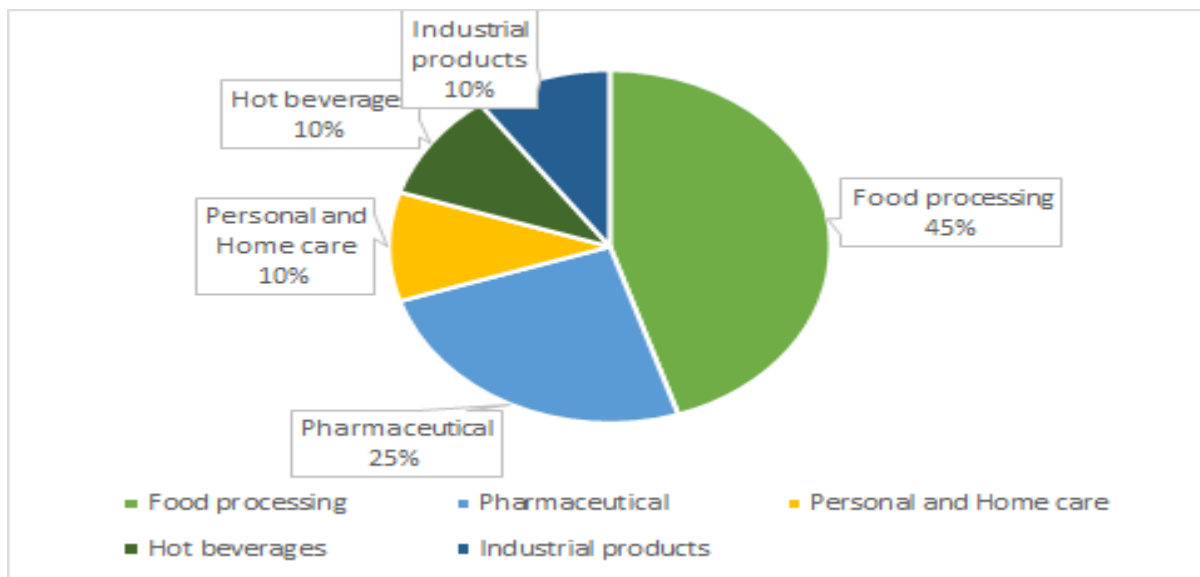
### Packaging Market – India

In India's case, packaging is the fifth largest sector in its economy and is one of the highest growth sectors in the country. According to the Packaging Industry Association of India (PIAI), the sector is growing at CAGR 22% to 25%.

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

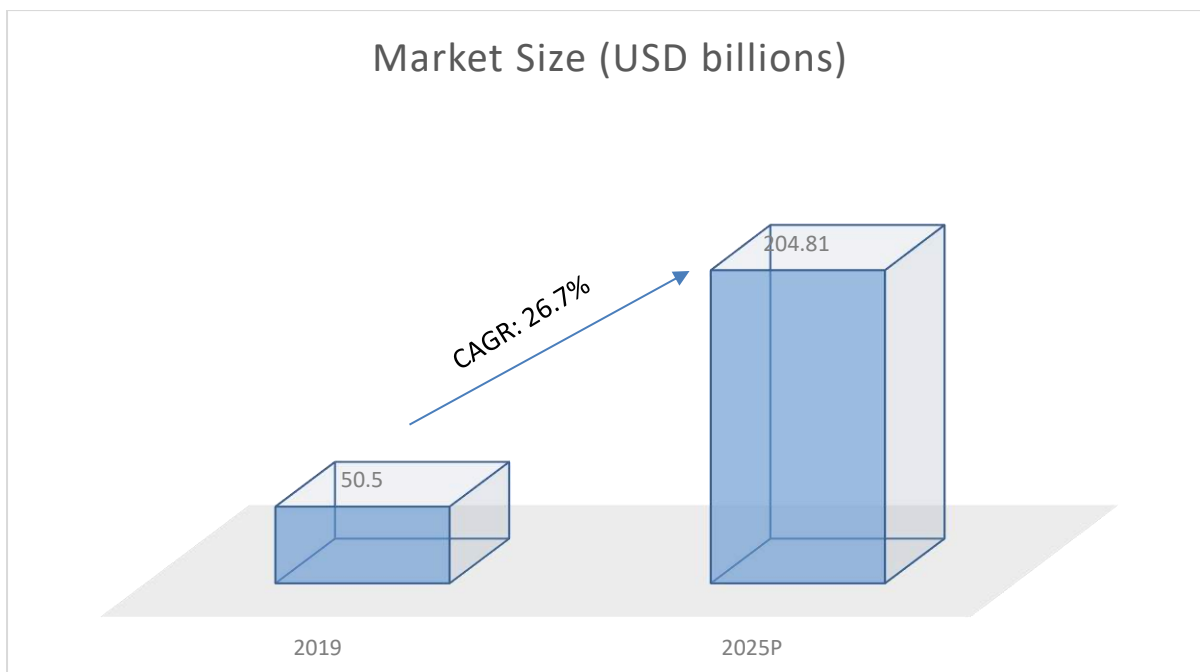


This rise in consumption is driven by key aspects of the rising Indian economy namely, strong favourable demographics, increasing disposable income levels, rising consumer awareness and demand for processed food. The growth of individual end user segments of food, beverages, FMCG and pharmaceuticals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



(Source: <https://www.investindia.gov.in/indian-packaging-sector-outlook-industry>)

The India Packaging Market was valued at USD 50.5 billion in 2019, and it is expected to reach USD 204.81 billion by 2025, registering a CAGR of 26.7% during the period of 2020-2025. Packaging is among the high growth industries in India and developing at 22-25% per annum and becoming a preferred hub for packaging industry. Currently the 5th largest sector of India's economy, the industry has reported steady growth over past several years and shows high potential for much expansion, particularly in the export market. Costs of processing and packaging food can be up to 40% lower than parts of Europe which, combined with India's resources of skilled labour, make it an attractive venue for investment. A high degree of potential exists for almost all user segments which are expanding appreciably - processed foods, hard and soft drinks, fruit and marine products.



The Indian packaging industry has made a mark with its exports that comprise flattened cans, printed sheets and components, crown cork, lug caps, plastic film laminates, craft paper, paper board and packaging machinery, while the imports include tinplate, coating and lining compounds and others. In India, the fastest growing packaging segments are laminates and flexible packaging, especially PET and woven sacks. Over the last few years Packaging Industry is an important sector driving technology and innovation growth in the country and adding value to the various manufacturing sectors including agriculture and FMCG segments.

The global packaging industry is developing and expanding day by day and Indian packaging industry is also growing rapidly. This growth is primarily driven by factors like growing pharmaceutical, food processing, manufacturing industry, FMCG, healthcare sector and ancillary in the emerging economies like China, India, Brazil, Russia and few other East European countries.

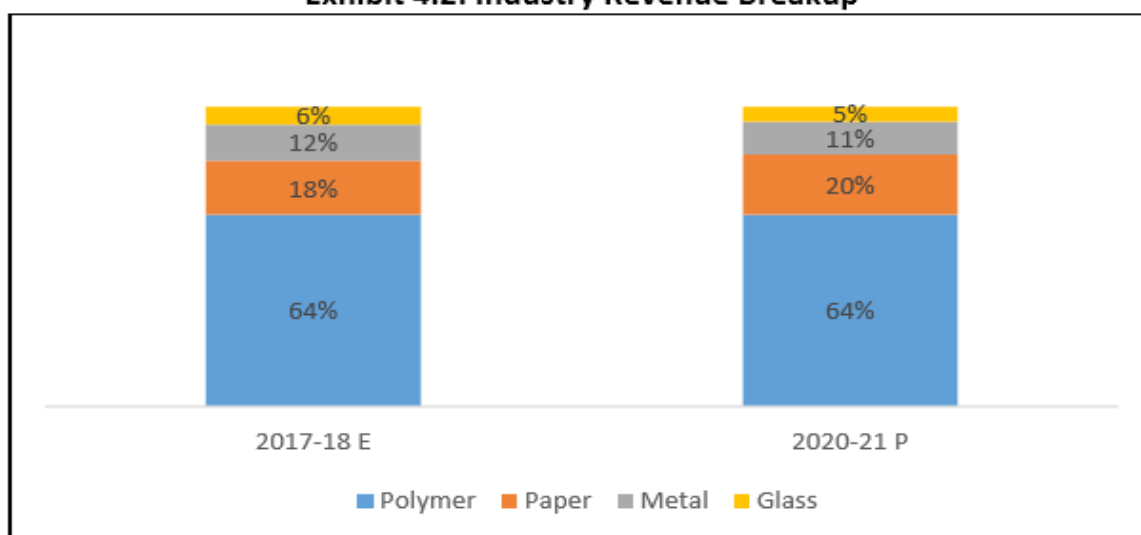
### Packaging material- Breakdown

Packaging - divided into two categories viz, rigid packaging & flexible packaging. Packaging market consist of various materials, which are flexible, rigid, metal, glass & printed cartons.

Flexible plastic packaging has highest share among the different materials used, & having market value of US\$ 11.43 billion with 70% share of in the total flexible packaging market (2018-19)

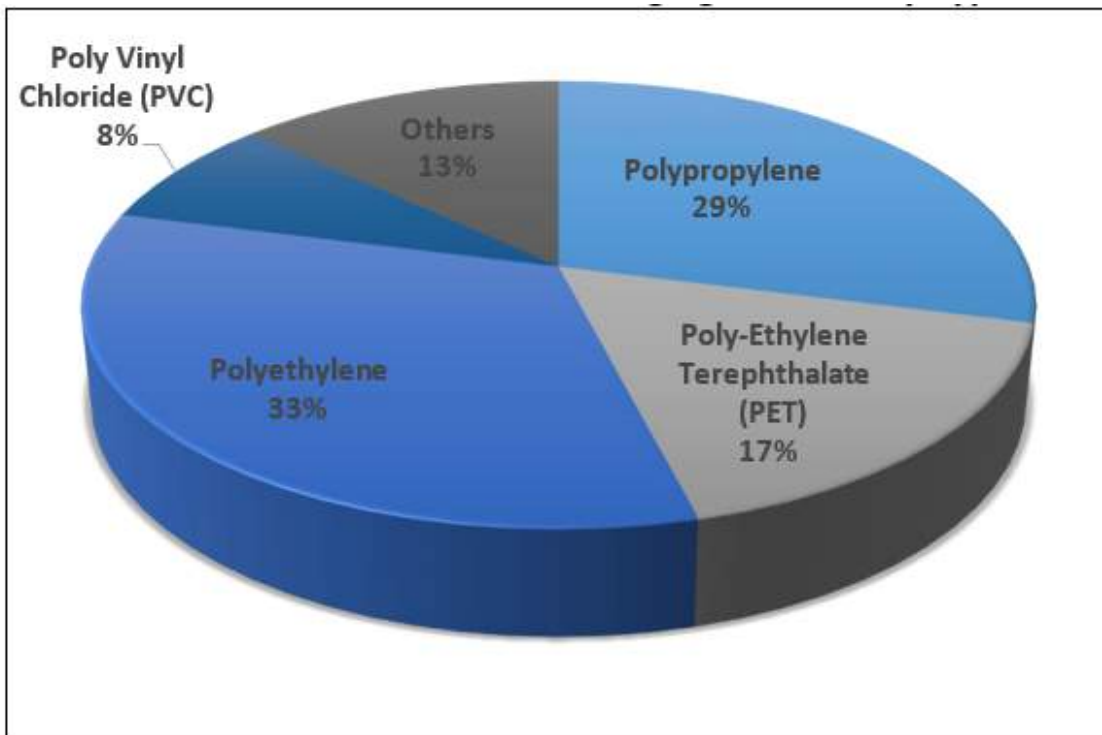
1. Share of flexible paper & foil, is 21% & 9%, respectively.
2. Value of flexible packaging market in India during 2018 was US\$ 17.5 billion, growing at 3%
3. Strong demand for flexible packaging material has been arising from food & beverage industries, personal care, & pharmaceutical industries.
4. Plastic packaging has the highest share in the Indian packaging sector.
5. The revenue share of plastic packaging is 64%
6. The revenue share of paper packaging, - 18% of total packaging revenue
7. Share of glass & metal packaging is expected to be stagnant.

**Exhibit 4.2: Industry Revenue Breakup**



Source: CRISIL Research

Flexible packaging are mostly monolayer, multilayer films and multi layered laminate sheets of plastics, which mainly include PE, PP, PET and PVC. Around one-third of the plastic products used by the packaging industry in India is composed of polyethylene and 29% of the products are polypropylene.

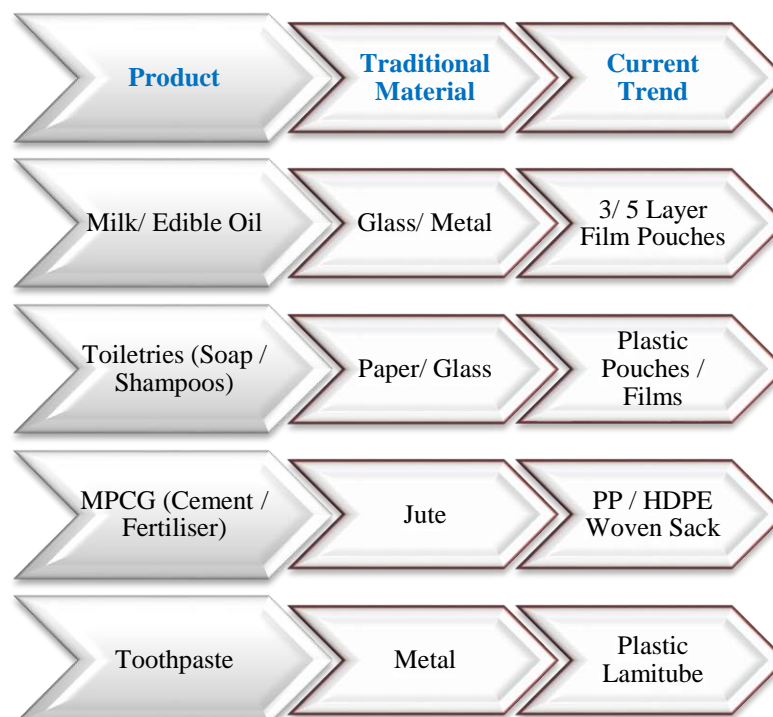


Source: Research on India, Flexible Packaging Market

### Plastic packaging

Packaging encompasses a wide range of material types across paper board, metals, plastic, wood, glass and other materials. However amongst all the substitutes available, 'Plastic Packaging' is the fastest emerging trend in the packaging industry. The traditional materials like paper boards, metals, wood, glass etc. have been replaced by plastics in many applications due to their cost to performance ratio.

### Plastics replacing the traditionally used materials



Plastics have been the preferred choice in packaging globally and in India due to the following key benefits:

Plastics act as an excellent barrier to oxygen, water and carbon dioxide. They are inert towards acids, alkalis and most solvents and therefore they ensure freshness & hygiene of the contents and high durability of the items packed. As per industry estimates, 35-40% of the food products produced in India are wasted due to deficient infrastructure and lack of food processing capabilities. Plastics find applications in packaging which protects the longevity and quality of food and can reduce the post-harvest losses.

1. *Plastic Sacks*: Used for packaging rice, grains and other materials. It can be generally recycled for packing fresh produce. The key advantages are ready availability and cost effectiveness.
2. *Plastic Bags*: These are made from polyethylene films and are commonly used for transporting highland vegetables to wholesale markets in urban centres. They are relatively inexpensive, readily available and have a low weight to volume ratio.
3. *Plastic Films*: Used as a cushioning material in packaging. It helps in reduction of moisture loss from the product, which is a principal requirement of limited permeability packaging materials.

Their versatility allows them to be used in wide variety of applications such as food and beverages, FMCG items, pharmaceutical industry to name a few. The following table depicts the applications of different plastics used across the industry segments and the attainable benefits of the same.

Plastic	Applications	Benefits
PET	Food jars for jelly, jam and pickles Plastic bottles for soft drinks, water, juice Ovenable film and microwavable food trays	Excellent resistance to most solvents High impact capability and shatter resistance Clear and optically smooth surfaces
HDPE	Cereal box liners Reusable shipping containers Bottles for non-food items, such as shampoo, liquid laundry detergent, household cleaners, motor oil etc.	Relatively stiff material with useful temperature capabilities Higher tensile strength
PVC	Rigid packaging applications include blister packs and clamshells. Packaging, film and sheet, and loose-leaf binders. Flexible packaging uses include bags for bedding and medical	High impact strength Brilliant clarity Excellent processing performance
LDPE	Container lids Shrink wrap and stretch film. Squeezable bottles (e.g., honey and mustard).	Excellent resistance to acids, bases and vegetable oils Toughness, flexibility and relative transparency
PP	Medicine bottles Bottle caps and closures Bottles for catsup and syrup.	Low moisture vapor transmission Inertness toward acids, alkalis and most solvents
PS	Protective foam packaging for furniture, electronics and other delicate items. Packing compact disc cases and aspirin bottles	Low thermal conductivity and excellent insulation properties Excellent moisture barrier for short shelf life products

#### *Reduced Environmental Impact*

As plastics possess versatile properties it can help us do more with less. One such property is light weight. As plastics are light in weight, they have a high product to package ratio which results in lighter weighed end product. For eg: Only 1.5 pounds of flexible plastics can deliver ~60 pounds of beverage; compared to three pounds of aluminium or 50 pounds of glass. Thus, plastic packaging enables in shipping more products with less packaging material. And also brings down the fuel consumption and the overall transportation cost.

Besides this, plastics can be reused and recycled. They have low energy requirements during production, hence considered to be energy efficient. They consume ~25% less energy in production compared to other alternatives. They



result in lower emission of CO<sub>2</sub> gas. Thus when compared to glass or aluminium plastics results in lighter environmental footprint.

### *Innovations in Packaging*

The unique properties of plastics provide an advantage of using plastics in flexible manners. Plastics can be made re-sealable, reusable, they can be moulded into desirable shapes, rigid packs, innovative designs etc. thus resulting in consumer friendly packaging; that provides ease in handling, disposal, storage etc. New products in flexible packaging such as vacuum pouch, high temperature retort pouch, stand-up pouch etc. can lead to changing packaging trends.

IML (In-mould Labelling) technology that uses plastic labels is also one of the cost effective technology. For eg: It can be beneficial as it increases packaging line speeds, improves sidewall strength and appearance of the packaging and reduce container weight. Further, innovations such as MAP (modified atmospheric packaging), nano-structure multi-layered films, etc. will also enhance the performance of plastics in packaging, thereby resulting in higher efficiency.

Therefore the unique combination of energy efficiency, lighter packaging, reduced use of natural resources, fewer greenhouse gas emissions, less waste, improved shelf life & appeal and cost effectiveness makes plastics the preferred choice in the packaging industry.

In India, the majority of the FMCG products consumed by the households are packaged in plastics.

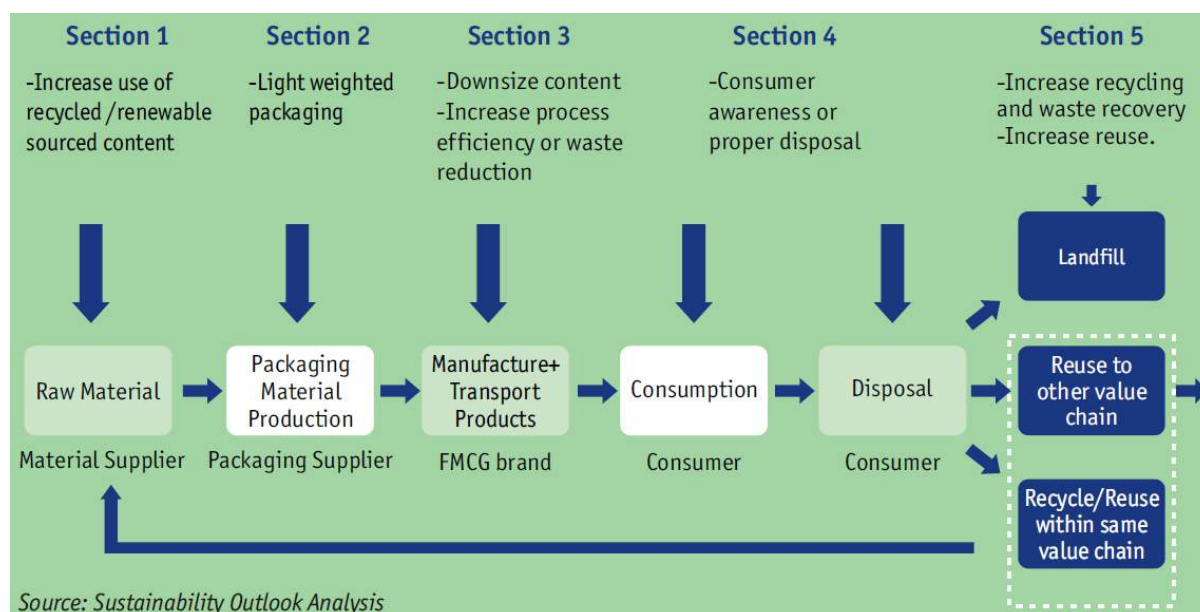
In context to the Indian markets, industry at present is dominated by flexible plastics packaging. There has been a gradual shift from rigid to flexible packaging due to flexible packages being visually appealing, cheaper and durable. Both flexible and rigid packaging is used in processed foods. Flexible packaging consists of either monolayer or multilayer films of plastics. Multi-layered laminated sheets of plastics mainly include PE, PP, PET, and PVC.

Flexible packaging is dominated by small & medium sized companies. Uttarakhand (Haridwar, Rudrapur & Pant nagar) is one of the key packaging clusters in India contributing to 13% of the total organized flexible packaging production.

### **Sustainability**

Sustainability in packaging would mean ensuring that the waste resulting out of the packaged products never leave the value chain and also using materials that may cause little to zero environmental harm.

Plastics are now emerging as a sustainable and a smarter choice on the basis of their versatile properties and the benefits resulting out of its usage. Using alternatives of plastic packaging can result an increase in packaging weight, energy consumption and global warming. Therefore, plastics in packaging is a sustainable choice; as they ensure reduced environmental impact with lower GHG emissions and can be made re-sealable and/or re-usable.



The collection & segregation of decomposable waste is one of the key stages in taking this further.

Mostly consumers throw the waste on the street out in the open without segregating the waste which diminishes the quality and at times could make it unsafe. It is crucial to save the recyclable waste material from going to the waste processing and disposal sites and using up landfill space. Effective recovering at source for recycling could make

profitable use of such material. This will protect national resource and also save the cost and efforts to dispose of such waste. In order to do so, innovations such as optical sensors and floatation devices could be adopted on large scale which will result in improved sorting process. Brand owners should come forward and share the responsibility of managing plastic waste and make efforts to address the issues. Besides this, best practices of other developed nations could be adopted for packaging waste to ensure reduction, reuse and recycling of packaging materials.

Thus by addressing the challenge of segregation of waste at source and promoting formation of waste management infrastructure coupled with investment in developing recycling centres can help in achieving a favourable outcome and make plastic materials as a topmost and sustainable choice in packaging. The real solution lies in addressing the challenges faced by the recycling system prevalent in India.

The industry has been facing issues like lack of critical infrastructure and support from small players involved in recycling. Small recyclers are involved in cleaning process which results in the release of effluent, dust and debris. But due to poor financials, these recyclers are unable to set up and operate large effluent treatment plants or even use dust filters. This has pushed the government to consider creating polymer clusters in various parts of country which would include small and medium sized entrepreneurs (SMEs) and recyclers. Furthermore, there is a growing need for public awareness and discipline towards plastic waste recycling. Responsibility for enhancing this awareness lies both on government as well as on industry. Maximum participation of all stakeholders is critical to tackle the issue of Plastics Waste Management.

In near future, the awareness of consumers and support from government is likely to increase the recycling of plastics and increase the magnitude of plastic waste management.



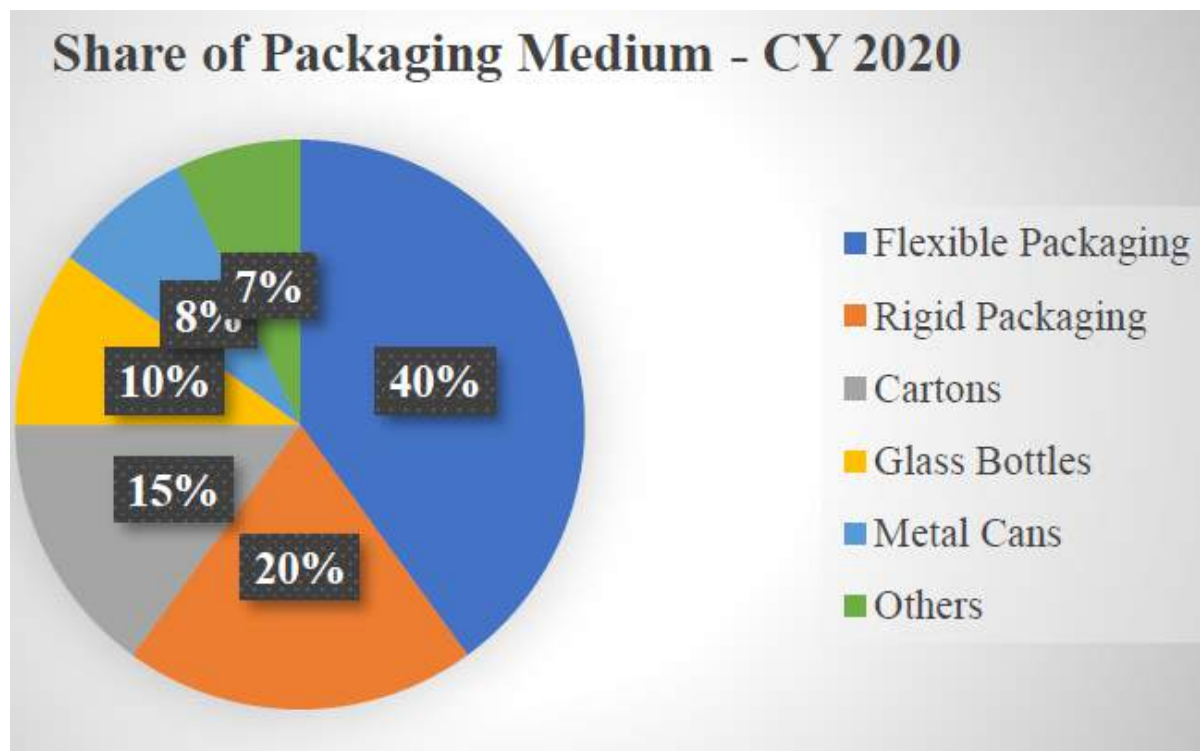
### Bio-based plastics

Bio-based plastic products are material which undergoes decomposition in a specified period of time under composting conditions in industrial facilities. This type of plastic is made from biomass and can degrade naturally in a matter of years. The traditional, petroleum based variety accounts for about 99% of world's plastic and much of that will still be decomposing for centuries. One of the feedstock to produce bio-plastics is avocado seeds. Though the product is currently priced marginally higher than its petroleum based counterpart; with high volume of production and a stress on green chemistry by community, the cost of production are expected to come down and be more attractive and sustainable option vis-à-vis the traditionally produced plastics.

With the market for this product still in its infancy, continuous R&D efforts are being taken to promote the segment. Many polymers like PLA (Poly Lactic Acid), PHA (Poly Hydroxyalkanoates), Bio PTT (Poly Trimethyl Terephthalate), Bio PDO (Propanediol) etc. form the upcoming trends. These plastics are significantly made of renewable materials like bio mass and save up to 40% energy in production as compared to their petrochemical counterparts.

(Source: <http://ficci.in/plastic-packaging-report.pdf>)

### Flexible packaging



*(Source: compiled by CART, Industry Source)*

Flexible packaging is estimated to reach US\$ 0.014 Lakh crore by year FY 2023 growing about 18% CAGR.

Plastics, paper and metals are the key materials used in flexible packaging products, which are made from foil or paper sheet or laminated paper and plastic layers. Plastics dominate the flexible packaging market because of their properties: they can be modified by co-polymerisation and the use of additives to match exact packaging requirements of the commodity to be packed. Also, they are high in strength and play as a barrier against moisture.

Metal Packing is generally used in Cans, paper is used in bags, envelopes and pouches, plastics is used in bulk bags and woven fabrics are used in industrial packaging. About 50% of the plastics produced in the country are used in packaging industry. Flexible packaging accounts for around 40% of total packaging industry in CY 2020.

### Polymers

Polymers have an increasing role in flexible packaging. PET, or polyethylene terephthalate, is the chemical name for polyester. It is extruded or molded into plastic bottles and containers for packaging foods and beverages, personal care products, and many other consumer products. PET is a highly valued packaging material because it is strong yet lightweight, non-reactive, economical, and shatterproof. Polypropylene (PP) is a thermoplastic polymer used in a wide variety of applications.

An additional polymer made from the monomer propylene, it can be produced in a variety of structures giving rise to a variety of applications including packaging and labeling, textiles, plastic parts and reusable containers of various types, laboratory equipment, automotive components, and medical devices.

High Impact Polystyrene is a rubber-modified version of General Purpose Polystyrene (GPPS), which exhibits high impact strength in sheet form, is easily fabricated and vacuum formed. High impact polystyrene sheet (or HIPS sheet as its known in the trade) is a very versatile material and provides a cost effective route to the production of parts for many industrial sectors.

### Flexible Packaging- India outlook

Demand for flexible packaging in India is likely to remain strong, due to comparative lower cost of packaging and continuous innovation by leading players who are launching new materials and products for the industry.

Demand is likely to be further driven by smaller pack sizes, given the lower purchasing capacity in rural and semiurban India. Indian companies have been highly innovative to reach this target market by launching products in extremely small size packs called “sachets” and “pillow packs” that contain a wide variety of products from personal care products like shampoos, tooth paste and face creams to chewing tobacco and related products. Also traditional segments like savory snacks, biscuits and condiments are being launched in smaller packages to cater to the rural market.

As in other packaging segments, growth in this sector is expected to remain strong from traditional products and with new categories migrating from other expensive forms of packaging to flexible pouches. Some recent innovations in this category are the introduction of re-closable packs and packs that have a spout and screw cap; which can be used to package condiments, sauces, juices etc. and can also be made from aseptic packaging materials.

The real value of the flexible packaging comes from the benefits it provides to the users in terms of taste, performance, convenience, value and variety. Product taste along with extended shelf life can be enhanced through processing technologies such as high pressure processing (HPP), which often utilizes flexible packaging due to its ability to withstand high levels of pressure.

Following table provides few examples of consumer benefits from the flexible packaging.

1. *Portability*- Lightweight, easy to pack, on-the-go consumption, can withstand pressure in a bag and not burst.
2. *Cooking/Microwavable*- Ability to cook inside the pouch, without the need for other utensils or cooking pots & bowls.
3. *Reclose/ Easy Open*- Many flexible packages today use easy open or reclose features such as with shredded cheese, to keep unused food fresh without the need to use another container between uses.
4. *Less material to landfill*- Flexible packaging is much less bulky when disposed, and being lightweight leads to less trash, and material to landfill.
5. *Freshness*- Vacuum packed, Modified Atmosphere Packaging, High Pressure Packaging (ex. fresh avocado), extends shelf life without the use of preservatives.
6. *E-commerce protection and returns/ size optimized ecommerce packaging*- Flexible packaging can be used to cover and protect products shipped via e-commerce, without the need for an overbox for some product categories. Additionally, some product categories, like clothing and shoes, may have return rates up to 50%. Easy open and reclosable, flexible packaging options enable fast, easy, safe returns for consumers and retailers without new packaging.

## Forms of Flexible Packaging

There are various forms of Flexible Packaging the details of the few forms are described below:

### 1. Roll Form:

- a. Packaging material manufactured in roll form are generally used in packaging of products for the food, pharmaceutical and cosmetics industries.
- b. The laminations are crafted out of an extensive range of industry approved materials such as polyethylene terephthalate, biaxially-oriented polypropylene, polythene, 3 layer barrier polyethylene, cost effective 5 layer high barrier polyethylene, cast polypropylene, aluminium foil, biodegradable, laminates, air bubble film, air insulation film etc.
- c. The packaging material manufactured in roll form generally have the following applications:
  - i. Hygiene and personal care: can be used to pack products such as shampoo, conditioners, henna, washes and other personal care items.
  - ii. Household industry: can be used to pack household and industrial cleaners, chemical products, etc.
  - iii. Food and beverage: can be used to pack both dry food products, snacks such as biscuits, dairy products, namkeen, spices, wafers, spices, frozen food, etc.

### 2. Pouch Form:

- a. Packaging material manufactures in pouch form is compatible for both dry and liquid products manufactured in various industries.
- b. There are various types of pouches such as vacuum pouch, zipper Pouch, standup pouch, gusset pouch, side seal pouch, spout pouch, window pouch, D-cut pouch, e-commerce bag, paper bag etc.
- c. The applications in different industries have been provided below:

- i. Food and beverage industry: can be used to pack both dry and liquid food products, pet food, snacks, biscuits, rusks, spices, bundi, milk, frozen food, granular products like salt or sugar, etc.
- ii. Hygiene and personal care industry: can be used to pack products such as dyes, shampoo and other personal care items in sachets and pouch form, vests, briefs, etc.
- iii. Household industry: can be used to pack liquid and dry household and industrial cleaners, chemical products, etc.
- iv. Agricultural industry: can be used to pack agricultural products such as manures, fertilizers, etc.
- v. Pharmaceutical industry: can be used to pack ayurvedic medical supplies, medical bags, etc.
- vi. E-commerce: can be used to cover and protect products shipped via e-commerce, without the need for an overbox for some product categories.



(Image Source: <https://www.sabarflex.com/product/food-packaging-pouch/>)

### 3. Co-Extruded Films:

- a. This film is generally used by end user and is customized films for vertical form-fill-seal applications such as meat, dried foods, mixes and chemicals.
- b. The packaging material manufactured in coextruded films generally have the following applications:
  - i. Hygiene and personal care: can be used to pack products such as shampoo, conditioners, washes and other personal care items such as wet wipes, etc.
  - ii. Household industry: can be used to pack household and industrial cleaners, chemical products, N-95 masks, etc.
  - iii. Food and beverage: can be used to pack both dry food products, snacks such as biscuits, namkeen, wafers, spices, frozen food, etc.

### Rigid & Flexible packing - Key differences

Parameters	Flexible Packaging	Rigid Packaging
Weight	Light	Heavy
Raw Material Consumptions	Low (By Weight)	Heavy
Sizes	Good For Smaller Packs	Suitable for Bigger Packs
Storage	Less Space Require	High Space Required
Re-use	Low Possibility	High Possibility
Energy Saving	Low	High
Re-sealing	High Possibility	Low Possibility
Diposal	Easy	Difficult

(Source: Industry Source details compiled by CART)

### Indian packaging industry & company dynamics

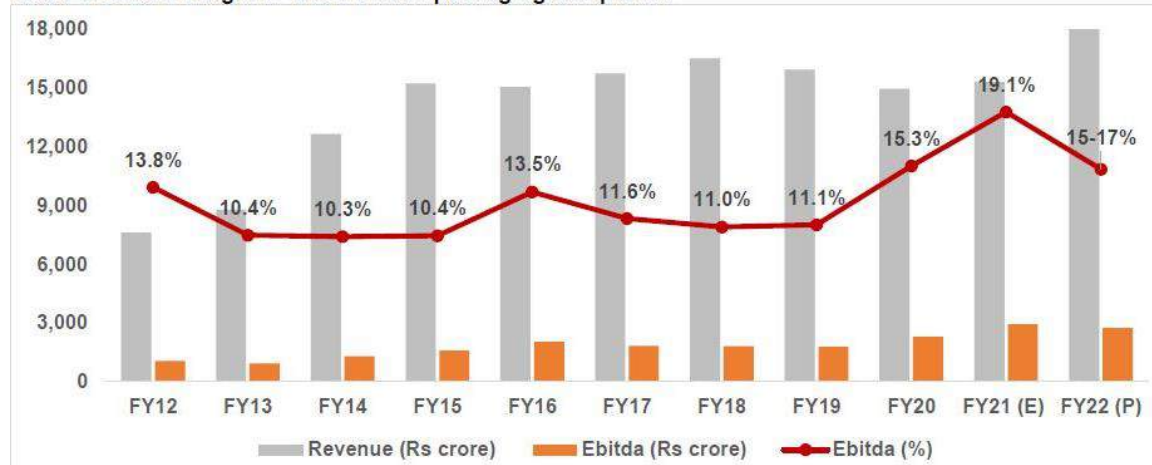


Amid the e-commerce surge, the Indian packaging industry is witnessing steep growth and is one of the strongest growing segments. According to the Indian Institute of Packaging (IIP), packaging consumption in India increased 200% in the past decade, from 4.3 kgs per person per annum (pppa) to 8.6 kgs pppa.

The industry is expected to reach US\$ 204.81 billion by 2025 from US\$ 50.5 billion in 2019 at 26.7% annually. The e-commerce segment of the packaging market was estimated at US\$ 451.4 million in 2019 and is forecast to reach US\$ 975.4 million by 2025 at 13.8% annually.

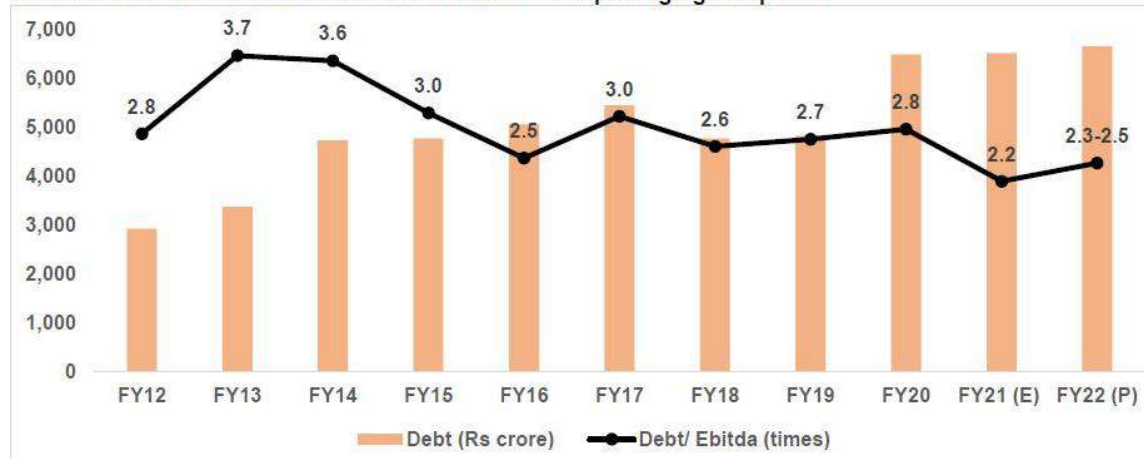
The packaging sector is categorised into two major segments (by type)—rigid and flexible packaging, with rigid packaging accounting for 64% market share. In terms of packaging materials, 55% of the sector is dominated by plastics, followed by paper & cardboard (20%) and glass (10%).

**Chart 1: Ebitda margin of CRISIL-rated packaging companies**



Food processing is the largest consumer of packaging at 45%, followed by pharmaceuticals (25%) and personal care products (10%). Increasing demand from these end-user segments is creating a huge potential for expansion.

**Chart 2: Debt and debt-to-Ebitda ratio of CRISIL-rated packaging companies**



Amid the pandemic, the demand for packaging for groceries, healthcare products and e-commerce transportation has increased exponentially; but, at the same, the demand for industrial, luxury and sections of B2B-transport packaging has declined. Some of the key end-user segments will witness mixed impact of the pandemic owing to a sharp increase in demand for some sub-segments and dip in others:

### ***Food and beverages packaging***

The packaged food and beverages segment is witnessing an upsurge due to a demand spike for essential food products and shelf-stable foods. Demand from the grocery and dairy product segments has subsequently fuelled the demand for vacuum packaging, trays and protective films including PVC film and shelf life-extending modified atmospheric packaging and others. However, demand from offline food chains including cafes and restaurants, which have been either entirely closed or operating partially, is negatively impacting the market.

### ***Transit and omnichannel packaging***

Demand for this type of packaging has nosedived in the past few months due to reduced industrial activity. However, some of the negative impacts have been offset by the spike in demand from other end-user segments—such as disposable takeaway packaging for food and pharmaceuticals, and corrugated packaging for e-commerce and grocery deliveries.

### ***Consumer packaging:***

While the demand for packaging continues to be accentuated by the sharp increase in home deliveries for grocery purchases and other home care products, the demand for non-food, premium/luxury and non-essential purchases has been hit with stores remaining closed or consumer cut backs on spending.

### ***Healthcare packaging:***

Demand for all types of healthcare packaging and related substrates, including flexible blister foils, pumps, closures and rigid plastics, has soared. Similarly, the demand has also spiralled for packaging used in dietary supplements such as vitamins and essential supplies needed by consumers in a pandemic situation.

(Source: <https://www.crisil.com/packaging-film-cos-head-for-decade-high-profitability.html>)

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

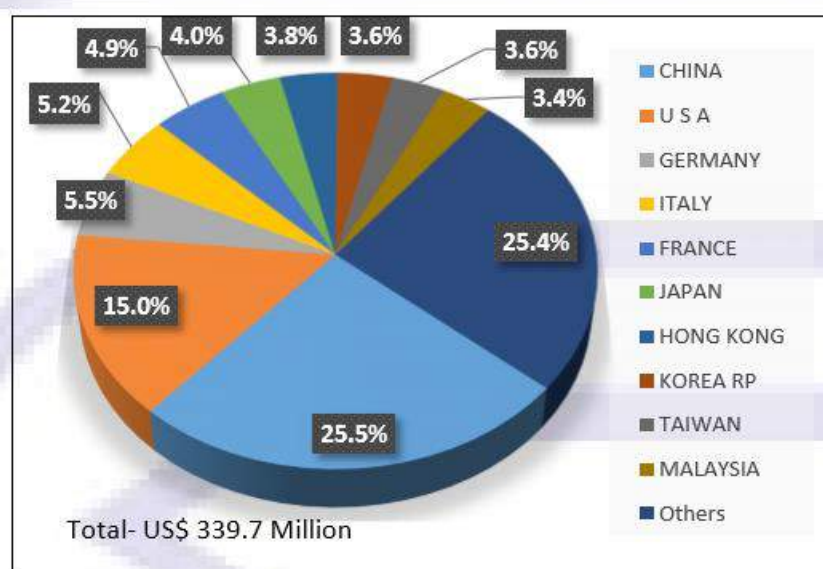
Since the pandemic, companies have been tweaking their products, marketing strategies and service offerings to cater to the evolving needs of consumers – highlighting what matters most today – safety, immunity and health. Swiggy, for instance, introduced a double-layered packaging that keeps food safe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

(Source: <https://www.ibef.org/blogs/indian-packaging-industry-riding-on-the-e-commerce-wave>)

### **Imports**

China has been persistently the top import source for packaging materials for India. Other major suppliers are the USA (15%), Germany (5.5%), Italy (5.2%), France (4.9%) and Japan (4.0%).

**Exhibit 4.13: Import Source for Packaging Material for India (2018-19)**



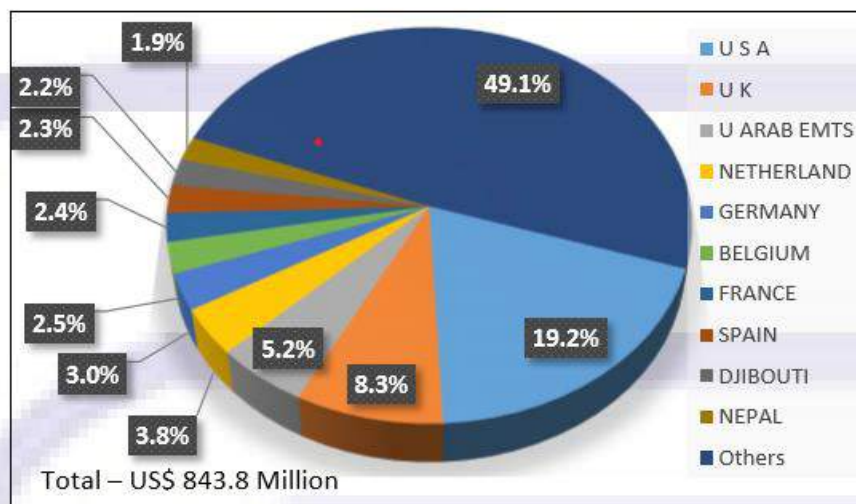
Source: DGCIS, EXIM Bank Research

### **Exports**

Export basket comprises mainly of flattened cans, printed sheets & components, crown cork, lug caps, plastic film laminates, craft paper, paper board & packaging machinery, while the imports mainly include tinplate, coating & lining compounds.

Laminates & flexible packaging, especially PET and woven sacks (FIBC Jumbo bags) have been registering fastest growth in exports from India.

**Exhibit 4.11: Export Destinations for Packaging Material (2018-19)**



Source: DGCIS, EXIM Bank Research

(Source: <http://missp.ch/docs/.pdf>)

### Trends in the industry

With advancement in technology and general awareness, the packaging sector in India is well poised as most of the raw materials for packaging are abundantly available in the country. Moreover, the per capita spending has increased tremendously, leading to changing rural markets and a growing middle class who demand the best of products. Various upgraded technologies are being used in industry such as aseptic packaging, retort packaging and biodegradable packaging to enhance the life of food product. Moreover, the plastic packaging market is expanding rapidly registering a growth of 20-25 per cent per annum and is valued at 6.8 million tons while the paper packaging industry stands at 7.6 million tons. The packaging industry is poised to grow rapidly led by the increasing use of innovative packaging equipment and the rising flexible packaging market.

In terms of packaging, the food packaging industry is one growth area that has seen the maximum number of innovations in terms of packaging and branding. Consumers want their food products to be hygienic, safe and at the same time to look attractive. When it comes to food packaging, MNCs have a very good ecosystem. They have a dedicated R&D house, which conducts various research-based experiments using the latest technologies, and are always innovating to ensure that the consumer is benefited. This development has led to healthy competition between our local manufacturers to deliver innovative products, and as a result, the entire ecosystem is gearing up for the change. Likewise, local manufacturers are now importing state-of-the-art machinery to ensure that the packaging is of the highest standards. If trends are anything to go by – seeing is believing! Consumers who have attended any packaging event of late would be able to identify with the above scenario. Packaging machines for labeling, bar coding and scanning, to metal and plastic packaging – every contraption is now available to local manufacturers.

However, at this stage, the industry is eagerly looking forward to the government machinery, which they hope will support them by implementing effective policies that will help them to compete on the international arena. This is where Packaging Industry Association of India will play an active role in resolving the issues faced by the packaging industry.

(Source: <http://piai.org/packaging-sector.php>)

### Regulatory Framework

The trade policy and regulatory framework for the packaging industry differs among the countries, and plays a crucial role in the trade and development of the packaging industry. The food packaging regulations are enforced by the Food and Drug Administration (FDA) in the US. Food, Drug and Cosmetic Act 1958 enforced by the FDA is the basic regulation for Food Contact Materials (FCM). There is a coexistence of national legislation and community level legislation in the European region for food packaging and FCM. The EU Framework Regulation EC 1935/2004 is used



for regulating the food contact materials at the Union level. The standards and technical regulation with respect to food packaging, for GCC nations, comes under the purview of GCC Standardization Organization (GSO).

The food packaging and labelling requirements in India are notified by the Food Safety and Standards Authority of India (FSSAI) under the Food Safety and Standards (Packaging) Regulations 2018 that stipulates the conditions for the use of FCMs in food packaging in India.

## **Challenges**

The packaging industry is constantly faced by various challenges in terms of cost, design, knowledge, regulations and environment. The changing economic conditions and taste and preferences of the consumer also possesses a challenge for the packaging industry to stay relevant in the dynamic environment.

### *Technological Challenges*

Packaging, being dominated mostly by the unorganized sector, for the small players in India, automation and technology upgradation, is often faced by the challenges, such as inadequate knowhow, skillset for adaptation and implementation, and investments. Technology challenges in the Indian packaging industry are also predominant in use and adaptation of material in packaging. In the absence of adequate research, health safety of new packaging technologies also poses considerable challenge for the industry in its development and further implementation.

### *Innovation and Raw Materials*

Cost of raw materials have been significantly impacting the Indian packaging industry across most segments and is putting profitability of the Indian packaging industry under pressure. The net margins in the packaging industry has been declining on account of the rising raw materials cost and depreciation cost. Increase in cost of packaging have a substantial impact on the cost of the end product, subsequently impacting the demand of the product.

### *Availability of Skilled Manpower*

Availability of skilled manpower has been a continuous challenge for the labour intensive packaging industry. As per the industry sources, more than 35000 packaging experts are required currently for the Indian packaging industry, while only 1.5% of the demand is produced each year in the country. The lack of skilled manpower is often also observed at the top management positions in the industry largely due to the dearth of skilled packaging professionals.

### *Flow of Credit*

Availability of institutional finance has been a major challenge for the MSMEs engaged in packaging sector. Timely credit is required for meeting the working capital requirements as well as for innovation and technology upgradation. It is more crucial for the MSME sector, to maintain raw materials base and inventory.

### *Packaging Machinery Sector*

In order to keep pace with the rapid changes in technology in packaging, imported machineries dominates the Indian packaging sector predominantly among the large players. Packaging manufacturers in the MSMEs find it difficult to keep up with the changes mainly due to limited professional knowhow in the sector and costs involved in upgradation. Lack of competitive advanced packaging machinery produced within India is considered as a challenge for small manufacturers in the industry. The absence of indigenous availability of advanced packaging machineries has often exposed the MSME manufacturers to depend on imports of low cost sub-standard machineries resulting in low performance and frequent breakdowns. After sales services and maintenance have also emerged as limiting factors in the absence of adequate skill set. Packaging industry as a user of machine tools in India has been insignificant. Majority of the players in the machinery sector has a comparative disadvantage with respect to both product and process technologies, and are unable to produce high quality products due to limited availability of supporting process technologies, such as precision measuring, material engineering and process control.

### *Research and Development*

Indian packaging sector is challenged by limited indigenous R&D capability for design innovation, low research productivity, high capital investment requirement, and marketing and after sales service. Firm level innovation in India has been considerably low. The R&D spending by the industry has been low at around 0.36%<sup>4</sup> of sales. Total trademarks filed in India pertaining to the packaging Industry are also low at 1.28% out of the total trademarks filed<sup>5</sup>. Packaging as a subject has never been into mainstream education and applied research has been mostly confined to industries having packaging as part of their operations, hence, leaving gaps and delays in solutions in the supply chain needs, related to the packaging industry.

### *Packaging Design and Right Packaging*

With rapid changes in commerce, demography, environmental concerns and consumer preferences, packaging design companies are also under constant pressure to consistently re-innovate to suit the requirements. In India, packaging design innovation, measured in terms of intelligent and smart packaging, as a percentage of total packaging is considerably low and is mostly concentrated in export product packaging. Particularly for food, packaging innovations, even for exports, have been primarily focused on packaging of primary processed products.

#### *Certification Multiplicity and Complexities*

International certifications in packaging industry. Besides being complex and tedious, multiple certification processes for packaging are also cost intensive. Different operations have different procedure of evaluation, hence, there are no 'standard templates' or 'one fit for all' process for the operators or manufacturers. Cost and compliance requirement have often been inhibitive for small operators for certifications. India's domestic packaging certification infrastructure is at a much nascent stage, and restricted to mostly bulk cargo packaging for hazardous products.

#### *Food Safety Regulations in Packaging*

Safety regulations in food packaging worldwide is a complex system involving global authorities, country specific authorities and applicability of multiple laws. The food packaging laws are often stringent and are subject to frequent revisions, modifications and amendments with shifts in preferences, dynamism in food supply chain, implementation of new technologies, outbreaks of diseases and implications in trade. The multiplicity and stringency of the laws, frequent changes in specifications, and resultant compliance remains the another dominant challenge for the food packaging manufacturers, particularly for the MSMEs.

#### *Environmental Concerns*

Packaging processes has a direct and indirect impact on the environment. Wastes from plastic packaging has been lately under the scanner, due to the multiple challenges it presents in terms of recovery due to the composition, and diversity of the plastics used, and the fact that the mixed wastes are often contaminated. A complete elimination, however, of plastic from packaging industry may not be feasible as it may impose considerable direct and indirect impact on the packaging sector, especially on employment. Alternatives to plastic packaging, such as recycling and biodegradables have been emerging as probable solutions to addressing the plastic waste management. Adequate and effective labelling of bioplastics for classified disposal has also been a challenge.

#### *Policy Framework*

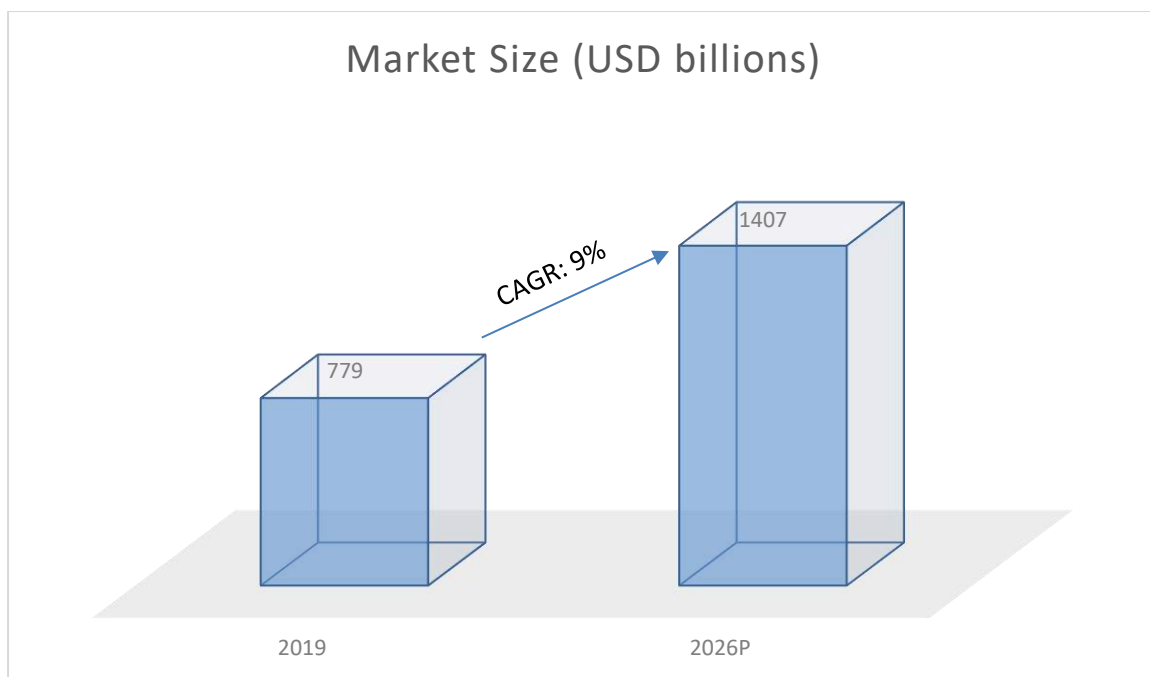
India's policy of import-substitution helped India achieve self-reliance in technologies for domestic production and consumption; however, the country could not adequately build capacities to create internationally competitive technologies to produce for the international markets, and also efficiently upgrade to advance technologies for the domestic market. As a result, there is a considerable lag and gap in acquiring export competitiveness across industries, including the packaging industry. Although Indian organizations are served by a network of national laboratories and institutional infrastructure, the quality is relatively poor when compared to those in the industrialized countries – putting India at a comparative disadvantage.

(Source: <https://www.eximbankindia.in/ResearchPapers.pdf>)

### **Related industries**

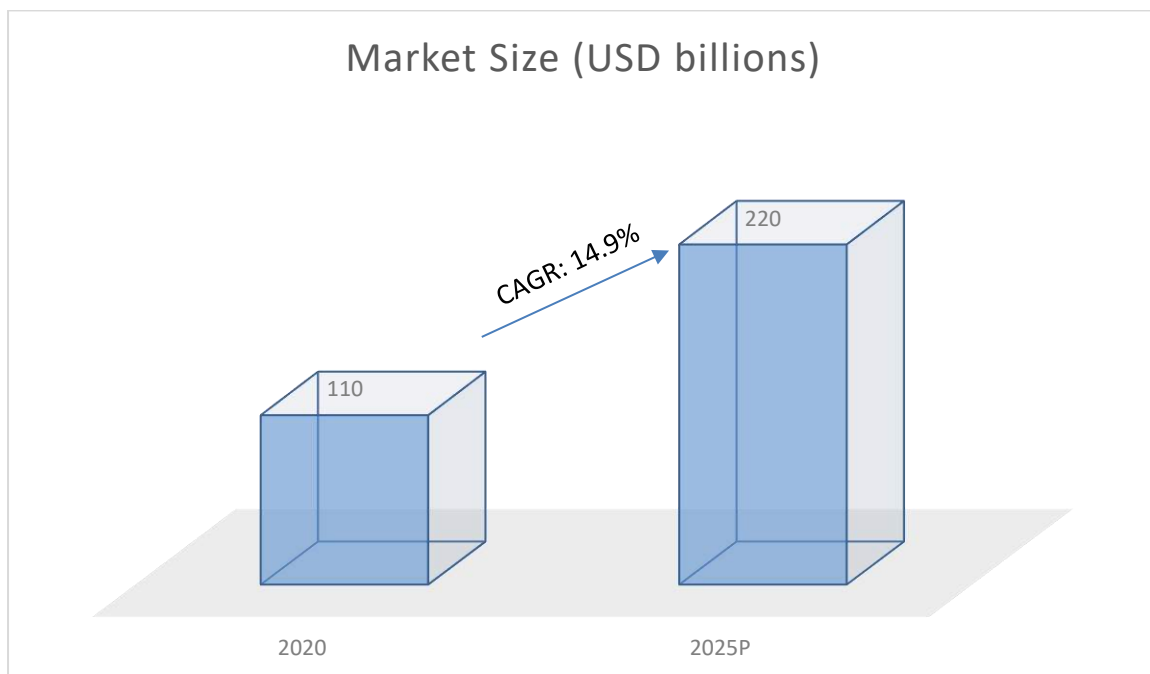
#### *Retail industry*

1. Retail industry gives the huge market to the flexible Packaging.
2. Retail Industry is expected to grow at 14.42% CAGR from US\$ 0.780 lakh crore in 2020 to US\$ 1.75 Lakh crore by end of 2026.
3. Development of Modern Supply chain and logistics will give growth to the packaging solution.
4. India is 5th largest global destination for Retail Space.



#### *FMCG*

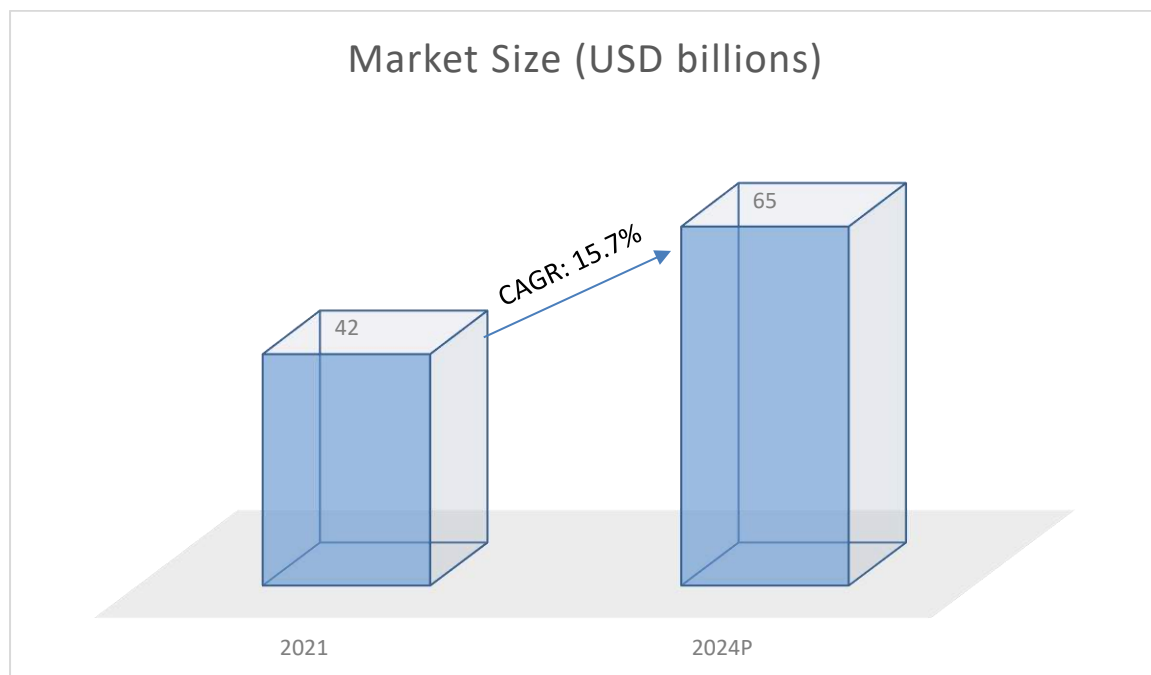
1. FMCG is 4th largest sector in the Indian Economy.
2. The sector is estimated to have grown by 23.15% CAGR and reached US\$ 0.104 lakh crore by end of CY 2020. Also, it is expected to grow at 10% during 2020-21.
3. Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector.



#### *Pharmaceutical industry*

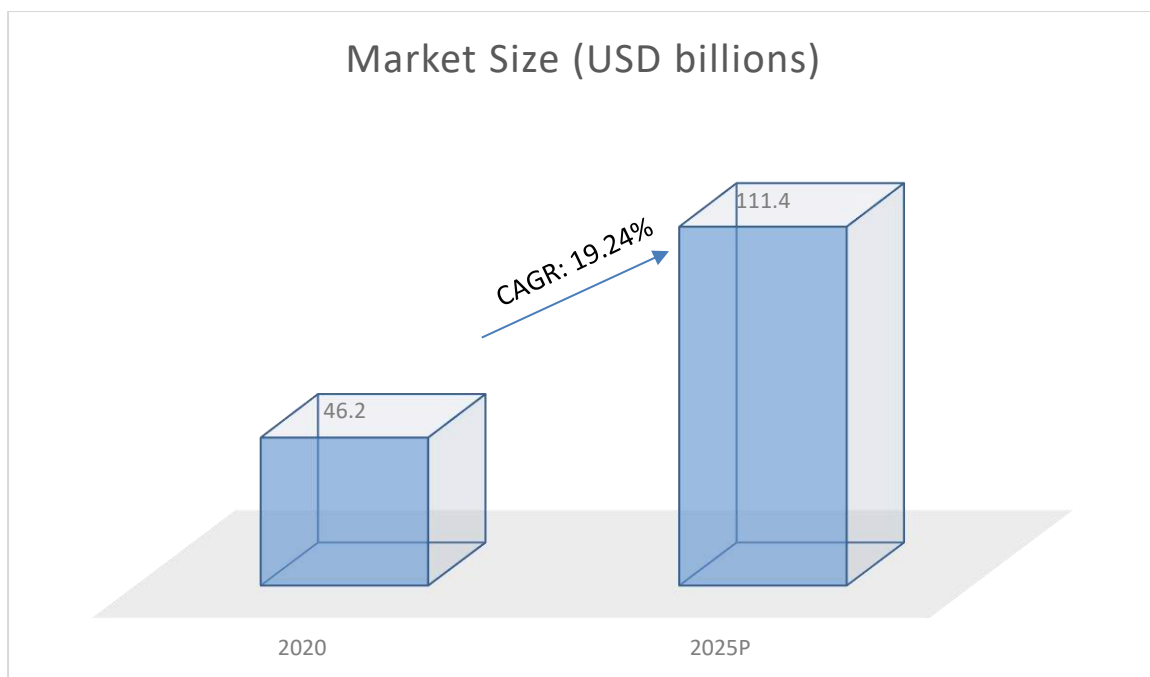
1. Indian Pharmaceutical Industry is forecasted to grow at CAGR of 13.68% and reach US\$ 0.130 Lakh crore by FY 2030 from US\$ 0.041 lakh crore in FY2021.
2. The sector has also shown a significant jump in Exports during FY 2020-21 and is at the top of past 8 years of export.

3. Pharmaceutical companies rely more on packaging and labelling to protect and promote their products, increase patient compliance, and meet regulations.
4. Plastic packaging is preferred for properties such as barrier against moisture, high dimensional stability and impact strength, low water absorption, etc.



#### *E-Commerce*

1. India's E-Commerce revenue is expected to jump from US\$ 0.039 lakh crore in 2018 to US\$ 0.111 lakh crore in 2024, growing at an annual rate of 19.04%.
2. Majority of the online shoppers are between the age of 15-24 years who comparatively pay more attention to appearance and are additionally more cautious about the quality of packaging of the products they buy.
3. E-Commerce offers possibilities for flexible Packaging with advantages, such as lightweight, energy saving due to less energy consumption of package production, possibilities to adjust it different products, small pack size and an ease of storage and disposal.



### Future Outlook

In the coming decade, India will focus on transitioning this industry towards sustainability and smart solutions. The implementation of single use plastic ban policy along with a focus on recycling and biodegradability will bring about a major transformation in this sector.

Currently, Indian packaging industry consumes more polymers compared to the global average. This indicates a major dependence of the industry on upstream feedstock production (ethylene, propylene, styrene, etc). In fact, India currently imports nearly 1.7 MTPA of polyethylene (PE) in addition to utilizing around 73% of its domestic ethylene production towards PE. A major portion of this demand for PE is generated by the Indian packaging sector.

This creates a unique opportunity for India to drive this industry towards sustainability, bio-based/paper-based packaging and in effect reduce the import bill and divert the valuable domestic ethylene production towards import substitution of other crucial chemicals/polymers like methyl ethyl ketone, PVC and ethylene oxide.

The packaging sector has a much wider exposure to other sectors of our economy. The growth of these sectors in the coming decade will have a combined effect to take this sector to new heights. Government of India recognised the potential of this sector and released a slew of policies like the single use plastic ban policy, profit linked tax incentive for food packaging, adoption of National Packaging Initiative, to further incentivise innovation in this sector. As a result, there are numerous champions which have come up to the task and have posted significant profits in the last 5 years. There has also been a rise in material technology research-based startups to create new sustainable packaging materials.

With this growing awareness and governmental push, the research on eco-friendly and sustainable packaging is steadily on the rise in the country. Sustainability has become a key focus area of many of the packaging solutions manufacturers. Globally, Storopack has a new material called rEPS, made from 100% recycled EPS (Expanded Poly Styrene) providing an attractive solution for companies who wish to use environment friendly packages. In India, the corrugated boxes are becoming popular across industries over polymer-based alternatives such as (EPS) foams. Also, the rise of startups like Greendiamz Biotech and Envigreen are tackling different problems across the supply chain of packaging materials to ensure a sustainable and environment friendly growth of this industry in the coming years.

*E-commerce, pharma to revive demand for packaging paper.*

A strong revival in consumer spending amid waning impact of the Covid-19 pandemic will help the paper packaging industry bounce back with a revenue growth of 15% this fiscal, after a decline of ~8% in the last.

Capacity utilisation and operating leverage will also improve and, together with continued high realisations and almost stable raw material prices (mainly waste paper), will help in improving the operating profitability of packaging paper players this fiscal.

With capacity utilisation improving, players are also likely to commence capital expenditure for enhancing capacity by ~10% over fiscals 2023 and 2024. Despite this, credit profiles of players will remain 'stable', given better accruals due to improving operating performance, and well-managed balance sheets.

The domestic paper industry is dominated by the paper packaging segment, accounting for 50-55% of the sector's capacity. The paper packaging segment comprises paperboard and kraft paper used in packing of pharmaceutical, e-commerce goods, consumer durables, fast moving consumer goods and ready-made garments.

It is expected that the operating profitability of packaging paper players to reach the pre-pandemic level of over 17% this fiscal, compared with 15.5% last fiscal, backed by better operating leverage and higher realisations. Also, the costs of key inputs such as waste paper, which saw a sharp rise last fiscal, have now stabilised, which will help improve operating profitability.

A moderate third wave, if it occurs, is unlikely to materially impact recovery for the packaging paper segment. However, movement in prices of key raw materials, such as imported wastepaper, will bear watching.

(Source: <https://www.investindia.gov.in/team-india-blogs/indian-packaging-sector-outlook-industry>)

(Source: <https://www.crisil.com/e-commerce-pharma-to-revive-demand-for-packaging-paper.html>)

## **OUR BUSINESS**

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You shall read the chapter titled “Forward Looking Statements” beginning on Page No. 13 of this Draft Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ending March 31 of that year.*

*The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on Page No. 19 and 122 respectively.*

Unless otherwise stated, all references in this section to “Sabar” or “the Company” or “our Company” or “we” or “our” or “us” are to Sabar Flex India Limited.

### **BUSINESS OVERVIEW**

Our Company was originally formed as a Partnership Firm under the Partnership Act, 1932 (“Partnership Firm”) having Firm Registration Number MHN/6001 in the name and style of “*Sabar Flex Industries*” pursuant to Deed of Partnership dated March 06, 2007. Sabar Flex Industries was thereafter converted from Partnership Firm to a Public Limited Company under Part I Chapter XXI of the Companies Act, 2013 with the name and style of “*Sabar Flex India Limited*” and received a Certificate of Incorporation from the Registrar of Companies, dated June 7, 2018. The corporate identification number of our Company is U25209GJ2018PLC102720. For further details, including change in our Registered Office, please refer the chapter “*History and Certain Corporate Matters*” beginning on Page No. 106 of this Draft Prospectus.

Our Company is promoted by Mr. Hikmatbahadur K. Kunwar. At present look after the overall management, day to day affairs and is the guiding force behind the strategic decisions of our Company. His industry knowledge and understanding of the current market situation enables us to improve our geographic horizon and market presence. We believe that we shall be able to create a market position by adhering to the vision of our Promoter and senior management and their experience.

#### **Our business operations are broadly divided into:**

1. To carry on the business as manufacturers of and dealer in products, articles of packaging, made from paper, board, pulp of all kinds, cellulose films, polyethylene, plastic films, and metal foils and films of all kinds and other flexible or laminated materials, bags, pouches, envelopes, sheets, rolls and all kinds of flexible packaging and manufacturing, fabricating, printing, treating, waxing and laminating all kinds of packing materials and all type of Raw Materials of packing materials. Manufacturing of ink and all type of raw material of ink.
2. To carry on the business as manufacturers, processors, designers, buyers, sellers, exporters, importers and otherwise dealers in all kinds of packing cases, cartons, drums, crates, cans and containers, wooden boxes, plastic containers, polythene containers, bottles, hollow wares etc., whether made of plastic or any manmade fiber, or of other material, including high and low density polythene, polypropylene, plastic and other manmade fibrous material used in manufacture of all or any of the above products and raw materials used therefore.
3. To carry on the business of manufacturers, buyers, sellers, importers, exporters and dealers in all kinds of packing materials, containers, receptacles, boxes, cartons, cases, drums, cages, tins, bins, jars, tubes, crates, packing cases, cans, bottles, vials and fittings thereof of every kind and to manufacture and deal in plastic, any other materials whether chemically treated or not, used for the manufacture of any of the articles or products or goods.

For details relating to our business, description of our activities, services, products, location of plant, capacity, facility creation, marketing, competition, markets of each segment, inter alia, please refer to the chapters titled business overview and Industry Overview on Page No 62 of this Draft Prospectus respectively.

### **OUR LOCATIONAL PRESENCE:**

Sr. No.	Adress	Owned / Leased	Current Use
1.	Plot No.27 and 28, Survey No.33, Village: Dhandha, Tal:Himatnagar, Dist: Sabarkantha, Gujarat:383001	Owned	Manufacturing Plant

2.	Survey No.33, Plot No.25 and 26, Village: Dhandha, Tal: Himatnagar, Dist: Sabarkantha, Gujarat: 383001	Owned	Manufacturing Plant
3.	Survey No.33, Plot No. 30,31 and 32, Village: Dhandha, Tal: Himatnagar, Dist: Sabarkantha, Gujarat: 383001	Owned	Manufacturing Plant
4.	B/1/104, Palledium, Nr. Orchid Wood, Opp.Divya Bhaskar, Corporate Road, Prahladnagar, Ahmedabad-380015	Leased	Registered Office

## OUR COMPETITIVE STRENGTH

### 1. Location Advantage

Our Manufacturing unit is in Dhandha, Himatnagar City of Gujarat which is closed to Rajasthan. As of now Flexible Packaging Industry is not developed in Rajasthan due to which company is getting good orders from salt industry of Rajasthan State and due to location advantage, it provides efficient logistics thereby reducing our transportation as compared to our competitors.

The Indian salt industry is located in Kutch and Rajasthan. Rajasthan is one of our potential target customer bases. We believe that we are the strongest integrated player in Rajasthan specially in salt industry who can cater to the local demands of packaging products.

### 2. Diversified customer base

We focus on maintaining and establishing long term relationships with our customers. Our customers include some of leading players in salt, mehndi etc in Rajasthan. We believe that we have an ability to address the varied and expanding requirements of our customers. Our diversified customer base has helped us in introducing products in South part of India in the states like Tamilnadu, Kerala, Pondicherry.

### 3. Strong management team and motivated and efficient work force

We believe that our qualified and experienced management has substantially contributed to the growth of our business operations. Our Promoter Directors have more than a decade of experience in packaging industry. Emphasis on systems and individuals has enabled us to build up capabilities to operate at different locations. Empowerment of management by delegation of authority has been our strength in meeting management expectations and has helped our Company in building a large team of qualified and experienced professionals. We believe that the experience of our senior management team has translated into improved product quality, increased profitability and improved margins which give us competitive edge.

### 4. Quality Assurance

Each of our Company's products passes through stringent quality checks. The quality assurance measures taken by our Company include thorough checking of all raw materials, other inputs and finished goods to ensure quality, statistical methods to identify and analyze areas of improvement, experienced manpower for quality assurance activities, creation of data base for future reference and analysis etc. Each of the divisions is well equipped with modern quality checking and testing equipment in place for quality assurance and functions on our philosophy of providing quality products to customer.

### 5. Research and Development capability

As part of our ongoing quality assurance activities, we have established standard specifications for our raw materials and finished products and continually look at ways to develop anti-tampering packages for our products.

We have dedicated team that is focused on new products development. Our research and development activities include new product development to meet and exceed ever-changing client expectations and to achieve larger market share. Consumer preferences are incorporated into our products by our quality function deployment process. We believe that our manufacturing units have adequate facilities and personnel to ensure compliance with the quality specifications and process parameters we have established. We provide the requisite training periodically to our quality and process control personnel. In addition, we periodically undertake a comprehensive review of various regulatory issues concerning our industry.

## OUR STRATEGY

Our strategy is to build upon our competitive strengths and business opportunities to become one of the leading packaging companies in the world. Our objective is to improve and consolidate our position in the manufacturing and marketing of packaging related products. We intend to achieve this by implementing the following strategies:

### 1. To reap the benefit by enhancing manufacturing capacities



We are focused on establishing and increasing our manufacturing facilities as this will allow us to exercise control over manufacturing costs and the quality of the finished products. We believe that an increase in manufacturing capacity will help us reap the benefits of economies of scale, and this would eventually lead to an improvement in the price competitiveness of our products.

## 2. *Cost effectiveness*

Apart from expanding business and revenues we have to concentrate on reducing the costs in order to remain competitive in the industry. Measuring and evaluating costs at each cost center and bench marking the same to industry / scientific standards is our core strategy to control direct costs and overheads. Our focus has been to reduce the operational costs to gain competitive edge. We are, to some extent successful in our efforts and hope to continue more vigorously to bench mark ourselves with the best in the industry.

## 3. *Maintain our focus to strengthen customer relationship*

We expect to maintain our focus on customer relationships. We believe that there are significant business opportunities from existing as well as potential customers as we diversify our product portfolio and build upon the existing relationships. We believe that this strategy would increase our customer specific knowledge enabling us to provide packaging solution as per their requirement and develop closer relationships with these customers.

## 4. *Enhance product quality*

A good quality product is the foundation for a good brand. As mentioned above, we have the ISO 9000:2008 certification. Products manufactured by our Company meet the quality standards of BIS. We believe that consistency of quality products can only be achieved by process orientation. This process orientation assists us in increasing our efficiency and maintaining the quality of the products. We continue to use modern technology and equipment to track the quality of input as well as output.

## 5. *Continue to train Employees and Seek Entrepreneurship from Employees*

We believe a key to our success will be our ability to maintain and grow a pool of strong and experienced professionals. We have been successful in building a team of talented professionals and intend to continue placing special emphasis on managing attention and attracting and retaining our employees. We intend to continue to encourage our employees to be enterprising and expect them to learn on the Job and contribute constructively to our business, either through ideas, personal networks or effective knowledge management. We also intend to continuously reengineer our management and organizational structure to allow us to respond effectively to the changes faced in the business environment and enhance our overall profitability.

## FINANCIAL SNAPSHOT

Financial Snapshot of our Company as per Restated Financial Information is as under:

(Amount in Rs. Lakhs)

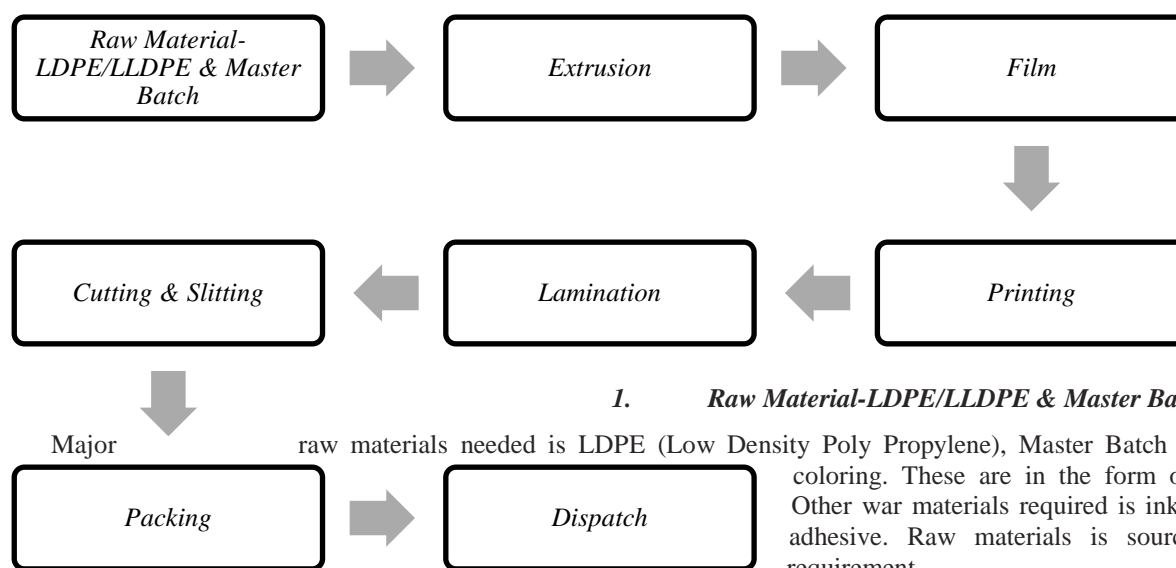
Particulars	For the period ended on December 31, 2021	FY 2020-21	FY 2019-20	FY 2018-19
Revenue from Operations	4,099.48	7,391.70	6,358.99	3,615.59
Total Revenue	4,112.91	7,397.88	6,364.32	3,617.07
EBITDA	308.17	445.03	363.03	256.01
<b>EBITDA Margin (in %)</b>	<b>7.49</b>	<b>6.02</b>	<b>5.71</b>	<b>7.08</b>
PAT	81.81	139.84	89.80	74.15
<b>PAT Margin (in %)</b>	<b>1.99</b>	<b>1.89</b>	<b>1.41</b>	<b>2.05</b>

Note:

- EBITDA Margin = (Restated profit before tax + Finance Cost + Depreciation and amortization expense)/ Total Revenue;
- PAT Margin = PAT/ Total Revenue

## BUSINESS PROCESS

The following is a diagrammatic representation of the business process of our Company:



## 2. Extrusion

It is a blown process where the granules are subjected to high temperature.

## 3. Film

After Extrusion, the granules are converted into a polyester film. These are prepared in accordance with the orders, as per the density requirements.

## 4. Printing

This is done using engraved copper roller cylinders. We have to order cylinders as per the design requirements. The design are engraved on the cylinders and each cylinder caters to only one color. So for each color, a different cylinder are ordered. On the first layer, printing is carried out.

## 5. Lamination

After printing, over the printed layer, another layer is added which is called lamination.

## 6. Cutting & Slitting

After lamination, the polyester roll is cut into various sizes as per the requirement of the customer called cutting & slitting process.

## 7. Packing

Once cutting is done, the pouch making facility, using adhesive packs the end product.

## 8. Dispatch

The final product is sent for dispatch directly from the pouch making facility.

## OUR PRODUCTS

Our Company is in the business of packaging products made from plastics. Most of our Company's existing products are industrial in nature. The main products are as follows:

Sr. No.	Description of Product	Photograph

1.	<i>Flexible packaging products comprising of printed laminates, preformed pouches and surface printed 3 layers films.</i>	
2.	<b>Flexible Printed Laminates</b>	
3.	<b>Multilayer / Monolayer Film</b>	

#### **Key advantages of the product**

1. Unaffected by water & atmospheric moisture
2. Light in weight
3. Ease of handling
4. Resistant to chemicals, fungus growth etc.
5. High strength to weight ratio
6. Can be used to pack oil, ghee, milk, other food products etc.

#### **Key application of the products:**

Retail packaging, Consumer packaging, Pharmaceutical products packaging etc.

### **OUR MANUFACTURING PROCESS**

Manufacturing process of flexible packaging products like laminates is described below:

#### **Multilayer / Three-Layered Blown Film**

Three individual extruders are loaded with specific raw material in their respective individual hopper. Extruder comprises of a cylinder like barrel encompassing a screw attached to a gearbox. As the screw rotates, material inside the hopper is pulled and is pushed through the flights of the screw towards the die. All the three extrudates (molten material) converge

through the die through individual adapters and form one tubular extrudate. This tube comprises of three different co centric tubes heat welded to one another. This tube is blown by air to give required width of the film. The bubble is pulled up by the haul-off system and then pulled by the winder to wind. In the process it is treated and trimmed to get desired results.

### **Gravure Printing**

Gravure printing process is used for multi-colored, high-quality jobs at high press speeds. Gravure printing is a direct printing process that uses a type of image carrier called intaglio. Intaglio means the printing plate, in cylinder form, is recessed and consists of cell wells that are etched or engraved to differing depths and/or sizes. These cylinders are usually made of steel and plated with copper and a light-sensitive coating.

The ink is applied directly to the cylinder and from the cylinder it is transferred to the substrate. Gravure presses have the cylinders rotate in an ink bath where each cell of the design is flooded with ink. A system called a "doctor blade" is angled against the cylinder to wipe away the excess ink, leaving ink only in the cell wells.

Rotogravure presses use the gravure process to print continuously on long rolls rather than sheets of paper. Unlike lithography and flexography, gravure printing does not break solid, colored areas into minute dots (half tones) to print the areas, which makes it ideal for reproducing high-quality continuous tone pictures, especially when using glossy inks.

### **Lamination**

We have installed two distinct machines to laminate two or three different substrates by solvent based adhesive or solvent less adhesives. Solvent less adhesives are odor less and is preferred in food industry, whereas solvent based adhesives are preferred where high bondage between individual substrates are required.

Process principally involves application of adhesive on the first substrate by gravure coating, passage of the substrate through the heated tunnel to dry the adhesive to a desired level, introduction and pinching of the second substrate by secondary unwinder and winding of the laminated structure.

### **COMPETITION**

The packaging industry is highly fragmented and unorganized and to a certain extent localized. However, economies of scale accrue to a few players. We face competition from Uflex, Paper Products Limited, Flexituff International, Radha Madhav Corporations, Uma Converter. However, our Company has some advantage over the competition in terms of product range, marketing and relationships with our clients and backward integration. To counter further competition, we are proposing expansion of our business activity so as to achieve diverse product portfolio, economies of scale and cost competitiveness.

### **Impact of Covid-19**

Effect of Covid 19 was not much on the business of company. Company had not availed moratorium period offered by Government and paid installments of loans etc regularly during covid 19. Manufacturing activity of the company was regular in Covid 19 situation also.

### **HUMAN RESOURCE**

Our senior management team consists of experienced people with diverse skills in manufacturing, engineering, business and finance.

We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the packaging industry. We have a policy of providing the necessary training to our new employees and workers. We view this process as a necessary tool to maximize the productivity of our employees.

The employee details are given as below:

Sr. No.	Category	Number of Employees
1	Finance & accounts personnel	02
2	Legal and Secretarial	02
3	Technical personnel	04
4	Quality Management	04
5	Administrative staff	03
6	Supervisors & in-charges	07

7	Skilled and unskilled workers	70
	<b>Total</b>	<b>92</b>

## UTILITIES & INFRASTRUCTURE FACILITIES

### Infrastructure Facilities

Our registered office is well equipped for our business operations to function smoothly.

#### Power

Company is having 3 phase power connection in factory having load of 22 Kw. Company does not have any solar system.

#### Water

Adequate arrangements with respect to water requirements for drinking purpose are made at all the offices of the Company. Company has installed waste management system. Company has installed water purification plant in factory which purify the waste water and make it reusable again and again.

#### Technology

Our Company is technology services provider, we have adequate computer systems, servers and other communication equipment's, Internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

#### Waste Management

Company is not releasing waste water outside the factory.

Company is having scrap in hard form like films, waste pouches etc which the company is selling as scrap to scrap dealers.

## MARKETING

We expect to maintain our focus on Customer Relationships. We believe that there are significant business opportunities from existing as well as potential customers.

We intend to invest in developing and enhancing recognition of our brand "Sabar" through brand-building efforts, communication and promotional initiatives such as advertisement in electronic media, public relations and investor relations efforts. We believe that our branding exercise will enhance the recall value and trust in minds of our customers and will help in increasing demand for our products.

The company has started expanding its customer horizon over PAN India. The company has started generating orders from South India which is a new market for Sabar. For the last 6 Months, Sabar is pitching for exports to neighboring countries and have started getting favorable response from Nepal.

Sabar has a good image in the mind of customers and in the market by supplying quality goods through which the company is getting new customers from the market.

The company is planning to develop Aluminum Layered products to cater for the industry like pharmaceuticals. Mr Parth Kunwar Working as the Marketing Head of the company is focusing on product diversification and trying to enter into new segment of the business. As the pharmaceutical industry is the 2<sup>nd</sup> Highest Revenue Generating Industry In the world and India is the manufacturing hub of the pharmaceutical industry, the company is expecting good orders and good potential in the pharmaceutical market.

Sabar Flex India Limited for the last 2 years have focused on the up-gradation of machines to supply high-end quality products. This will enhance the product portfolio by adding Aluminum layers films that are used in cosmetic, food-grade and pharmaceutical industries.

## COLLABORATIONS

As on date of Draft Prospectus, we do not have any technical, financial and performance guarantee collaborations with any parties.

## CAPACITY AND CAPACITY UTILIZATION

The table shows the capacity utilization details of Our Company:

	FY 2019	FY 2020	FY 2021
--	---------	---------	---------

<b>Total Installed Capacity (in MT)</b>	4,200	5,400	5,400
<b>Capacity Utilization (in MT)</b>	1,892	2,620	2,823
<b>Capacity Utilization (in %)</b>	45.05	48.52	52.28

#### END USERS

Our products are primarily used for Retail packaging, Consumer packaging, Pharmaceutical products packaging, and hence the companies in such businesses are our end users.

#### RAW MATERIAL

Company is purchasing Raw Material from following suppliers

Sr. No.	Name of Product	Supplier
1	LLDPE and LDPE (Granules)	(1) Reliance Industries Limited (2) Bhavya Polymers (3) Mahalka Polymers
2	INK	Rahi Tradelink
3	Thinner	Essam Traders and Rahi Tradelink
4	Adhesive Gum	Hubergroup India Private Limited

#### INFORMATION TECHNOLOGY

We have installed license version of Tally ERP software for our business requirements. Company has its own website and company has installed technology system for various task begin from Placement of orders from customers, manufacturing of goods, testing and dispatch.

#### Inventory & Logistics

Company is having strict control over inventory management. Registers are maintained for Inventory Management and regularly cross checked by the management and officials. Management is also taking physically stock at regular intervals. Company doesn't have any separate ware house. Company has allocated space in factory for storage. Company is hiring transporters for logistic of Finished Goods.

#### Research & Development

Company has inbuilt R & D department in which company is working on packaging products used in Pharmaceutical Industry. Company has 1 Designer in factory who design packaging products for clients.

#### EXPORT AND EXPORT OBLIGATIONS

Our Company does not have any Export Obligation under Export Promotion Capital Goods (EPCG) Scheme or any other scheme of Government of India.

#### CORPORATE SOCIAL RESPONSIBILITY

Company is not required to constitute CSR committee as per Companies Act 2013, No CSR activities has been carried out by the Company till date.

#### INSURANCE

Our Company maintains insurance policies against various risks inherent in our business activities, including our stocks and fixed assets; directors, officers and employees in managerial or supervisory capacity in the Company; third parties entering our stores and distribution centers, under various burglary, fire and special perils, money, directors and officers liability, public liability policies, providing insurance cover against damages to stocks and assets of the Company, damages arising to the Company from wrongful acts of the directors, officers and employees in managerial or supervisory capacity and damages to third parties from accidents, infidelity, housebreaking, cash and stock in transit, monetary loss, that may result in damages to our Company including damages to our assets or stocks which we believe to be appropriate for our business.

#### Quality Management

Company has inbuilt Laboratory for quality Management and controls of Goods.

Company has installed various machines like Vacuum Oven, Leakage tester and Universal testing machine which are

used to check / testing of finished goods like pouches etc. Machines check the quality, strength, Pressure absorbed capacity of finished goods.

Quality checking lab with equipment- Vacuum Own, Own (Strength Checking), Sealer Machine (Sealing checking), Leakage taster (Check strength of Pouches), Universal Testing machine (Strength of LD).

#### **INTELLECTUAL PROPERTY RIGHTS**

As on the date of this Prospectus, following are the details of intellectual properties of the Company:

<b>Sr. No.</b>	<b>Particulars</b>		<b>Status</b>
1.	Tradename / logo		Unregistered
2.	Domain Name	<a href="http://www.sabarflex.com">www.sabarflex.com</a>	Registered

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*The following description is an overview of certain sector-specific relevant laws and regulations in India which are applicable to the operations of our Company. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to Bidders. The information in this section is neither designed nor intended to be a substitute for professional legal advice and investors are advised to seek independent professional legal advice.*

*The statements below are obtained from publications available in the public domain based on the current provisions of applicable Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions and our Company or the BRLM are under no obligation to update the same.*

### **A. INDUSTRY RELATED LAWS AND REGULATIONS**

#### ***The Food Safety and Standards Act, 2006 (“FSSA” or the “Act”)***

The FSSA was enacted with a view to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India (“FSSAI”) for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The standards prescribed by the FSSAI include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels. The FSSA also sets out requirements for licensing and registering food businesses, general principles of food safety, and responsibilities of the food business operator (“FBO”) and liability of manufacturers and sellers, and adjudication by ‘Food Safety Appellate Tribunal’. In exercise of powers under the FSSA, the FSSAI has also framed the Food Safety and Standards Rules, 2011 (the “FSSR”). The FSSR sets out the enforcement structure of ‘commissioner of food safety’, ‘the food safety officer’ and ‘the food analyst’ and procedures of taking extracts, seizure, sampling and analysis. The FSSA also lays down penalties for various offences (including recall procedures). The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 provides for the conditions and procedures for registration and licensing process for food business and lays down general requirements to be fulfilled by various FBOs, including petty FBOs as well as specific requirements to be fulfilled by businesses dealing with certain food products.

In terms of the Food Safety and Standards (Food Recall Procedure) Regulations, 2017, every FBO engaged in manufacturing of food is required to have a food recall plan. The packaging done by a FBO is required to comply with the Food Safety and Standards (Packaging) Regulations, 2018, while labelling and display of prepackaged food items must comply with the Food Safety and Standards (Labelling and Display) Regulations 2020.

According to the Food Safety and Standards (Licensing and Registration of Food Business) Amendment Regulations, 2018, an e-commerce FBO (which includes sellers and brand owner who display or offer their food products, through ecommerce, and providers of transportation services for the food products and/or providing last mile delivery transportation to the end consumers), is required to obtain central license from the concerned central licensing authority.

*FSSAI Guidance Note on ‘Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID- 19) Pandemic’ (“COVID-19 Guidance Note”)*

The COVID-19 Guidance Note was issued with an intent to provide guidance to food businesses, including their personnel involved in handling of food and other employees to prevent spread of COVID-19 in the work environment and any incidental contamination of food/food packages. It also provides guidance in relation to operative mechanism such as establishment of an inhouse emergency response team in large food businesses to deal with suspected infections effectively. It mandates that employers should have a COVID-19 screening protocol in place to screen all personnel entering the premise. All the employees or visitors should be screened at entry point for the symptoms of COVID-19 such as, among others, temperature (using non-contact type thermometer), cough, cold etc. The entrance shall mandatorily have measures installed for hand hygiene. Employees and food handlers should be encouraged to self-declare any symptoms of any respiratory illness before visiting the premises. To spread awareness and contain the spread of the disease, employers should employ and ensure compliance with numerous measures such as, among others, display of posters/standees/audio visuals on preventive measures for COVID-19, frequent usage of alcohol-based sanitizers, avoidance of close contact with symptomatic personnel, usage of face masks, and frequent cleaning and disinfection. Food sectors involved in food services, takeaways and deliveries shall ensure, among others, that the food service area shall be thoroughly cleaned and disinfected after every meal, hand wash facilities should be made available to the workers, employees wear a clean uniform, mask/face cover, gloves and head covers at all time, adoption of contactless delivery. The



COVID-19 Guidance Note prescribes guidelines for management of the food establishment to handle a COVID-19 suspect/positive case in accordance with the guidelines issued by Ministry of Health and Family Welfare and clean and disinfect the premises accessed by the suspected case.

The COVID-19 Guidance Note mandates strict adherence to General Hygiene Practices specified under Schedule IV of Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 (“Schedule IV”). Schedule IV enumerates multiple compulsory measures to be adopted by FBOs in the interest of human nutrition, safety, and hygiene. Schedule IV mandates that the premises shall be clean, adequately lighted, and ventilated, and sufficient free space for movement shall be made available. In relation to personal hygiene – all employees should wash their hands properly and they should be made aware of measures to avoid cross-contamination. Further, among other things, eating, chewing, smoking, spitting and nose blowing shall be prohibited within the premises especially while handling food, and persons suffering from infectious diseases shall not be permitted to work. Any cuts or wounds shall remain covered at all time and the person should not be allowed to come in direct contact with food.

#### ***Food Safety and Standards (Packaging Regulations), 2018 (the “Regulations”)***

The Food Safety and Standards Authority of India had in accordance with the powers conferred upon it under Section 23 of Food Safety and Standards Act, 2006 promulgated the Food Safety and Standards (Packaging and Labelling) Regulations, 2011 for packaging and labelling of food. On January 03, 2019, the Food Safety and Standards Authority of India (“FSSAI”) announced new regulations with respect to food packaging and divided these regulations into two regulations, (i) the Food Safety and Standards (Packaging) Regulations, 2018; and (ii) the Food Safety and Standards (Labelling and Display) Regulations, 2020. The Food Safety and Standards (Packaging) Regulations, 2018 replaced the packaging provisions of the Food Safety and Standards (Packaging and Labelling) Regulations, 2011. The new regulations include both general and specific requirements for packaging materials and in particular, they prescribe an overall migration limit of 60 mg/kg or 10 mg/dm<sup>2</sup> and specific migration limits for certain contaminants in plastic packaging materials. The regulations also specify that food packaging materials must now comply with Indian Standards (“IS”) listed in Schedules I, II, and III for paper and paperboard materials, metal and metal alloys, and plastic materials, respectively. Previously, compliance with the standards was voluntary. They are available for purchase through the Bureau of Indian Standards (“BIS”). Furthermore, the revised regulations ban both the use of recycled plastics in food packaging and the use of newspaper and such other materials for packing or wrapping of food articles. They also reference specific Indian Standards for printing inks for use on food packages. Schedule IV of the regulations is a list of suggested packaging materials for different food product categories.

The Regulations broadly prescribe the general and specific requirements which need to be followed while packaging food and food products. The general requirements to be adhered by a food manufacturer which packing food is that *inter alia* (i) the packaging material complied with the prescribed Indian Standards and wherever the Indian Standards are not available it should comply with the international standards; (ii) any material which comes in direct contact with food or likely to come in contact with food used for packaging, preparation, storing, wrapping, transportation and sale or service of food shall be of food grade quality; (iii) packaging materials shall be suitable for the type of product, the conditions provided for storage and the equipment for filling, sealing and packaging of food as well as transportation conditions; (iv) packaging materials shall be able to withstand mechanical, chemical or thermal stresses encountered during normal transportation; (v) food products shall be packed in clean, hygienic and tamper-proof package or container; (vi) tin containers once used, shall not be re-used for packaging of food; (vii) plastic containers of capacity 5 liter and above and glass bottles, which are reused for packaging of food, shall be suitably durable, easy to clean or disinfect; (viii) printing inks for use on food packages shall conform to IS: 15495; (ix) printed surface of packaging material shall not come into direct contact with food products; (x) newspaper or any such material shall not be used for storing and wrapping of food; (xi) in case of multilayer packaging the layer which comes in direct contact with food or layers likely to come in contact with food shall meet the requirements of packaging materials specified in Schedule I, II and III of these regulations; (xii) the materials listed in Schedule I, II and III of these regulations shall be compatible with their intended use as a packaging material so as not to alter the quality and safety of the food product; (xiii) every food business operator shall obtain the certificate of conformity issued by National Accreditation Board for Testing and Calibration Laboratories (“NABL”) accredited laboratory against these regulations for the packaging material which comes in direct contact with food or layers likely to come in contact with food to be used.

The specific requirements have been diversified on the basis of the nature of the packaging material. The Regulations prescribe specific packaging requirements for the following packaging materials intended to come in contact with food products (i) paper and board materials; (ii) glass containers; (iii) metal and metal alloys; and (iv) plastic materials. The various standards to be met by the aforementioned packaging material have been prescribed under Schedules I to IV.

#### ***Food Safety and Standards (Labelling and Display), 2020 (the “Regulations”)***

The Food Safety and Standards Authority of India (“FSSAI”) has notified Food Safety and Standards (Labelling and Display) Regulations, 2020, prescribing the labelling requirements of pre-packaged foods and display of essential information on premises where food is manufactured, processed, served and stored. According to the notification, the

Food Business Operator (“**FBO**”) shall comply with all the provisions of these regulations after one year from the date of their publication in the Official Gazette except Chapter 3 (display of information in food service establishments) of these regulations, to which Food Business Operator shall comply by January 1, 2022. The Regulations also introduce the concept of ‘principal display panel’, which refer to the part of the container/package which is intended or likely to be displayed or presented or shown or examined by the customer under normal and customary conditions of display, sale or purchase of the food article contained therein and is typically the first thing a consumer will see when they look at the product. Chapter 1 of the Regulations, prescribes the labelling requirements of pre-packaged foods and display of essential information on premises where food is manufactured, processed, served and stored; Chapter 2 covers the general requirements of labelling of prepackaged foods such as Name of food, Name of food, List of ingredients, Nutritional information, Calculation of Nutrients; Chapter 3 of the regulation contains Display of information in food service establishments; Chapter 4 indicates Labelling Requirements of non-retail container; Chapter 5 of regulation mentions of Labelling of packaged Food Additives for Retail Sale and Schedule II has been set out with mandatory labelling declaration for various food products.

The Regulations prescribe general and specific requirements to be adhered to by a FBO while packaging and labelling a food product, the key requirements have been detailed below:

- Food products sold through e-commerce or any other direct selling means; the Regulation mandates the requirement that the label must be provided to the consumer through appropriate means before sale.
- Where an ingredient is itself the product of two or more ingredients, such a compound ingredient must be declared, by their specific names; in the list of ingredients, or by declaring all of the ingredients of compound ingredient as if they were individual ingredients of the final food. Where a compound ingredient constitutes less than 5 per cent. of the food, the ingredients, other than food additives that serve the technological function in the food products, the same is not required to be declared.
- Every package of food material which is not meant for human consumption shall bear a declaration to this effect by a specified symbol of a black colour cross inside a square with black outline.
- In case of alcoholic beverages, a declaration is required to be provided on the label providing the details of the manufacturer/ importer, etc. The format of providing the declaration is, “Bottled by” or “Blended and Bottled by” or “Imported and Bottled by”, or “Distilled and Bottled by”.
- The FSSAI logo and license number of the brand owner must be displayed on the label. In addition, the license number of the manufacturer or marketer or packer or bottler, as the case may be, if different from the brand owner, must also be displayed on the label. For imported food products, the importer must display FSSAI logo and license number along with name and address of importer.
- FBOs must display on all their premises, where food is stored, processed, distributed or sold, the Registration/License No. or Food Safety Display Board if specified, along with other information as may be specified by the FSSAI at a prominent place in the premises.
- Provisions are included with regard to declarations to be made on foods and ingredients which are known to cause allergy. Food Service Establishments must mention the following against the food items displayed on the menu cards or boards: information relating to food allergens as prescribed. Allergens may also be depicted by easy-to-understand symbols, logo for veg or non-veg. Under the provisions with regard to Labelling Requirements of non-retail container an additional declaration requirement is introduced- Name and address of the manufacturer or packer (including country of origin for imported packages).

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

The Legal Metrology Act, 2009 (“**Act**”), received the assent of the President of India on January 13, 2010. The Act governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weights, measures or numbers. It also states that any transaction/contract relating to goods/class of goods shall be as per the weights/measurements/numbers prescribed under the Act. Every unit of weight or measure shall be in accordance with the metric system based on the international system of units. Using or keeping any weight or measure otherwise than in accordance with the provisions of the said Act is an offence, as is considered as tampering or altering any reference standard, secondary standard or working standard. Moreover, the Act prohibits any person from quoting any price, issuing any price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of this Act. The administration of the Act and regulation of pre-packaging of commodities is done with the help of Legal Metrology (Packaged Commodities) Rules, 2011, (the “**Rules**”) which require every manufacturer, packer and importer who pre-packs or imports any commodity for sale, distribution or delivery to get himself registered under these Rules. Additionally, the Rules also bar anyone from pre-packing or causing or permitting pre-packaging any commodity for sale, distribution or delivery unless a declaration in respect to such pre-packaging has been made on the package in accordance with these Rules.

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

The Central Government in accordance with the powers conferred upon it under the Legal Metrology Act, 2009, has promulgated the Legal Metrology (Packaged Commodities) Rules, 2011 to prescribe the declaration and disclosure of standard quantities or number and the manner of making declarations on pre-packaged goods. Chapter II of the Rules prescribes the packaging and labelling standards for packages intended for retail sale, Chapter III deals with packaging of wholesale products and Chapter IV provides exemption from strict compliance of the rules. Retail sale has been specifically defined under the Rules and given a very wide ambit whereby it has been held to mean sale distribution or delivery through retail sale shops, agencies or any other mode of business to any individual or a group of individuals. Rule 4 of the said Rules mandates the manufacturer to affix a label or print a disclosure confirming that the declarations required under these Rules have been made on the package. Without the said disclosure, the Rules prohibit packing of a product which falls under the ambit of the Rules. The Rules provide the declarations which have to be given by the manufacturer on a product along with the manner and style of making such declarations. Rule 6 of the Rules, lists out the declarations which are to be made by a manufacturer which are inter alia, name of the manufacturer, country of origin, generic name of the product, net quantity, in terms of the standard unit of weight or measure of the commodity contained in the package or where the commodity is packed or sold by number, the number of the commodity contained in the package; month or year of manufacture or import, date of expiry along with a disclaimer that the commodity shall be unfit for human consumption post such date of expiry, etc. The other rules prescribed under Chapter II detail the manner and style of making the above declarations with respect to manufacturer, quantity, weight, dimensions, etc. In accordance with Section 15 of the Legal Metrology Act, 2009, the Director, Controller or any Legal Metrology Officer has been empowered to inspect the packages at the premises of the manufacturer or at the premises of the packer to ensure compliance with the requirements of the Rules. The Rules also empower such officer to seize the packages drawn by him as samples and take adequate steps for the safe custody of the seized packages until they are produced in the appropriate court as evidence and based on the evidence initiate action for violations as per the provisions of the Act and these Rules.

### ***The Drugs and Cosmetics Act, 1940 (the “DCA”) and the Drugs and Cosmetics Rules, 1945 (the “Rules”)***

The Drugs and Cosmetics Act, 1940 governs the import, manufacture, distribution and sale of drugs in India and deals with aspects of labeling, packing, testing and licensing. The Central and the State Governments have been given the power to appoint inspectors under the Act, who must carry out and perform the functions as prescribed including but not limited to search and seizure, examination of records, registers and documents. Penalties have been provided for the manufacture for sale or distribution, stocking and exhibition of drugs in contravention of the Act and for the non-disclosures of names of the manufacturers, as may be prescribed. The Rules framed under this Legislation provide that for the purpose of importing drugs, an import license and registration certificate is required from the Licensing Authority. Even the manufacture for sale or distribution of drugs, requires the grant/renewal of a license by the Central License Approving Authority. Persons have been prohibited from the manufacture, distribution and sale of drugs which are not of the standard prescribed under the Act, or are misbranded, adulterated or spurious. Part IX of the Rules deals with labelling and packaging of drugs and prescribed the manner of labelling and packaging of drugs and medicines and Part XV deals with the packaging and labelling standards to be met while packaging cosmetics.

### ***Standards of Weights and Measures Act, 1976***

The Standards of Weights and Measures Act, 1976 (the “**Act**”) was enacted to regulate trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and to provide for such matters as may be connected thereto. The Act enumerates the specific base units to measure goods and products. Any offence under this Act is punishable with imprisonment or fine or with both based on the type of violation.

### ***The Bureau of Indian Standards Act, 2016***

The Bureau of Indian Standards Act, 2016 (the “**BIS Act**”) provides for the establishment of the Bureau of Indian Standards (“**BIS**”) for the development of the activities, *inter alia*, standardization, marking and quality certification of goods. Functions of the BIS include, inter-alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

### ***Agricultural Produce Grading and Marking Act, 1937 and General Grading and Marking Rules, 1988***

The Agricultural Produce (Grading and Marking) Act, 1937 (hereinafter referred as the “**Act**”) is an important legislation for grading and marking of agricultural and other allied commodities with the objectives of making available quality

agricultural products to consumers. The provisions of the Act cover the horticulture and livestock products also. The Central Government has been authorized to make rules for fixing grade designations to indicate the quality of any article to which the provisions of the Act apply. It can also specify 'grade designation marks' to represent particular grade designations. The Act empowers the central government to authorize the interested parties to grade and specify conditions regarding manner of marking and packaging and related matters.

The Central Government under the Act has formulated General Grading and Marking Rules, 1988 (hereinafter referred to as the "**Rules**") prescribing the procedure of availing, renewing and changing authorization to grade and mark an article under the provisions of the Act. The Rules also prescribe the various grades which can be used under the Act and the manner of using the said grades and the manner of packing and labelling a product on which such grade has to be marked. The Rules also provide the procedure of registering a customer grievance and the manner of disposal of the same by the Agricultural Marketing Adviser, powers of the Agricultural Marketing Adviser, etc.

### ***Consumer Protection Act, 2019***

The Consumer Protection Act, 2019 ("**COPRA**") will repeal the existing Consumer Protection Act, 1986, and shall come into force on such date as the Central Government may, by notification, appoint. The Consumer Protection Act, 1986 provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA will, inter alia, introduce a Central Consumer Protection Council to promote, protect and enforce the rights of consumers executive agency to provide relief to a class of consumers. The COPRA will bring e-commerce entities and their customers under its purview including providers of technologies or processes for advertising or selling, online market place or online auction sites. The COPRA will also provide for mediation cells for early settlement of the disputes between the parties.

## **B. OTHER APPLICABLE LAWS**

### ***Electricity Act, 2003***

The Electricity Act, 2003 (the "**Electricity Act**") was enacted to regulate the generation, transmission, distribution, trading and use of electricity by authorising a person to carry on the above acts either by availing a license or by seeking an exemption under the Electricity Act. Additionally, the Electricity Act states no person other than Central Transmission Utility or State Transmission Utility, or a licensee shall transmit or use electricity at a rate exceeding 250 watts and 100 volts in any street or place which is a factory within the meaning of the Factories Act, 1948 or a mine within the meaning of the Mines Act, 1952 or any place in which 100 or more persons are ordinarily likely to be assembled. An exception to the said rule is given by stating that the applicant shall apply by giving not less than 7 days' notice in writing of his intention to the Electrical Inspector and to the District Magistrate or the Commissioner of Police, as the case may be, containing the particulars of electrical installation and plant, if any, the nature and purpose of supply of such electricity. The Electricity Act also lays down the requirement of mandatory use of meters to regulate the use of electricity and authorises the Commission so formed under the Electricity Act, to determine the tariff for such usage. The Electricity Act also authorises the State Government to grant subsidy to the consumers or class of consumers it deems fit from paying the standard tariff required to be paid. The Electricity Act also states the mechanism for seeking judicial relief by setting up an Appellate Tribunal and laying down the process to seek justice against the orders of the Commission established under the Electricity Act.

### ***Shops and Establishments Legislations***

Establishments are required to be registered under the provisions of local shops and establishments legislations applicable in the states where such establishments are set up. Such legislations regulate the working and employment conditions of workers employed in such 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. Shops and establishments have to be registered under the shops and establishments legislations of the respective states where they are located.

### ***Municipality Laws***

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective States of India have enacted laws empowering the municipalities to issue trade license for operating stores and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### *Fire Prevention Laws*

The state legislatures in India have enacted legislations for fire control and safety, which are applicable to our properties established in the respective states. They impose the requirement of obtaining no-objection certificate from the concerned authorities. They also include provisions in relation to provision of fire safety and life saving measures by occupiers of buildings and penalties for non-compliance.

## **C. PROPERTY RELATED LAWS**

### ***Transfer of Property Act, 1882***

The Transfer of Property Act, 1882 (the “*T.P. Act*”) governs the transfer of property, including immovable property, between natural persons excluding a transfer by operation of law. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The T.P. Act also provides for the rights and liabilities of the vendor and purchaser in case of a transaction relating to sale of property and the lessor and lessee if the transaction involves lease of land, as the case may be.

### ***Sale of Goods Act, 1930***

The Sale of Goods Act, 1930 (the “*Sale of Goods Act*”) governs contracts relating to the sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract for sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for the sale of goods.

### ***The Registration Act, 1908***

The Registration Act, 1908 (the “*Act*”) was passed to consolidate all the previous legislations which were enacted in relation to the registration of documents. This Act was promulgated to achieve the purpose of maintaining a proper regulatory record of transactional documents with a recognized officer in order to safeguard the original copies. The Act lays down two types of registration of documents, one being mandatory registration, which has been laid down under Section 17 of the Act and relates to documents such as, *inter alia* gift deed or transfer deed for an immovable property, non-testamentary instruments purporting to an interest in any immovable property, leasing or renting an immovable property. The other type of registration has been laid down under Section 18 of the Act which provides for the category of documents, registration of which is optional or discretionary and include, wills, instrument for transfer of shares, adoption deeds, etc. Failure to register a document under Section 17 of the Act can attract severe consequences, including declaration of invalidity of the transfer in question; however, no such consequence is attracted in case of Section 18 of the Act. Sections 28 and 31 of the Act provide the sub-registrars and other officers, the authority to register documents under this Act. Registration of a document, provides authenticity to a document and also acts as a conclusive proof in relation to the execution of such a document in the court of law.

### ***Indian Stamp Act, 1899***

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the Union list mentioned in the Seventh Schedule of the Constitution of India, is governed by the provisions of the Indian Stamp Act, 1899 (the “*Act*”), all others instruments are required to be stamped, as per the rates laid down by the State Governments. Stamp duty is required to be paid on such category of transaction documents laid down under the various laws of the states, which denotes that stamp duty was paid before the document became legally binding. The stamp duty has to be paid on such documents or instruments and at such rates which have been specified in the First Schedule of the Act. Instruments as mentioned in the said schedule of the Act, if are not duly stamped are not admissible in the court of law as valid evidence for the transaction contained therein. The Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the relevant authorities and validated by imposing of penalty on the parties. The amount of penalty payable on such instruments may vary from state to state.

## **D. TAX RELATED LAWS**

The tax related laws that are applicable to our Company include the Customs Act, 1962, the Income Tax Act, 1961, the Income Tax Rules, 1962 and GST which includes the Central Goods and Services Tax Act, 2017, various State Goods and Services Tax legislations, and the Integrated Goods and Services Tax Act, 2017.

## **E. FOREIGN INVESTMENT RELATED LAWS AND REGULATIONS**



Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by RBI thereunder, and the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”) from time to time. Under the current FDI Policy (effective October 15, 2020) 100% foreign direct investment is permitted in the animal husbandry sector, under the automatic route.

As per the SEBI (Foreign Portfolio Investors) Regulations, 2019 (“**SEBI FPI Regulations**”), investments by Foreign Portfolio Investors (“**FPIs**”) in the capital of an Indian company under the SEBI FPI Regulations are subject to individual holding limits of 10% of the total paid up equity capital on a fully diluted basis of the company per FPI. If the investment exceeds the threshold limit of 10% the investor must divest the excess holding within five days of the breach, and if not accordingly divested, the entire investment in the company by the FPI shall be considered as FDI and the FPI will be prohibited from making further investments in the company under the regulations.

#### ***Overseas Direct Investment (“ODI”)***

In terms of the Master Direction No. 15/2015-16 on Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary Abroad issued by the RBI, dated January 1, 2016, an Indian entity can make ODI under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth. ODI can be made by investing in either joint ventures or wholly owned subsidiaries outside India. Any financial commitment exceeding USD one billion (or its equivalent) in a financial year would require prior approval of the RBI.

### **F. ENVIRONMENT RELATED LAWS**

#### ***Environment (Protection) Act, 1986 as amended (“EPA”), the Environment Protection Rules, 1986 as amended (“EPA Rules”) and the Draft Environment Impact Assessment Notification, 2020 as amended (“Draft EIA”)***

The EPA has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process. The EPA Rules lay down specific provisions regarding standards for emission or discharge of environmental pollutants, prohibition on carrying out industrial activities in certain geographical locations, functions of environmental laboratories and submission of samples for analysis. There are also provisions under the EPA and EPA Rules with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities and agencies in certain cases, establishment of environmental laboratories and appointment of government analysts.

Further, the Ministry of Environment, Forest and Climate Change has issued Draft EIA, 2020 which proposes to replace the erstwhile Environment Impact Assessment Notification, 2006. The Draft EIA inter alia contemplates two kinds of approvals, being (i) prior environment clearance with the approval of expert committees; and (ii) environmental permission or provision without the approval of expert committees. Certain projects including clay and sand extraction, digging well or foundations of buildings, solar thermal power plants and common effluent treatment plants have been exempted from such approvals.

#### ***Air (Prevention and Control of Pollution) Act, 1981***

The Air (Prevention and Control of Pollution) Act, 1981 (the “**Act**”) aims to prevent, control and abate air pollution and pursuant to the provisions of this 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. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to the consent granted. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the above requirements include imprisonment of up to six years and the payment of fine extending up to ₹ 10,000.

Under the said Act, the Central Pollution Control Board has powers, inter alia, to specify standards for the quality of air, while the State Board has the power to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

#### ***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 as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution

Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases, the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the said Act include the imposition of fines or imprisonment, or both.

The Central Pollution Control Board has the powers, *inter alia*, to specify and modify standards for stream and wells. The State Pollution Control Board has powers, *inter alia*, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water. The State Board also has the power to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or well and to specify standards for treatment of sewage and trade effluents.

#### ***Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008***

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (“**Hazardous Waste Rules**”) define the term ‘hazardous waste’ and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous waste is classified as an ‘occupier’. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/authorisation from the respective State Pollution Control Board for generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the life of the hazardous waste.

#### ***The Noise Pollution (Regulation and Control) Rules, 2000***

The Noise Pollution (Regulation and Control) Rules, 2000 (the “Rules”) aim to regulate and control noise producing and venerating sources with the objective of maintaining the ambient air quality standards in respect of noise. The Rules declare different areas or zones each permitting for different ambient air quality standards in respect of noise and the noise levels shall not exceed this limit, as prescribed by the Schedule. The Rules also prescribe methods to cut down on noise from various sources including industries, such as by mounting machinery, using insulating screens and suitable ducts, etc.

#### ***National Environment Policy (the “Policy”)***

The present national policies for environmental management are contained in the National Forest Policy, 2018, the National Conservation Strategy and Policy Statement on Environment and Development, 1992, the Policy Statement on Environment and Development, 1992; and the Policy Statement on Abatement of Pollution, 1992. Some sector policies such as the National Agriculture Policy, 2018; National Population Policy, 2000; and National Water Policy, 2012 have also contributed towards environmental management. All these policies have recognized the need for sustainable development in their specific contexts and formulated necessary strategies to give effect to such recognition. The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. It does not displace, but builds on the earlier policies.

The Objectives of the Policy are as follows:

- Conservation of critical environmental resources
- Intra-generational equity: Livelihood security for the poor
- Inter-generational equity
- Integration of environmental concerns in economic and social development
- Efficiency in environmental resource use
- Environmental governance
- Enhancement of resources for environmental conservation

The Policy evolved from the recognition that only such development is sustainable, which respects ecological constraints and the imperatives of justice. The objectives stated above are to be realized through various strategic interventions by different public authorities at Central, State and Local government levels. They would also be the basis of diverse partnerships. The principles followed in the Policy are:

- Human beings are the center of sustainable development concerns

- Right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations.
- In order to achieve sustainable development environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it.
- Where there are credible threats of serious or irreversible damage to key environmental resources, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.
- In various public actions for environmental conservation, economic efficiency would be sought to be realized.

#### ***Plastic Waste Management Rules, 2016***

Under the Plastic Waste Management Rules, 2016, all institutional generators of plastic waste, are required to inter alia, segregate and store the waste generated by them in accordance with the Solid Waste Management Rules, 2016, and handover segregated wastes to authorized waste processing or disposal facilities or deposition centres, either on its own or through the authorized waste collection agency.

### **G. INTELLECTUAL PROPERTY LAWS**

#### ***Information Technology Act, 2000***

The Information Technology Act, 2000 (the “**IT Act**”) creates a liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing with, or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines, and imprisonment for various computer related offences. These include offences relating to unauthorised disclosure of confidential information and committing of fraudulent acts through computers, tampering with source code, unauthorised access, publication or transmission of obscene material etc. The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. In April 2011, the Department of Information Technology under the Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011 under Section 43A of the IT Act and the Information Technology (Intermediaries Guidelines) Rules, 2011 under Section 79(2) of the IT Act.

#### ***Indian Patents Act, 1970***

The purpose of the Indian Patents Act, 1970 (the “**Act**”) is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the terms of the patent. An invention means a new product or process involving an inventive step capable of industrial application. An application for a patent can be made by (a) a person claiming to be the true and first inventor of the invention; (b) a person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application.

#### ***Trade Marks Act, 1999***

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 (“**Trade Mark Act**”) governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled, and may be renewed indefinitely upon payment of renewal fees every ten years. If not renewed after ten years, the mark lapses and the registration has to be restored. The Trade Mark (Amendment) Act, 2010 has been enacted by the Government to amend the Trade Mark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

In March 2017, the Trade Marks Rules, 2017 (“**Trade Mark Rules**”) were notified, in supersession of the Trade Marks Rules, 2002. The Trade Marks Rules brought with them some changes in the application process, in terms of an increase in application fees and common formats for multiple kinds of applications. However, the e-filing process has been incentivized by providing lower application fees.



## **H. EMPLOYMENT RELATED LAWS**

### ***The 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 Central Government has notified certain provisions of this code mainly in relation to the constitution of the advisory board.

### ***The Occupational Safety, Health and Working Conditions Code, 2020***

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***The 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 Central Government.

### ***The Code on Social Security, 2020***

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government.

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

The Factories Act, 1948 (the “**Factories Act**”) regulates the provisions relating to labour employed in factories. This Act defines a factory as any premises on which ten or more workers are employed or were employed on any day of the previous twelve (12) months, and on which a manufacturing process is being carried on with the aid of power, or a premises on which twenty or more workers are employed or were employed on any day of the previous twelve (12) months and on which a manufacturing process is carried on ordinarily without the use of power. The Factories Act provides for the health, safety, and welfare of all workers and requires that the ‘*Occupier*’ (defined as the person who has ultimate control over the affairs of the factory and in case of a company, any one of the directors) ensures that all the workers are within safe working conditions while they are in the factory, and are not exposed to any health risks and that they receive adequate instruction, training and supervision to ensure the same. The Factories Act also makes provisions relating to the employment of women and young persons (including children and adolescents), annual leave with wages, etc.

The Factories Act requires an Occupier of a factory to obtain approval, license, and registration for running and qualifying as a factory under the Factories Act, by submitting the application along with plans and specifications to the State Government or the Chief Inspector. Unless this permission from the Chief Inspector is obtained, no building can be constructed or taken in use as a factory or a part of an existing factory. The Chief Inspector may, on receipt of the said application and on being satisfied that there is no objection to the grant of license applied for, register the factory and grant the license to the applicant to use as factory such premises as are specified in the application and subject to compliance with such conditions as are specified in the license.

Any contravention of the provisions of the Factories Act or the rules framed thereunder may lead to imprisonment of the manager or the Occupier of the factory for a term up to two (2) years or with a fine of ₹ 100,000 or both, and in case of continuing contravention even after conviction, with a fine of up to ₹ 1,000 per day of contravention. In case of a contravention which results in an accident causing death or serious bodily injury, the fine shall be not less than ₹ 25,000 and ₹ 5,000 respectively.

### ***Industries (Development and Regulation) Act, 1951***

The Industries (Development and Regulation) Act, 1951 (the “**Act**”) governs the development and regulation of industries in India, and its main objective is to empower the Government to: (i) take necessary steps for the development

of industries; (ii) regulate the pattern and direction of industrial development; and (iii) control the activities, performance and results of industrial undertakings in public interest. The Act is applicable to the '*Scheduled Industries*' which have been listed down in the first schedule of the Act and small-scale industrial undertakings and ancillary units are exempted from the provisions of the Act.

The Act regulated the industries by requiring them to obtain industrial licensing by filing an Industrial Entrepreneur Memoranda with the Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion. This Act is administered by the Ministry of Industries and Commerce through its Department of Industrial Policy & Promotion. This department is responsible for the formulation and implementation of promotional and developmental measures for growth of the industrial sector and also monitors the industrial growth and production, in general, and selected industrial sectors.

In addition to above, we are subject to a wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our labourers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees' (Provident Fund and Miscellaneous Provision) Act, 1952.

#### **I. GENERAL CORPORATE AND OTHER ALLIED LAWS**

Apart from the above list of laws which is inclusive in nature and not exhaustive – general laws like the Indian Contract Act, 1872, Specific Relief Act, 1963, Negotiable Instruments Act, 1881, Sale of Goods Act, 1930, Consumer Protection Act, 1986, Anti Trust law such as Competition Act, 2002 and corporate Acts namely Companies Act, 1956 and Companies Act, 2013 are also applicable to the Company.

## **HISTORY AND CERTAIN CORPORATE MATTERS**

Our Company was originally formed as a Partnership Firm under the Partnership Act, 1932 (“Partnership Firm”) having Firm Registration Number MHN/6001 in the name and style of “*Sabar Flex Industries*” pursuant to Deed of Partnership dated March 06, 2007. Sabar Flex Industries was thereafter converted from Partnership Firm to a Public Limited Company under Part I Chapter XXI of the Companies Act, 2013 with the name and style of “*Sabar Flex India Limited*” and received a Certificate of Incorporation from the Registrar of Companies, dated June 7, 2018. The corporate identification number of our Company is U25209GJ2018PLC102720.

### **CHANGE IN REGISTERED OFFICE OF OUR COMPANY**

The registered office of our Company was originally situated at Survey No. 33, Plot No. 30,31,32 Sabar Estate, Ider Highway, Dhandha, Himmatnagar – 383001, Gujarat. Thereafter, the registered office of our Company was changed to the following address:

Date of Change	New address	Reason for Change
June 15, 2018	B/1/104, Palledium, NR. Orchid Wood, Opp. Divya Bhaskar, Corporate Road, Prahladnagar Ahmedabad- 380015, Gujarat, India	Administrative purposes

### **MAIN OBJECTS OF OUR COMPANY**

The main objects of our Company are as follows:

- To carry on the business as manufacturers of and dealer in products, articles of packaging, made from paper, board, pulp of all kinds, cellulose films, polyethylene, plastic films and metal foils and films of all kinds and other flexible or laminated materials, bags, pouches, envelopes, sheets, rolls and all kinds of flexible packing and manufacturing, fabricating, printing, treating, waxing and laminating all kinds of packing materials and all type of Raw materials of packing materials. Manufacturing of ink and all type of raw materials of ink.*
- To carry on the business as manufacturers, processors, designers, buyers, sellers, exporters, importers and otherwise dealers in all kinds of packing cases, cartons, drums, crates, cans and containers of aluminum and other materials, card board containers, corrugated containers, wooden boxes, plastic containers, polythene containers, bottles, hollow wares etc., whether made of plastic or any manmade fiber, or of other material, including high and low density polythene, polypropylene, plastic, and other manmade fibrous material used in manufacture of all or any of the above products and raw materials used therefore.*
- To carry on the business of manufacturers, buyers, sellers, importers, exporters and dealers in all kinds of packing materials, containers, receptacles, boxes, cartons, cases, drums, cages, tins, bins, jars, tubes, crates, packing cases, cans, bottles, vials and fittings thereof of every kind and to manufacture and deal in plastic, any other materials whether chemically treated or not, used for the manufacture of any of the articles or products or goods.*

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of this Issue.

### **AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION**

The following amendments have been made to the Memorandum of Association of our Company since its incorporation:

Date of shareholder's resolution	Nature of amendments
January 07, 2022	Clause V of the MoA was amended to reflect the increase in authorised share capital of our Company from ₹ 11,00,00,000 divided into 1,10,00,000 Equity Shares of ₹ 10 each to ₹ 16,00,00,000 divided into 1,60,00,000 Equity shares of ₹ 10 each.

### **CORPORATE PROFILE OF OUR COMPANY**

For details regarding the description of our Company's activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, launch of key products or services, entry in new geographies or exit from existing markets, major suppliers, distributors and customers, segment, capacity/facility creation, capacity built-up, location of manufacturing facilities, marketing and competition, please refer to the chapters titled “*Our Business*”, “*Our Management*” and “*Management's Discussion and Analysis of Financial Position and Results of Operations*” on pages 86, 108 and 125 respectively, of this Draft Prospectus.

## MAJOR EVENTS AND MILESTONES

The table below sets forth some of the key events, milestones in our history since its incorporation.

Year	Events
March 06, 2007	Formed as a Partnership Firm in the name and style of “ <i>Sabar Flex Industries</i> ”
June 7, 2018	Conversion of Partnership Firm into Public Limited Company in the name and style of “ <i>Sabar Flex India Limited</i> ”

## AWARDS AND ACCREDITATIONS

As on date of this Draft Prospectus, our Company has not received any awards and accreditations.

## 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 since incorporation.

## REVALUATION OF ASSETS

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves since incorporation.

## HOLDING COMPANY

As on the date of this Draft Prospectus, our Company does not have a holding company.

## SUBSIDIARIES OF OUR COMPANY

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

## ASSOCIATE OR JOINT VENTURES OF OUR COMPANY

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

## STRATEGIC AND FINANCIAL PARTNERS

As on date of this Draft 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

### Our Board of Directors

Our Articles of Association require us to have not less than three (03) and not more than fifteen (15) Directors. As on date of this Draft Prospectus, we have Five (5) Directors consisting of one (1) Managing Director, one (1) Executive Director, one (1) Non Executive Director two (2) Independent Director one of whom is a woman director.

Set forth below, are details regarding our Board as on the date of this Draft Prospectus:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<b>Hikmatbahadur Krishnabahadur Kunwar</b> <b>DIN:</b> 00024010 <b>Date of Birth:</b> September 8, 1969 <b>Designation:</b> Chairman and Managing Director <b>Address:</b> Shree Chandika Niwas, Zarneshwar Road Opp. Gujarati School Mehtapura, Himmatnagar, Gujarat –383001. <b>Occupation:</b> Business <b>Term:</b> For a period of five (05) years with effect from October 16, 2021 <b>Nationality:</b> Indian	52	Sabar Flexi Pack Private Limited
<b>Manoj Kumar Agarwal</b> <b>DIN:</b> 08108458 <b>Date of Birth:</b> May 14, 1972 <b>Designation:</b> Director <b>Address:</b> 4/B, Status Appartments, Mahavir Nagar Near Bombay Society Himatnagar, Gujarat–383001. <b>Occupation:</b> Business <b>Term:</b> Liable to retire by rotation <b>Nationality:</b> Indian	49	Sabar Flexi Pack Private Limited
<b>Sonalbahen Pratik Bhatt</b> <b>DIN:</b> 09507674 <b>Date of Birth:</b> December 01, 1987 <b>Designation:</b> Additional Non-Executive Director <b>Address:</b> Nr. Bank of Baroda, Opp. Seth ni pole, Tal.- Sidhpur, Dist. Patan-384151 <b>Occupation:</b> Professional <b>Term:</b> To hold office till ensuring AGM <b>Nationality:</b> Indian	34	Nil
<b>Bhavna Shah</b> <b>DIN:</b> 09494548 <b>Date of Birth:</b> July 27, 1988 <b>Designation:</b> Additional Independent Director <b>Address:</b> 7, Chandanwadi, Sahibaug, Behind Circuit House, Ahmedabad – 380 004, Gujarat, India. <b>Occupation:</b> Professional <b>Term:</b> To hold office till ensuring AGM <b>Nationality:</b> Indian	33	JFL Life Sciences Limited

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<b>Shubham Jain</b> <b>DIN:</b> 09536323 <b>Date of Birth:</b> March 09, 1996 <b>Designation:</b> Additinoal Independent Director <b>Address:</b> 207, Chandan Apartment, 585/3, MG Road, Indore, Madhyapradesh - 452001 <b>Occupation:</b> Professional <b>Term:</b> To hold office till ensuring AGM <b>Nationality:</b> Indian	26	Nil

### Brief Biographies of our Directors

**Hikmatbahadur Krishnabahadur Kunwar**, aged 51 years, is the Managing Director and promoters of our Company. He holds bachelor's degree in business administration from Gujarat University. He also holds a graduation degree in commerce. He holds a diploma in computer training from ACT Computer Education and a post-graduate diploma in international business from University of Salford. He has experience of around 13 years in flexible packaging industry. He is associated with our company since its incorporation.

**Manoj Kumar Agarwal**, aged 49 years, is Executive Director of our Company. He has completed graduation from Ajmer University. He has experience of around 5 years in the packaing industry. He is associated with our company since incorporation.

**Sonalbahren Pratik Bhatt**, aged 34 years, is Additional Non-Executive Director our Company. She is a law graduate from Hemchandracharya North Gujarat University. She is a member of Bar Council of Gujarat. She has expeience of around 8 years in practice of law. She is associated with our company since February 17, 2022.

**Bhavna Shah**, aged 33 years, is Additional Independent Director of our Company. She is a business management graduate from Gujarat University. She is a member of Institute of Company Secretaries of India and has also received a certificate of practice. She has experience of around 7 years in corporate law practices. She is associated with our company since March 15, 2022.

**Shubham Jain**, aged 26 years, is an Additional Independent Director of our Company. He is a commerce graduate. He is an Associate member of Institute of Chartered Accountants of India and has received a certificate of practice. He has experience of around 4 years in accounting and taxation. He is associated with our company since March 15, 2022.

### Confirmations

1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Prospectus with the SEBI, during the term of his/ her directorship in such company.
2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

### Relationship between our Directors

None of the directors of our company are related.

### Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which of the directors was selected as a director or member of senior management.

### Payment or Benefit to officers of our Company

Except as stated otherwise in this Draft Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in this Draft Prospectus and except for statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's

employment in our Company or superannuation. Contributions are made regularly by our Company towards provident fund, gratuity fund and employee state insurance.

### **Borrowing Powers of our Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to an Extra-ordinary General Meeting held on March 21, 2022, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys as the Board which together with the moneys already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed at any time the aggregate of the paid – up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed Rs. 1000.00 lacs.

### **Terms of appointment and remuneration of our Managing Director**

Pursuant to a resolution passed by the Board of Directors at the meeting held on October 16, 2021 and approved by the Shareholders of our Company at the EGM held on November 11, 2021, Hikmatbahadur Krishnabahadur Kunwar was appointed as the Managing Director of our Company for a period of five (05) years with effect from October 16, 2021 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall be in accordance with Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

Basic Salary	Rs. 36 lakhs per month.
Minimum Remuneration	In the event of loss or inadequacy of profits in any financial year, Hikmatbahadur Krishnabahadur Kunwar shall be entitled to receive a total remuneration including perquisites, etc., as mentioned above and not exceeding the ceiling limits under Section II of Schedule V of the Companies Act, 2013 subject to the minimum remuneration as prescribed including any statutory modification or re-enactment thereof from time to time as prescribed by the Company.

### **Remuneration details of our Directors**

#### *i. Remuneration of our Executive Directors*

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2021 is as follows:

S. No.	Name of the Director	Remuneration (Rs. in lacs)
1.	Hikmatnahadur Krishnabahadur Kunwar	36.00
2.	Manoj Kumar Basudev Agarwal	12.00

Our Executive Directors were not paid sitting fee in Fiscal 2021 for attending meetings of the Board of Directors and its committees.

#### *ii. Sitting fee details of our Independent Directors*

Our Independent Directors were not paid sitting fee in Fiscal 2021 for attending meetings of the Board of Directors and its committees. Our Board of Directors in their meeting held on March 16, 2022 have fixed Rs. 5,000 as sitting fee for Non-Executive Directors for attending meetings of the Board of Directors and its committees.

### **Payment or benefit to Directors of our Company**

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

### **Remuneration paid to our Directors by our Subsidiary**

As on date of this Draft Prospectus, our Company does not have a subsidiary.

### **Loans to Directors**

There are no loans that have been availed by the Directors from our Company that are outstanding as of the date of this Draft Prospectus.

### Shareholding of Directors in our Company

Except as stated below, none of our other Directors holds any Equity Shares of our Company as on the date of filing of this Draft Prospectus:

Sr. No.	Name of Director	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1.	Hikmatnabadur Krishnabadur Kunwar	58,57,388	53.25%
2.	Manoj Kumar Basudev Agarwal	12,40,854	11.28%

### Shareholding of Directors in our Subsidiaries

As on date of this Draft Prospectus, our Company does not have a subsidiary.

### Interest of our Directors

Our Executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our see “*Terms of appointment and remuneration of our Executive Directors*” above.

Hikmatnabadur Krishnabadur Kunwar is the Promoter of our Company and may be deemed to be interested in the promotion of our Company to the extent that he had promoted our Company. Except as stated above, our Directors have no interest in the promotion of our Company other than in the ordinary course of business. Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “*Shareholding of Directors in our Company*”. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoter, directors, partners, proprietors or trustees or kartas or coparceners or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoter, directors, partners, proprietors, members or trustees, pursuant to this Issue. Except as disclosed in “*Financial Information*” and “*Our Promoters and Promoter Group*” on pages 122 and 118, respectively of this Draft Prospectus, our Directors are not interested in any other company, entity or firm.

Except as stated in “*Restated Financial Information - Annexure – IV: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements*” on page 122 of this Draft Prospectus, our Directors do not have any other interest in the business of our Company.

### Interest as to property

Except as disclosed in this Draft Prospectus, our Directors do not have any interest in any property acquired or proposed to be acquired by our Company or of our Company.

### Bonus or Profit Sharing Plan for our Directors

None of our Directors are a party to any bonus or profit sharing plan.

### Changes in our Board during the Last Three Years

Except as disclosed below, there have been no changes in our Board during the last three years.

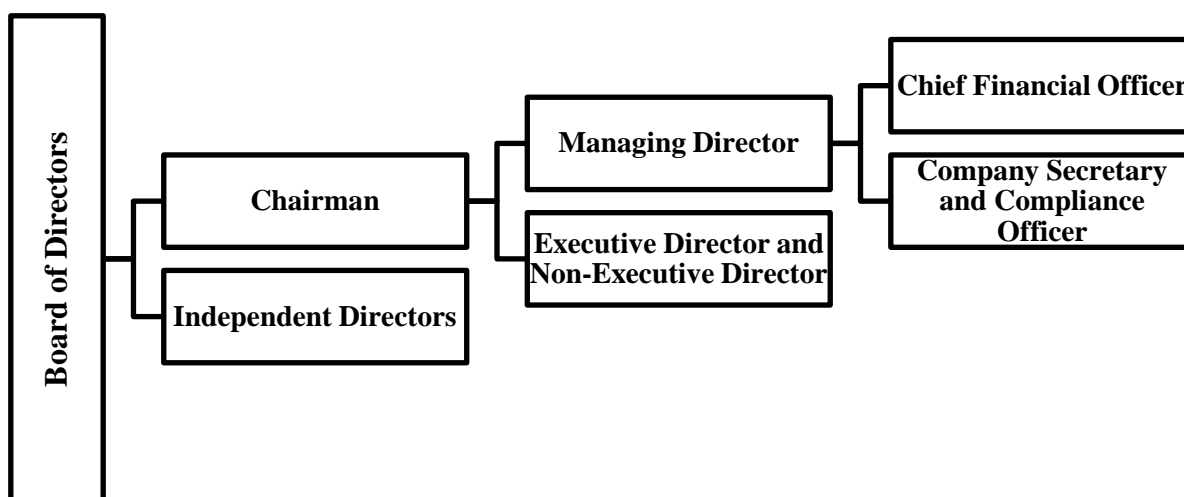
Sr.	Name of Director	Date of Change	Reason for change
1.	Priti Jadav	March 16, 2022	Resignation as Independent Director
2.	Arun Kumar	March 16, 2022	Resignation as Independent Director
3.	Shubham Jain	March 15, 2022	Appointed as Additional Independent Director
4.	Bhavna Shah	March 15, 2022	Appointed as Additional Independent Director
5.	Sonal Bhatt	February 17, 2022	Appointed as Additional Non-Executive Director
6.	Priti Jadav	November 30, 2021	Regularisation as Independent Director
7.	Arun Kumar	November 30, 2021	Regularisation as Independent Director
8.	Alpesh Jentibhai Vekariya	November 30, 2021	Resignation as Additional Independent Director



9.	Alpesh Rameshbhai Paliwal	November 30, 2021	Resignation as Additional Independent Director
10.	Priti Jadav	November 25, 2021	Appointed as Independent Director
11.	Arun Kumar	November 25, 2021	Appointed as Independent Director
12.	Hikmatnahadur Krishnabahadur Kunwar	October 16, 2021	Appointment as Managing Director
13.	Alpesh Jentibhai Vekariya	June 15, 2021	Appointed as Additional Independent Director
14.	Alpesh Rameshbhai Paliwal	February 01, 2021	Appointed as Additional Independent Director
15.	Parthkumar Hikmat Kunwar	February 05, 2021	Cessation as Executive Director
16.	Parthkumar Hikmat Kunwar	December 31, 2020	Regularisation as Executive Director
17.	Vishalkumar Bharatbhai Patel	June 22, 2020	Cessation as Director
18.	Parthkumar Hikmat Kunwar	June 20, 2020	Appointed as Additional Director

### Management Organization Structure

Set forth is the management organization structure of our Company



### Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock exchange.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

### Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- Audit Committee;
- Stakeholders' Relationship Committee; and
- Nomination and Remuneration Committee.

Details of each of these committees are as follows:

**a) Audit Committee**

Our Audit Committee was constituted on March 16, 2022 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Shubham Jain	Chairman
2.	Bhavna Shah	Member
3.	Hikmat Bahadur Kunwar	Member

The Audit Committee is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

**A. Powers of Audit Committee**

The Audit Committee shall have the following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary

**B. Role of the Audit Committee**

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
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 and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly 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, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Monitoring the end use of funds raised through public offers and related matters;
8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. Approval of any subsequent modification of transactions of the company with related parties;

**Explanation:** The term “related party transactions” shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the Accounting Standards.

10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. 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;
18. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. Reviewing the functioning of the whistle blower mechanism;
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 and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
22. Reviewing the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding rupees hundred crores or 100% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments, as may be applicable.
23. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.]

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) the SEBI Listing Regulations.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

#### **b) Stakeholders' Relationship Committee**

Our Stakeholder' Relationship Committee was constituted on March 17, 2022. The members of the said Committee are as follows:

Sr. No.	Name of Member	Designation
1.	Shubham Jain	Chairman
2.	Bhavna Shah	Member
3.	Sonal Bhatt	Member

The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
2. Review of measures taken for effective exercise of voting rights of by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and
5. Carrying out any other function as prescribed under the SEBI Listing Regulations as and when amended from time to time.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

#### ***c) Nomination and Remuneration Committee***

Our Nomination and Remuneration Committee was constituted on March 17, 2022 with the following members:

Sr. No.	Name of Member	Designation
1.	Shubham Jain	Chairman
2.	Bhavna Shah	Member
3.	Sonal Bhatt	Member

The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

- c. consider the time commitments of the candidates.]
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors;
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. recommend to the board, all remuneration, in whatever form, payable to senior management;
8. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or
  - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
9. evaluating the performance of the independent directors and on the basis of their performance evaluation recommending the Board of Directors and the members of the Company to extend or continue the term of appointment of the independent director; and
10. performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

### **Our Key Managerial Personnel**

In addition to our Managing Director and Chief Financial Officer, whose details have been provided under paragraph above titled 'Brief Profile of our Directors', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Prospectus:

**Kushang Surendrakumar Thakkar**, aged 36 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in commerce from Gujarat University. He is responsible for handling secretarial matters of our Company and was appointed with effect from July 5, 2018.

**Tinkle Rawal**, aged 25 years, is the Chief Finance of our Company. She is a commerce graduate. She is a fresher. She is responsible for handling finance related matters of the company and was appointed with effect from February 01, 2022. She has not received remuneration during the Fiscal 2022.

All our Key Managerial Personnel are permanent employees of our Company.

### **Relationship of Key Managerial Personnel with our Directors, Promoters and / or other Key Managerial Personnel**

Except as disclosed under the heading "*Relationship between our Directors*" and herein above, none of the key managerial personnel are related to each other or to our Promoters or to any of our Directors.

### **Shareholding of the Key Managerial Personnel**

Except as disclosed under the heading, "*Shareholding of Directors of our Company*", none of our Key Managerial Personnel hold Equity Shares in our Company.

### **Bonus or Profit Sharing Plan for our Key Managerial Personnel**

None of our Key Managerial Personnel is a party to any bonus or profit sharing plan.

### **Payment or benefit to Key Managerial Personnel of our Company**

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Key Managerial Personnel except the normal remuneration for services

rendered by them. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel.

#### **Interest of Key Managerial Personnel**

Except as disclosed in this Draft Prospectus, none of our Key Managerial Personnel's have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

#### **Changes in Key Managerial Personnel in the Last Three Years**

Set forth below, are the changes in our Key Managerial Personnel in the last three years immediately preceding the date of filing of this Draft Prospectus:

<b>Name</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason</b>
Tinkle Rawal	Chief Financial Officer	February 01, 2022	Appointment
Hikmatbahadur Krishnabahadur Kunwar	Managing Director	October 16, 2021	Appointment
Kushang Surendrakumar Thakkar	Company Secretary and Compliance Officer	July 05, 2018	Appointment

The attrition of the key management personnel is as per the industry standards.

#### **Employees' Stock Option Plan**

As on date of this Draft Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

#### **Loans taken by Directors / Key Management Personnel**

Our Company has not granted any loans to the Directors and/or Key Management Personnel as on the date of this Draft Prospectus.

## **OUR PROMOTER AND PROMOTER GROUP**

### **OUR PROMOTERS**

The promoter of our company is Mr. Hikmatbahadur Krishnabahadur Kunwar. As on the date of this Draft Prospectus, our Promoter holds, in aggregate of 58,57,388 Equity Shares, constituting 53.25% of our pre – Issue issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoter’ shareholding in our Company, see “*Capital Structure*” on page 45 of this Draft Prospectus.

#### **Details of our Promoter**



#### **HIKMATBAHADUR KRISHNABAHADUR KUNWAR**

Hikmatbahadur Krishnabahadur Kunwar, aged 52 years, is the Chairman, Promoter and Managing Director of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “*Our Management*” on page 108 of this Draft Prospectus.

**Date of birth:** September 8, 1969

**Permanent account number:** AKHPK1157F

**Address:** Shree Chandika Niwas, Zarneshwar Road Opp. Gujarati School Mehtapura, Himmatnagar, Gujarat –383001.

#### **Other Ventures of Promoter:**

1. Sabar Flexi Pack Private Limited.

### **OTHER UNDERTAKINGS AND CONFIRMATIONS**

We confirm that the Permanent Account Number, Bank Account Number, Passport Number of our Promoter will be submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters by the RBI or as fugitive economic offenders under Section 12 of Fugitive Economic Offenders Act, 2018 or any other governmental authority.

No violations of securities laws have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or are currently pending against them.

None of (i) our Promoter and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a Promoters, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

None of our Promoter or Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoter.

### **CHANGE IN CONTROL OF OUR COMPANY**

Our Promoter is the original promoter of our Company and the control of our Company has not been acquired during five years immediately preceding this Draft Prospectus.

### **EXPERIENCE OF OUR PROMOTER IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoter in the business of our Company, please refer to the chapter titled “*Our Management*” beginning on page 108 of this Draft Prospectus.

### **INTEREST OF OUR PROMOTER**

### *Interest in promotion of our Company*

Our Promoter is interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives in our Company. For details of the shareholding and directorships of our Promoter in our Company, please refer to the chapter titled “*Capital Structure*”, “*Our Management*” and “*Restated Financial Information - Related Party Transactions*” beginning on page 45, 108 and 122, respectively of this Draft Prospectus.

### *Interest of Promoter in our Company other than as a Promoter*

Our Promoter, Hikmatbahadur Krishnabahadur Kunwar is the Chairman and Managing Directors of our Company therefore, may be deemed to be considered interested to the extent of any remuneration which shall be payable to them in such capacity. Except as stated in this section and the section titled “*Our Management*” and “*Restated Financial Information - Related Party Transactions*” on pages 108 and 122, respectively, our Promoter do not have any interest in our Company other than as a Promoter.

### *Interest in the properties of our Company*

Except as disclosed in the section titled “*Financial Information*” and the chapter titled “*Restated Financial Information - Related Party Transaction*” on pages 122 and 122, our Promoter is not interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Prospectus with SEBI or proposed to be acquired by our Company, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

## **OTHER INTEREST AND DISCLOSURES**

Except as stated in this section and the chapters titled “*Our Management*” and “*Restated Financial Information - Related Party Transactions*” on pages 108 and 122, our Promoter does not have any interest in our Company other than as a Promoter.

Our Promoter is not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

## **INTEREST OF PROMOTERS IN THE PROPERTY OF OUR COMPANY**

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus. For more details, please refer “*Related Party Transactions*” in chapter titled “*Financial Information*” beginning on Page No. 122 of this Draft Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” beginning on Page No. 86 of this Draft Prospectus, our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Our Promoters may be interested in rent being paid by our Company for the premises being occupied by the Company. For further details, please refer chapter titled “*Our Business*” and “*Financial Information*” beginning on Page No. 122 and 122 of this Draft Prospectus, respectively.

Except as stated in this chapter and the benefits mentioned in the related party transactions as per AS-18 there has been no payment of any amount of benefits to our Promoter or the members of our Promoter Group during the last two years from the date of this Draft Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter group as on the date of this Draft Prospectus. For further details, please refer to the chapter titled “*Restated Financial Information - Related Party Transactions*” on page 122 of this Draft Prospectus.

## **LITIGATIONS INVOLVING OUR PROMOTER**

For details of legal and regulatory proceedings involving our Promoter, see “*Outstanding Litigation and Material Development*” in page 134.

## **GUARANTEES**

Our Promoter has not given any guarantees to third parties in respect of our Company and the Equity Shares that are outstanding as of the date of filing of this Draft Prospectus.

## **DETAILS OF COMPANIES / FIRMS FROM WHICH OUR PROMOTER HAS DISASSOCIATED IN THE LAST THREE YEARS**



Our Promoter has not disassociated themselves from any company/firm during the three years preceding this Draft Prospectus.

#### **A. OUR PROMOTER GROUP**

In addition to our Promoter, the following individuals and entities form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations:

##### ***Individuals forming part of the Promoter Group:***

<b>Name of the Promoter</b>	<b>Name of the member of Promoter Group</b>	<b>Relationship with the Promoter</b>
Hikmatbahadur Krishnabahadur Kunwar	Krishna Bahadur Kunwar	Father
	Samudraben Kunwar	Mother
	Radhaben Kunwar	Spouse
	Rajesh Kunwar	Brother
	Bhim Kunwar	Brother
	Parth Kunwar	Son
	Rahi Kunwar	Daughter
	Bhim Bahadur Rawal	Spouse's father
	Mansaraben Rawal	Spouse's mother
	Santoshiben Khatri	Spouse's sister

##### ***Entities forming part of the Promoter Group:***

Except as stated below, no other company, firm or HUF are forming part of the promoter group:

<b>Sr. No.</b>	<b>Name of the entity</b>
1.	Rahi Tradelink
2.	Rahi Polymers
3.	PHK Polyfilms Private Limited
4.	Sabar Flexi Pack Private Limited

## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both, in accordance with the provisions of Companies Act, 2013.

There are no dividends declared by our Company since incorporation.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

**SECTION VI – FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

<b>Particulars</b>	<b>Page Nos.</b>
Restated Financial Statements for period ended December 31, 2021 and year ended March 31, 2021, 2020, 2019	F-1 to F-36

## Independent Auditor's Report on Restated Financial Statements

To,  
**The Board of Directors**  
**Sabar Flex India Limited**

B/1/104, Palledium, Nr. Orchid Wood,  
Opp. Divya Bhaskar, Corporate Road,  
Prahladnagar, Ahmedabad,  
Gujarat - 380015

1. We have examined the attached restated financial information of **Sabar Flex India Limited** (hereinafter referred to as "**the Company**") comprising the restated statement of assets and liabilities as at December 31, 2021 and March 31, 2021, 2020 & 2019 and June 6, 2018, restated statement of profit and loss and restated cash flow statement for the financial period/year ended on December 31, 2021 and March 31, 2021, 2020 & 2019 and June 6, 2018 and the summary statement of significant accounting policies and other explanatory information (collectively referred to as the "**restated financial information**" or "**restated financial statements**") annexed to this report and initialed by us for identification purposes. These Restated Financial Statements have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering on Emerge Platform ("**IPO**" or "**SME IPO**") of National Stock Exchange of India Limited ("**NSE**") of the company.
2. These restated summary statements have been prepared in accordance with the requirements of:
  - (i) Section 26 of Part – I of Chapter III of Companies Act, 2013 (the "**Act**") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI**");
  - (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**Guidance Note**")
3. The Company's Board of Directors is responsible for the preparation of the Restated Financial Statements for inclusion in the DRHP to be filed with Securities and Exchange Board of India ("**SEBI**"), NSE and Registrar of Companies (Ahmedabad) in connection with the proposed IPO. The Restated Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Statements. The responsibility of the board of directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statements. 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 Statements taking into consideration:
  - (i) The terms of reference and terms of our engagement letter requesting us to carry out the assignment, in connection with the proposed SME IPO;
  - (ii) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

- (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements;
  - (iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
5. The Restated Financial Statements of the Company have been compiled by the management from audited financial statements for the period/year ended on December 31, 2021 and March 31, 2021, 2020 & 2019 and June 6, 2018.
  6. Audit for the financial period/year ended on December 31, 2021 and March 31, 2021, 2020 & 2019 and June 6, 2018 was conducted by us. There are no audit qualifications in the audit reports issued by us which would require adjustments in the Restated Financial Statements of the Company. The financial report included for these period/years is based solely on the report submitted by us.
  7. Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated Financial Statements:
    - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial period/year ended on December 31, 2021 and March 31, 2021, 2020 & 2019 and June 6, 2018.
    - b) do not require any adjustment for modification as there is no modification in the underlying audit reports;
    - c) there are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
    - d) have been prepared in accordance with the Act, ICDR Regulations and Guidance Note.
  8. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
    - (i) The “**restated statement of asset and liabilities**” of the Company as at December 31, 2021 and March 31, 2021, 2020 & 2019 and June 6, 2018 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
    - (ii) The “**restated statement of profit and loss**” of the Company for the financial period/year ended on at December 31, 2021 and March 31, 2021, 2020 & 2019 and June 6, 2018 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
    - (iii) The “**restated statement of cash flows**” of the Company for the financial period/year ended on at December 31, 2021 and March 31, 2021, 2020 & 2019 and June 6, 2018 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion

were appropriate and more fully described in notes to restated summary statements to this report.

- (iv) ***The company has not maintained quantitative details for fixed assets purchased prior to June 6, 2018.***
- (v) ***For fixed assets purchased on or after June 6, 2018, the Company has assessed the useful life of the fixed assets based on useful life as per significant accounting policies. However, while ascertaining the balance useful life of assets the Company has not deducted the elapsed life of the assets. Thus, the balance useful life of the assets ascertained is higher and in the absence of quantitative details we are unable to ascertain the understatement of depreciation on fixed assets.***
- (vi) ***Paragraph 3(i) of Part A of Schedule II, as amended, states as follows:***  
  
***"3. Without prejudice to the foregoing provisions of paragraph 1 (of Schedule II),—***  
  
***(i) The useful life of an asset shall not ordinarily be different from the useful life specified in Part C and the residual value of an asset shall not be more than five percent of the original cost of the asset.***  
***Provided that where a company adopts a useful life different from what is specified in Part C or uses a residual value different from the limit specified above, the financial statements shall disclose such difference and provide justification in this behalf duly supported by technical advice."***  
  
***The Company has adopted useful life different from what is specified in Part C. However, the audited financial statements for all the reporting periods doesn't include the details of such difference and no justification is available with the management duly supported by technical advice.***
- (vii) ***As per AS- 15: Employee Benefits, Company is required to assess its gratuity liability each year on the basis of the specified employees strength and make provision for gratuity liability. The Company has proportionately considered gratuity liability for the period ended June 6, 2018.***
- (viii) ***The Company has not deducted tax deducted at source (TDS) under section 194A on the interest paid to financial institutions. Hence, the said interest expenses are disallowed under section 40. However, impact of such disallowance have not been considered while filing return of income for the previous financials years and while deriving income tax liability under Statement of possible tax benefits.***
- (ix) ***The Company has granted advances to director and relatives in the financial year ended March 31, 2021 & March 31, 2020 for incurring expenses on behalf of the company resulting into violation of the provisions of section 185 of Companies Act, 2013. However, the said violation doesn't require adjustments in the Restated Financial Statements of the Company. Further, the said violation has been complied with by the end of December 31, 2021.***

9. We have also examined the following other financial information relating to the Company prepared by the management and as approved by the board of directors of the Company and annexed to this report relating to the Company for the financial period/year ended on at December 31, 2021 and March 31, 2021, 2020 & 2019 and June 6, 2018 proposed to be included in the Draft Prospectus / Prospectus ("**Offer Document**").

**Annexure to Restated Financial Statements of the Company:-**

- i) Summary statement of assets and liabilities, as restated as appearing in ANNEXURE I;
- ii) Summary statement of profit and loss, as restated as appearing in ANNEXURE II;
- iii) Summary statement of cash flows as restated as appearing in ANNEXURE III;
- iv) Corporate Information, Significant accounting policies as restated and Notes to reconciliation of restated profits and networth as appearing in ANNEXURE IV;
- v) Details of share capital as restated as appearing in ANNEXURE V to this report;
- vi) Details of reserves and surplus as restated as appearing in ANNEXURE VI to this report;
- vii) Details of long-term borrowings as restated as appearing in ANNEXURE VII to this report;
- viii) Details of deferred tax liabilities (net) as restated as appearing in ANNEXURE VIII to this report;
- ix) Details of long-term provisions as restated as appearing in ANNEXURE IX to this report;
- x) Details of short-term borrowings as restated as appearing in ANNEXURE X to this report;
- xi) Details of trade payables as restated as appearing in ANNEXURE XI to this report;
- xii) Details of other current liabilities as restated as appearing in ANNEXURE XII to this report;
- xiii) Details of short-term provisions as restated as appearing in ANNEXURE XIII to this report;
- xiv) Details of property, plant & equipment as restated as appearing in ANNEXURE XIV to this report;
- xv) Details of non-current investments as restated as appearing in ANNEXURE XV to this report;
- xvi) Details of long-term loans and advances as restated as appearing in ANNEXURE XVI to this report;
- xvii) Details of other non-current assets as restated as appearing in ANNEXURE XVII to this report;
- xviii) Details of inventories as restated as appearing in ANNEXURE XVIII to this report;
- xix) Details of trade receivables as restated as appearing in ANNEXURE XIX to this report;
- xx) Details of cash and cash equivalents as restated as appearing in ANNEXURE XX to this report;
- xxi) Details of short-term loans and advances as restated as appearing in ANNEXURE XXI to this report;
- xxii) Details of other current assets as restated as appearing in ANNEXURE XXII to this report;
- xxiii) Details of revenue from operations as restated as appearing in ANNEXURE XXIII to this report;
- xxiv) Details of other income as restated as appearing in ANNEXURE XXIV to this report;
- xxv) Details of cost of raw materials consumed as restated as appearing in ANNEXURE XXV to this report;
- xxvi) Details of direct expenses as restated as appearing in ANNEXURE XXVI to this report;
- xxvii) Details of changes in inventories of work-in-progress and finished goods as restated as appearing in ANNEXURE XXVII to this report;
- xxviii) Details of employee benefit expenses as restated as appearing in ANNEXURE XXVIII to this report;
- xxix) Details of finance costs as restated as appearing in ANNEXURE XXIX to this report;
- xxx) Details of depreciation and amortization expense as restated as appearing in ANNEXURE XXX to this report;
- xxxi) Details of other expenses as restated as appearing in ANNEXURE XXXI to this report;
- xxxii) Details of bifurcative other income as restated as appearing in ANNEXURE XXXII to this report;
- xxxiii) Details of contingent liabilities and commitments as restated as appearing in ANNEXURE XXXIII to this report;
- xxxiv) Disclosure for gratuity under AS-15 as restated as appearing in ANNEXURE XXXIV to this report;
- xxxv) Details of related party transactions as restated as appearing in ANNEXURE XXXV to this report;
- xxxvi) Summary of significant accounting ratios as restated as appearing in ANNEXURE XXXVI to this report;
- xxxvii) Statement of tax shelters as restated as appearing in ANNEXURE XXXVII to this report;
- xxxviii) Capitalisation statement as at December 31, 2021 as restated as appearing in ANNEXURE

XXXVIII to this report;

10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the board of directors for inclusion in the offer document to be filed with SEBI, NSE and Registrar of Companies (Ahmedabad) in connection with the proposed SME 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 Patel Jain & Associates**  
**Chartered Accountants**  
**FRN –129797W**

**SD/-**  
**(CA Kunjit M Patel)**  
**Partner**  
**Membership No. - 131711**  
**(UDIN –22131711AGYAJR8344)**

**Place: Ahmedabad**  
**Date: 30/03/2022**



## STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

## ANNEXURE - I

(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
1)	<b><u>EQUITY AND LIABILITIES</u></b>						
	<b><u>Shareholders Funds</u></b>						
	a. Share Capital	V	1,099.95	1,099.95	1,099.95	1,099.95	1,099.95
	b. Reserves & Surplus	VI	380.14	298.33	158.49	68.69	(5.46)
2)	<b><u>Non - Current Liabilities</u></b>						
	a. Long-term Borrowings	VII	920.87	723.85	448.32	279.67	110.87
	b. Deferred tax liability (net)	VIII	46.76	40.33	29.81	16.50	1.87
	c. Long-term Provisions	IX	23.23	22.04	15.15	9.48	1.84
3)	<b><u>Current Liabilities</u></b>						
	a. Short Term Borrowings	X	1,501.72	1,666.77	1,570.09	1,108.94	943.62
	b. Trade Payables	XI					
	-Due to Micro, Small and Medium Enterprises		-	-	-	-	-
	-Due to others		1,163.66	776.80	627.15	840.98	556.53
	c. Other Current liabilities	XII	45.73	487.71	112.40	59.18	64.88
	d. Short Term Provisions	XIII	69.30	46.30	29.56	25.20	4.78
<b>TOTAL</b>			<b>5,251.36</b>	<b>5,162.08</b>	<b>4,090.92</b>	<b>3,508.59</b>	<b>2,778.88</b>
1)	<b><u>ASSETS</u></b>						
	<b><u>Non Current Assets</u></b>						
	a. Property, Plant & Equipment						
	- Tangible Assets	XIV	854.92	885.51	827.90	858.91	599.66
	- Capital Work-in-Progress		-	-	-	-	133.45
	b. Non-Current Investments	XV	0.02	0.02	0.02	0.02	0.02
	b. Long-term Loans & Advances	XVI	20.25	20.25	26.12	24.70	17.83
	c. Other Non Current Assets	XVII	-	0.11	0.11	0.11	0.11
2)	<b><u>Current Assets</u></b>						
	a. Inventories	XVIII	2,863.31	2,207.53	1,766.64	1,258.16	811.24
	b. Trade Receivables	XIX	1,372.65	1,832.20	1,275.48	1,239.23	1,142.39
	c. Cash and Cash Equivalents	XX	40.28	29.60	7.65	9.31	6.68
	d. Short term loan and advances	XXI	97.45	181.91	187.00	118.15	67.50
	e. Other current assets	XXII	2.48	4.95	-	-	-
<b>TOTAL</b>			<b>5,251.36</b>	<b>5,162.08</b>	<b>4,090.92</b>	<b>3,508.59</b>	<b>2,778.88</b>

See accompanying annexures forming part of the restated standalone financial statements (Refer Annexure No. IV to XXXVIII)

For Patel Jain & Associates  
Chartered Accountants  
FRN - 129797W

For and on behalf of the Board of Directors of  
Sabar Flex India Limited

SD/-  
Kunjit M Patel  
Partner  
Mem No- 131711  
UDIN - 22131711AGYAJR8344

SD/-  
Hikmatbahadur Krishabhadur Kunwar  
(Director)  
DIN - 00024010

SD/-  
Manoj Kumar Agarwal  
(Director)  
DIN - 08108458

Place : Ahmedabad  
Date : 30/03/2022

SD/-  
Tinkle Rawal  
(Chief Financial Officer)  
Place : Ahmedabad  
Date : 30/03/2022

SD/-  
Kushang Surendrakumar Thakkar  
(Company Secretary)

## STATEMENT OF PROFIT AND LOSS AS RESTATED

## ANNEXURE - II

(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
<b>A</b>	<b>INCOME</b>						
	Revenue from Operations	XXIII	4,099.48	7,391.70	6,358.99	3,615.59	1,054.66
	Other income	XXIV	13.43	6.18	5.33	1.48	5.58
	<b>Total Income (A)</b>		<b>4,112.91</b>	<b>7,397.88</b>	<b>6,364.32</b>	<b>3,617.07</b>	<b>1,060.24</b>
<b>B</b>	<b>EXPENDITURE</b>						
	Cost of raw material consumed	XXV	3,871.33	6,813.01	5,836.68	2,587.89	794.98
	Direct Expenses	XXVI	132.53	250.65	212.15	742.21	183.37
	Changes in inventories of work-in-progress and finished goods	XXVII	(438.28)	(370.28)	(324.46)	(209.45)	(23.86)
	Employee benefits expense	XXVIII	194.35	222.23	216.61	186.38	19.98
	Finance costs	XXIX	174.90	199.71	184.77	110.43	16.04
	Depreciation and Amortization	XXX	52.98	62.35	58.25	41.76	6.80
	Other expenses	XXXI	13.67	31.16	58.80	53.35	40.37
	<b>Total Expenses (B)</b>		<b>4,001.48</b>	<b>7,208.83</b>	<b>6,242.80</b>	<b>3,512.57</b>	<b>1,037.68</b>
<b>C</b>	<b>Profit before tax</b>		<b>111.43</b>	<b>189.05</b>	<b>121.52</b>	<b>104.50</b>	<b>22.56</b>
<b>D</b>	<b>Tax Expense</b>						
	(i) Current tax	XXXVII	23.19	38.69	18.96	20.11	4.85
	(ii) Deferred tax	VIII	6.43	10.52	13.31	14.63	(28.58)
	(iii) MAT Credit Entitlement		-	-	(0.55)	(4.39)	-
	<b>Total Tax Expenses (D)</b>		<b>29.62</b>	<b>49.21</b>	<b>31.72</b>	<b>30.35</b>	<b>(23.73)</b>
<b>E</b>	<b>Profit for the year (C-D)</b>		<b>81.81</b>	<b>139.84</b>	<b>89.80</b>	<b>74.15</b>	<b>46.29</b>
<b>F</b>	<b>Earnings per share (Face value of ₹ 10/- each):</b>						
		XXXVI					
	<b>i. Basic</b>		<b>0.74</b>	<b>1.27</b>	<b>0.82</b>	<b>0.67</b>	<b>0.42</b>
	<b>ii. Diluted</b>		<b>0.74</b>	<b>1.27</b>	<b>0.82</b>	<b>0.67</b>	<b>0.42</b>

See accompanying annexures forming part of the restated standalone financial statements (Refer Annexure No. IV to XXXVIII)

For Patel Jain & Associates  
Chartered Accountants  
FRN - 129797W

For and on behalf of the Board of Directors of  
Sabar Flex India Limited

SD/-  
Kunjit M Patel  
Partner  
Mem No- 131711  
UDIN - 22131711AGYAJR8344

SD/-  
Hikmatbahadur Krishabhadur Kunwar  
(Director)  
DIN - 00024010

SD/-  
Manoj Kumar Agarwal  
(Director)  
DIN - 08108458

Place : Ahmedabad  
Date : 30/03/2022

SD/-  
Tinkle Rawal  
(Chief Financial Officer)  
Place : Ahmedabad  
Date : 30/03/2022

SD/-  
Kushang Surendrakumar Thakkar  
(Company Secretary)

## STATEMENT OF CASH FLOW AS RESTATED

## ANNEXURE - III

(₹ In Lakhs)

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
<b>Cash Flow From Operating Activities:</b>					
Net Profit before tax as per Profit And Loss A/c	111.43	189.05	121.52	104.50	22.56
<b>Adjustments for:</b>					
Interest Income	-	-	(0.96)	(0.92)	(0.83)
Depreciation & Amortization Expenses	52.98	62.35	58.25	41.76	6.80
Gratuity Provision	2.24	7.98	5.84	8.04	1.84
Finance Cost	143.76	193.63	183.26	109.75	16.04
<b>Operating Profit Before Working Capital Changes</b>	<b>310.41</b>	<b>453.01</b>	<b>367.91</b>	<b>263.13</b>	<b>46.41</b>
Adjusted for (Increase)/Decrease in operating assets					
Long-Term Loans and advances	-	5.87	(0.87)	(2.48)	(17.84)
Inventories	(655.78)	(440.89)	(508.48)	(446.92)	(57.22)
Trade Receivables	459.55	(556.72)	(36.25)	(96.84)	69.25
Short Term Loans and advances	84.46	5.09	(68.85)	(50.65)	(41.74)
Other Non-Current Assets	0.11	-	-	-	-
Other Current Assets	2.47	(4.95)	-	-	-
Adjusted for Increase/(Decrease) in operating liabilities:					
Trade Payables	386.86	149.65	(213.83)	284.45	28.42
Other Current Liabilities	(441.98)	375.31	53.22	(5.70)	40.14
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>146.10</b>	<b>(13.63)</b>	<b>(407.15)</b>	<b>(55.01)</b>	<b>67.42</b>
Net Income Tax paid/ refunded	(1.24)	(23.04)	(14.77)	(0.10)	(0.07)
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>144.86</b>	<b>(36.67)</b>	<b>(421.92)</b>	<b>(55.11)</b>	<b>67.35</b>
Purchase of Fixed Assets (Incl Capital WIP)	(22.39)	(119.96)	(27.24)	(167.55)	(27.58)
Interest Income	-	-	0.96	0.92	0.83
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(22.39)</b>	<b>(119.96)</b>	<b>(26.28)</b>	<b>(166.63)</b>	<b>(26.75)</b>
<b>Cash Flow from Financing Activities:</b>					
Proceeds(Repayment) of Partner Capital	-	-	-	-	(4.41)
Proceeds from Borrowings	31.97	372.21	629.80	334.12	(18.36)
Finance Cost Paid	(143.76)	(193.63)	(183.26)	(109.75)	(16.04)
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>(111.79)</b>	<b>178.58</b>	<b>446.54</b>	<b>224.37</b>	<b>(38.81)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	10.68	21.95	(1.66)	2.63	1.79
Cash & Cash Equivalents As At Beginning of the Year	29.60	7.65	9.31	6.68	4.89
Cash & Cash Equivalents As At End of the Year	<b>40.28</b>	<b>29.60</b>	<b>7.65</b>	<b>9.31</b>	<b>6.68</b>

See accompanying annexures forming part of the restated standalone financial statements (Refer Annexure No. IV to XXXVIII)

Note: The Cash Flow Statements has been prepared under Indirect Method as set out in Accounting Standard 3, 'Cash Flow Statements' notified under section 133 of the Companies Act, 2013.

For Patel Jain & Associates  
Chartered Accountants  
FRN - 129797W

For and on behalf of the Board of Directors of  
Sabar Flex India Limited

SD/-  
Kunjit M Patel  
Partner  
Mem No- 131711  
UDIN - 22131711AGYAJR8344

SD/-  
Hikmatbahadur Krishabhadur Kunwar  
(Director)  
DIN - 00024010

SD/-  
Manoj Kumar Agarwal  
(Director)  
DIN - 08108458

Place : Ahmedabad  
Date : 30/03/2022

SD/-  
Tinkle Rawal  
(Chief Financial Officer)  
Place : Ahmedabad  
Date : 30/03/2022

SD/-  
Kushang Surendrakumar Thakkar  
(Company Secretary)

DETAILS OF SHARE CAPITAL AS RESTATED

ANNEXURE - V

(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
<b>EQUITY SHARE CAPITAL:</b>					
<b>AUTHORISED:</b>					
Equity Shares of ₹ 10 each	5.00	5.00	1,100.00	1,100.00	-
	<b>5.00</b>	<b>5.00</b>	<b>1,100.00</b>	<b>1,100.00</b>	-
<b>ISSUED, SUBSCRIBED AND PAID UP</b>					
Equity Shares of ₹ 10 each	1,099.95	1,099.95	1,099.95	1,099.95	-
	<b>1,099.95</b>	<b>1,099.95</b>	<b>1,099.95</b>	<b>1,099.95</b>	-
<b>PARTNERS' CAPITAL ACCOUNT:</b>					
Opening Balance	-	-	-	1,099.95	1,083.05
Add : Capital Contributed during the year	-	-	-	-	11.19
Add : Profit/(Loss) transferred during the year	-	-	-	-	21.30
Less : Capital withdrawn during the year	-	-	-	-	(15.60)
Less: Allotment of Shares	-	-	-	(1,099.95)	-
Closing Balance	-	-	-	-	<b>1,099.95</b>
<b>TOTAL</b>	<b>1,099.95</b>	<b>1,099.95</b>	<b>1,099.95</b>	<b>1,099.95</b>	<b>1,099.95</b>

Reconciliation of number of shares outstanding at the end of the year:

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
Equity Shares at the beginning of the year	1,09,99,524	1,09,99,524	1,09,99,524	-	-
Add: Shares issued during the year	-	-	-	1,09,99,524	-
Equity Shares at the end of the year	<b>1,09,99,524</b>	<b>1,09,99,524</b>	<b>1,09,99,524</b>	<b>1,09,99,524</b>	-

Note:

1) Terms/Rights attached to Equity Shares: The company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining Assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Share holders.

2) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.

3) Every member of the company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

**Details of Shareholders holding more than 5% of the aggregate shares of the company:**

Name of Shareholders	As at December 31,2021		As at March 31, 2021		As at March 31,2020		As at March 31,2019		As at June 6,2018	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held*	% of Holding*
<b>Equity Share Holders</b>										
Hikmat Bahadur kunwar	58,57,388	53.25%	58,57,388	53.25%	58,57,388	53.25%	58,57,388	53.25%	-	16.00%
Aniruddhsinh bhati	10,30,655	9.37%	10,30,655	9.37%	10,30,655	9.37%	10,30,655	9.37%	-	16.00%
Manish bhai G chaudhary	5,96,821	5.43%	5,96,821	5.43%	5,96,821	5.43%	5,96,821	5.43%	-	12.00%
Bharat kumar patel	6,54,471	5.95%	6,54,471	5.95%	6,54,471	5.95%	6,54,471	5.95%	-	10.00%
Vishal kumar patel	8,30,681	7.55%	8,30,681	7.55%	8,30,681	7.55%	8,30,681	7.55%	-	10.00%
Sourabh Agrawal	7,88,654	7.17%	7,88,654	7.17%	7,88,654	7.17%	7,88,654	7.17%	-	18.00%
Manojkumar Agrawal Agrawal	12,40,854	11.28%	12,40,854	11.28%	12,40,854	11.28%	12,40,854	11.28%	-	18.00%

\*As at June 6, 2018, the entity was a partnership firm and hence, no. of shares can't be presented. However, profit sharing ratio has been disclosed.

## **ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH**

### **A) CORPORATE INFORMATION:**

Sabar Flex India Limited was incorporated as Partnership Firm as Sabar Flex Industries on March 06, 2007 at Himatnagar, Gujarat. The Status of the Company was changed to Public Limited Company and name was changed to Sabar Flex India Limited pursuant to a fresh certificate of Incorporation issued by the ROC, Gujarat on June 6, 2018.

The corporate identification number of the company is U25209GJ2018PLC102720.

The company is manufacturers of and dealer in products, articles of packaging, made from paper, board, pulp of all kinds, cellulose films, polyethylene, plastic films, and metal foils and films of all kinds and other flexible or laminated materials, bags, pouches, envelopes, sheets, rolls and all kinds of flexible packaging and manufacturing, fabricating, printing, treating, waxing and laminating all kinds of packing materials and all type of Raw Materials of packing materials. Manufacturing of ink and all type of raw material of ink.

### **B) RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:**

#### **I. Basis of preparation of Financial Statements:**

The restated summary statement of assets and liabilities of the Company as at December 31, 2021, March 31, 2021, 2020 & 2019 and June 6, 2018 and June 6, 2018 and the related restated summary statement of profits and loss and cash flows for the period/year ended December 31, 2021, March 31, 2021, 2020 & 2019 and June 6, 2018 (herein collectively referred to as (“**Restated Summary Statements**”) have been compiled by the management from the audited Financial Statements for the period/year ended on December 31, 2021 March 31, 2021, March 31, 2020 & 2019 and June 6, 2018. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the “**Act**”) read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**ICDR Regulations**”) issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) (“**Guidance Note**”). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the BSE in connection with its proposed IPO. The Company’s management has recast the Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated Summary Statements.

The Restated Financial Statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III of the Companies Act, 2013.

#### **II. Use of Estimates:**

The preparation of the Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the

period/year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### **III. Property, Plant & Equipment:**

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses.

Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

### **IV. Depreciation:**

#### *Tangible Assets:*

Depreciation on Fixed Assets has been provided on 'Written-Down Value Method' based on the useful life of the assets and in the manner prescribed in the Schedule II of the Companies Act, 2013 except as follows:

CCTV Camera – 20 Years

Computer – 6 Years

Electrification – 20 Years

Laboratory Equipment – 9 Years

Plant & Machinery – 14 Years

Plant & Machinery -Improvements (Part of Plant & Machinery) – 20 Years

Scale Map – 9 Years

Office Furniture – 20 Years

Borwell – 9 Years

Office Equipment – 20 Years

Tata Xenon Pickup – 10 Years

Water Cooler – 20 Years

Useful life of above assets are based on technical advice by the management.

### **V. Impairment of Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is charged to the Statement of Profit and Loss in the period/year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

### **VI. Provisions and Contingent Liabilities:**

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of

resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the Financial Statements.

**VII. Cash and Cash Equivalents:**

Cash and cash equivalents comprises Cash-in-Hand, Short-term Deposits and Balance in Current Accounts with Banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**VIII. Inventories:**

Inventories comprises of Raw Material, Semi Finished Goods and Finished Goods.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

**IX. Revenue Recognition:**

Revenue from sale of goods net of returns is recognized on dispatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty as and when applicable, Price escalation claims are recognized to the extent there is reasonable certainty of its realization.

**X. Other Income:**

Interest income is accounted on accrual basis. Income other than interest income is accounted for when right to receive such income is established.

**XI. Employee Benefits:**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed period/year of service without any monetary limit. Vesting occurs upon completion of five period/years of service.

The Company has also provided for leave encashment to the employees at their retirement.

Provision for gratuity and leave encashment has been made in the books as per actuarial valuation done as at the end of the period/year.

**XII. Earning Per Share**

Basic earning per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity share outstanding during the period. Diluted earning per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**XIII. Taxation & Deferred Tax**



Income taxes are accounted for in accordance with Accounting Standard (AS-22) – “Accounting for taxes on income”, notified under Companies (Accounting Standard) Rules, 2014. Income tax comprises of both current and deferred tax.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

**XIV. Research & Development Expenditure:**

Research and Development expenditure of capital nature are capitalized and those of revenue nature are charged to Profit & Loss account in the year in which these are incurred.

**XV. Foreign Exchange Transaction:**

Foreign Currency transactions are booked at the rate prevailing at the time of transaction and any Gain/loss arising out of fluctuations in exchange rate is accounted for at the year end as per AS-11 issued by the Institute of Chartered Accountants of India.

**XVI. Segment Reporting:**

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”

**C) NOTES ON RECONCILIATION OF RESTATED PROFITS**

Reconciliation of Restated Profits is stated as follows:

(₹ In Lakhs)					
Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
Net Profit/(Loss) after Tax as per Audited/Unaudited Profit & Loss Account	117.10	131.20	78.03	63.29	21.30
<b><u>Adjustments for:</u></b>					
Gratuity	-	15.71	(5.83)	(8.04)	(1.84)

Depreciation and Amortization Expenses	(3.38)	(2.36)	25.62	40.82	3.20
Round Off	-	-	-	0.09	(0.09)
Prior Period Expenses	(50.15)	-	2.58	-	-
Income Tax Expense	4.52	(9.36)	1.54	(5.35)	(4.86)
Deferred tax	9.56	(1.75)	(7.22)	(6.30)	28.58
MAT Credit Entitlement	4.16	6.39	(4.92)	(10.36)	-
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>81.81</b>	<b>139.83</b>	<b>89.80</b>	<b>74.15</b>	<b>46.29</b>

**Explanatory notes to the above restatements to profits made in the audited Standalone Financial Statements of the Company for the respective years:**

- I. **Gratuity:** The Company has not provided for gratuity provision since incorporation and started providing the same since FY21 which has now been reclassified and restated for the respective years based on the actuarial valuation report for the respective years.
- II. **Depreciation & Amortisation Expenses:** The Company has calculated full year depreciation on the fixed assets purchased during the year and incorrectly calculated depreciation for all the years. Further, the company has revised estimated useful life of plant & machinery from 9 years to 14 years. The same has now recalculated and restated for the respective years.
- III. **Round off:** During the period ended June 6, 2018, the firm has wrongly written off capital balances to the tune of ₹ 0.09 Lakhs and as a result of which opening balances at the time of conversion are having differences to the tune of same amount which has now been corrected and restated.
- IV. **Prior-period expenses:** Prior-period expenses consists of treatment of excess MAT Credit entitlement which has now been restated and reclassified to the respective year to which it relates.
- V. **Income Tax Expenses:** Due to above restatement impacts, income tax expenses has been restated accordingly and presented.
- VI. **Deferred Tax:** Due to above restatement impacts and using correct income tax enacted rates, deferred tax expenses has been restated accordingly and presented.
- VII. **MAT Credit Entitlement:** Due to above restatement impacts and using correct accounting treatment for MAT Credit Entitlement, the same has been restated accordingly and presented.

**D) NOTES ON RECONCILIATION OF RESTATED NETWORTH**

Reconciliation of Restated Networth is stated as follows:

(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
Networth as audited	1,489.58	1,372.48	1,241.27	1,163.24	1,099.86
<b>Adjustments for:</b>					
Opening Balance of Adjustments	25.80	17.17	5.40	(5.37)	-

Deferred Tax Liability on difference between opening WDV of fixed assets as per Income tax Act, 1961 and Companies Act, 2013	-	-	-	-	(30.45)
Capital Introduced/(Withdrawn)	-	-	-	(0.09)	0.09
Change in Profit/(Loss)	(35.29)	8.63	11.77	10.86	24.99
Closing Balance of Adjustments	(9.49)	25.80	17.17	5.40	(5.37)
<b>Networth as restated</b>	<b>1,480.09</b>	<b>1,398.28</b>	<b>1,258.44</b>	<b>1,168.64</b>	<b>1,094.49</b>

**Explanatory notes to the above restatements to networth made in the audited Standalone Financial Statements of the Company for the respective years:**

- I. **Deferred Tax Liability on difference between opening WDV of fixed assets as per Income tax Act, 1961 and Companies Act, 2013:** Deferred Tax liability has been created on the opening temporary differences due to difference in WDV of fixed assets as per Income tax Act, 1961 and Companies Act, 2013.
- II. **Capital Introduced/(Withdrawn):** Refer Note C(iii) above.
- III. **Change in Profit/(Loss):** Refer Note C above.

**E) ADJUSTMENTS HAVING NO IMPACT ON NETWORTH AND PROFIT:**

**a. Material Regrouping:**

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Standalone Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

**DETAILS OF RESERVES AND SURPLUS AS RESTATED**
**ANNEXURE - VI**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
<b>Balance in Profit &amp; Loss A/c</b>					
Opening Balance	298.33	158.49	68.69	(5.46)	-
Add: Net Profit / (Loss) after Tax for the year	81.81	139.84	89.80	74.15	46.29
Less: Net Profit transferred to partners capital	-	-	-	-	(21.30)
Less: Deferred Tax Liability on difference between opening WDV of fixed assets as per Income tax Act, 1961 and Companies Act, 2013	-	-	-	-	(30.45)
<b>Closing Balance</b>	<b>380.14</b>	<b>298.33</b>	<b>158.49</b>	<b>68.69</b>	<b>(5.46)</b>
<b>TOTAL</b>	<b>380.14</b>	<b>298.33</b>	<b>158.49</b>	<b>68.69</b>	<b>(5.46)</b>

**DETAILS OF LONG TERM BORROWINGS AS RESTATED**
**ANNEXURE - VII**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
<b>Secured</b>					
<b>a) Term Loan</b>					
-From Banks	411.92	264.92	-	-	-
-From Others	17.93	33.34	52.22	82.34	0.78
<b>Unsecured</b>					
-From Related Parties	187.95	144.26	126.85	127.83	110.09
-From Others	303.07	281.33	269.25	69.50	-
<b>TOTAL</b>	<b>920.87</b>	<b>723.85</b>	<b>448.32</b>	<b>279.67</b>	<b>110.87</b>

Nature of Security	Terms of Repayment
Loan from ECL Finance Limited of ₹51.67 Lakhs is secured by Printing Machine SL Nissi SL 3030, 8 Color Printing machine.	Loan is repayable in 60 monthly instalment
Loan from Axis Bank Limited of ₹ 2.89 Crores is secured by hypothecation of all assets of the company on a second ranking charge	Loan is repayable in 36 monthly instalment after a moratorium of 12 months
Loan from Axis Bank Limited of ₹ 1.47 Crores is secured by hypothecation of all current assets of the company both present and future	Loan is repayable in 36 monthly instalment after a moratorium of 24 months
Loan from Adani Capital of ₹ 7 Lakhs is unsecured	Loan is repayable in 60 monthly instalment
Loan from ECL Finance Limited of ₹ 88.61 Lakhs is unsecured	Loan is repayable in 60 monthly instalment
Loan from Capital Float of ₹ 25.10 Lakhs is unsecured	Loan is repayable in 36 monthly instalment
Loan from Magma Fincorp Limited of ₹ 35 Lakhs is unsecured	Loan is repayable in 36 monthly instalment
Loan from Shriram City Union Finance Ltd of ₹ 29.72 Lakhs is unsecured	Loan is repayable in 36 monthly instalment
Loan from Capital First of ₹ 34.14 Lakhs is unsecured	Loan is repayable in 24 monthly instalment
Loan from Bajaj Finserv of ₹ 29.34 Lakhs is unsecured	Loan is repayable in 40 monthly instalment
Loan from Capital Float of ₹ 25.20 Lakhs is unsecured	Loan is repayable in 24 monthly instalment
Loan from Fullerton India Credit Co. Ltd. of ₹ 25 Lakhs is unsecured	Loan is repayable in 28 monthly instalment
Loan from HDFC Bank of ₹ 25.12 Lakhs is unsecured	Loan is repayable in 36 monthly instalment
Loan from IDFC First of ₹ 51 Lakhs is unsecured	Loan is repayable in 24 monthly instalment
Loan from Incred Financial Services Ltd of ₹ 25 Lakhs is unsecured	Loan is repayable in 24 monthly instalment
Loan from IIFL Finance Limited of ₹ 30.21 Lakhs is unsecured	Loan is repayable in 26 monthly instalment
Loan from RBL Bank Ltd of ₹ 35.36 Lakhs is unsecured	Loan is repayable in 24 monthly instalment
Loan from Fullerton India Credit Co. Ltd. of ₹ 4.83 Lakhs is unsecured	Loan is repayable in 48 monthly instalment

**DETAILS OF DEFERRED TAX LIABILITIES AS RESTATED**
**ANNEXURE - VIII**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
Deferred Tax Liability on account of difference in WDV as Companies Act, 2013 and Income Tax Act, 1961	53.50	46.49	33.90	19.07	2.35
Deferred Tax Assets on account of unfunded gratuity provision	(6.74)	(6.16)	(4.09)	(2.57)	(0.48)
<b>TOTAL</b>	<b>46.76</b>	<b>40.33</b>	<b>29.81</b>	<b>16.50</b>	<b>1.87</b>

**DETAILS OF LONG TERM PROVISIONS AS RESTATED**
**ANNEXURE - IX**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
Provision for Gratuity	23.23	22.04	15.15	9.48	1.84
<b>TOTAL</b>	<b>23.23</b>	<b>22.04</b>	<b>15.15</b>	<b>9.48</b>	<b>1.84</b>

**DETAILS OF SHORT TERM BORROWINGS AS RESTATED**
**ANNEXURE - X**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
<b>Secured</b>					
Cash Credit from Banks	1,340.61	1,451.61	1,451.42	1,005.89	942.18
Current Maturities of Long-term Debt	161.11	215.16	118.67	103.05	1.44
<b>TOTAL</b>	<b>1,501.72</b>	<b>1,666.77</b>	<b>1,570.09</b>	<b>1,108.94</b>	<b>943.62</b>

**Note:** Cash Credits from Banks are secured against hypothecation of stock and book debts

**DETAILS OF TRADE PAYABLES AS RESTATED**
**ANNEXURE - XI**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
Total outstanding Due to Micro, Small and Medium Enterprises	-	-	-	-	-
Total outstanding Other than Micro, Small and Medium Enterprises	1,163.66	776.80	627.15	840.98	556.53
<b>TOTAL</b>	<b>1,163.66</b>	<b>776.80</b>	<b>627.15</b>	<b>840.98</b>	<b>556.53</b>

**DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED**
**ANNEXURE - XII**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
Statutory Dues payable	32.01	39.95	21.21	5.05	5.26
Employee Benefits Payable	9.82	9.35	7.03	11.16	4.90
Advance From Customers	3.90	438.41	84.16	42.97	54.72
<b>TOTAL</b>	<b>45.73</b>	<b>487.71</b>	<b>112.40</b>	<b>59.18</b>	<b>64.88</b>

**DETAILS OF SHORT TERM PROVISIONS AS RESTATED**
**ANNEXURE - XIII**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
Provision for Gratuity	2.71	1.66	0.57	0.40	-
Provision for taxation	66.59	44.64	28.99	24.80	4.78
<b>TOTAL</b>	<b>69.30</b>	<b>46.30</b>	<b>29.56</b>	<b>25.20</b>	<b>4.78</b>

**DETAILS OF NON-CURRENT INVESTMENTS AS RESTATED**
**ANNEXURE - XV**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
HMT Nagri Bank share	0.02	0.02	0.02	0.02	0.02
<b>TOTAL</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>
Aggregate amount of quoted investments and market value thereof	-	-	-	-	-
Aggregate amount of unquoted investments	0.02	0.02	0.02	0.02	0.02
Aggregate provision for diminution in value of investments	-	-	-	-	-

**DETAILS OF LONG-TERM LOANS & ADVANCES AS RESTATED**
**ANNEXURE - XVI**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
Security Deposit	20.25	20.25	21.17	20.31	17.83
MAT Credit Entitlement	-	-	4.95	4.39	-
<b>TOTAL</b>	<b>20.25</b>	<b>20.25</b>	<b>26.12</b>	<b>24.70</b>	<b>17.83</b>

**DETAILS OF OTHER NON CURRENT ASSETS AS RESTATED**
**ANNEXURE - XVII**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
Fixed Deposits	-	0.11	0.11	0.11	0.11
<b>TOTAL</b>	<b>-</b>	<b>0.11</b>	<b>0.11</b>	<b>0.11</b>	<b>0.11</b>

**DETAILS OF INVENTORIES AS RESTATED**
**ANNEXURE - XVIII**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
Raw Material	1,037.98	820.48	749.87	565.85	328.38
Semi Finished Goods	793.73	565.38	239.59	182.28	310.17
Finished Goods	1,031.60	821.67	777.18	510.03	172.69
<b>TOTAL</b>	<b>2,863.31</b>	<b>2,207.53</b>	<b>1,766.64</b>	<b>1,258.16</b>	<b>811.24</b>

**DETAILS OF TRADE RECEIVABLES AS RESTATED**
**ANNEXURE - XIX**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
<b>Unsecured, Considered Good</b>					
Trade Receivable More than Six Months	1,083.29	418.54	469.94	378.39	530.15
Trade Receivable Less than Six Months	289.36	1,413.66	805.54	860.84	612.24
<b>TOTAL</b>	<b>1,372.65</b>	<b>1,832.20</b>	<b>1,275.48</b>	<b>1,239.23</b>	<b>1,142.39</b>

**DETAILS OF CASH & CASH EQUIVALENTS AS RESTATED**
**ANNEXURE - XX**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
Cash-in-Hand	40.08	29.56	5.05	5.53	6.64
Balance with Banks in Current Accounts	0.20	0.04	2.60	3.78	0.04
<b>TOTAL</b>	<b>40.28</b>	<b>29.60</b>	<b>7.65</b>	<b>9.31</b>	<b>6.68</b>

**DETAILS OF SHORT TERM LOAN AND ADVANCES AS RESTATED**
**ANNEXURE - XXI**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
Balance with Government Authorities	-	-	-	-	6.00
Advance to Related Parties	-	43.57	132.06	-	-
Staff Advances	32.68	5.00	5.00	5.64	2.10
Vendor Advances	64.77	133.34	49.94	112.51	59.40
<b>TOTAL</b>	<b>97.45</b>	<b>181.91</b>	<b>187.00</b>	<b>118.15</b>	<b>67.50</b>

**DETAILS OF OTHER CURRENT ASSETS AS RESTATED**
**ANNEXURE - XXII**  
(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
Prepaid Insurance	2.48	4.95	-	-	-
<b>TOTAL</b>	<b>2.48</b>	<b>4.95</b>	<b>-</b>	<b>-</b>	<b>-</b>

DETAILS OF PROPERTY, PLANT & EQUIPMENT AS RESTATED

ANNEXURE- XIV  
(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2021	ADDITIONS	DEDUCTIONS	AS AT 31.12.2021	UPTO 01.04.2021	FOR THE YEAR	DEDUCTIONS	UPTO 31.12.2021	AS AT 31.12.2021	AS AT 31.03.2021
<b>Tangible Assets</b>										
Building	74.73	-	-	74.73	7.10	1.78	-	8.88	65.85	67.63
CCTV Camera	1.33	-	-	1.33	0.19	0.05	-	0.24	1.09	1.14
Computer	2.41	-	-	2.41	1.07	0.28	-	1.35	1.06	1.34
Electrification	19.33	-	-	19.33	2.75	0.70	-	3.45	15.88	16.58
Laboratory Equipment	3.41	-	-	3.41	1.08	0.27	-	1.35	2.06	2.33
Scale Map	0.29	-	-	0.29	0.09	0.02	-	0.11	0.18	0.20
Office furniture	4.68	-	-	4.68	0.65	0.17	-	0.82	3.86	4.03
Plant and machinery	920.58	22.33	-	942.91	154.07	48.83	-	202.90	740.01	766.51
Borwell	0.09	-	-	0.09	0.03	0.01	-	0.04	0.05	0.06
Byke GJ CN 2175	0.26	-	-	0.26	0.07	0.02	-	0.09	0.17	0.19
Cycle	0.03	-	-	0.03	0.01	-	-	0.01	0.02	0.02
Land Free hold	15.48	-	-	15.48	-	-	-	-	15.48	15.48
Tata Xenon Pickup	4.68	-	-	4.68	1.34	0.33	-	1.67	3.01	3.34
Tata 407	7.00	-	-	7.00	0.66	0.51	-	1.17	5.83	6.34
Water cooler	0.36	0.06	-	0.42	0.04	0.01	-	0.05	0.37	0.32
<b>TOTAL</b>	<b>1,054.66</b>	<b>22.39</b>	<b>-</b>	<b>1,077.05</b>	<b>169.15</b>	<b>52.98</b>	<b>-</b>	<b>222.13</b>	<b>854.92</b>	<b>885.51</b>



DETAILS OF PROPERTY, PLANT & EQUIPMENT AS RESTATED

ANNEXURE- XIV  
(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2020	ADDITIONS	DEDUCTIONS	AS AT 31.03.2021	UPTO 01.04.2020	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2021	AS AT 31.03.2021	AS AT 31.03.2020
<b>Tangible Assets</b>										
Building	74.73	-	-	74.73	4.74	2.36	-	7.10	67.63	69.99
CCTV Camera	1.33	-	-	1.33	0.12	0.07	-	0.19	1.14	1.21
Computer	2.41	-	-	2.41	0.68	0.39	-	1.07	1.34	1.73
Electrification	19.33	-	-	19.33	1.84	0.91	-	2.75	16.58	17.49
Laboratory Equipment	3.41	-	-	3.41	0.72	0.36	-	1.08	2.33	2.69
Scale Map	0.29	-	-	0.29	0.06	0.03	-	0.09	0.20	0.23
Office furniture	4.68	-	-	4.68	0.43	0.22	-	0.65	4.03	4.25
Plant and machinery	807.65	112.93	-	920.58	97.22	56.85	-	154.07	766.51	710.43
Borwell	0.09	-	-	0.09	0.02	0.01	-	0.03	0.06	0.07
Byke GJ CN 2175	0.26	-	-	0.26	0.05	0.02	-	0.07	0.19	0.21
Cycle	0.03	-	-	0.03	0.01	-	-	0.01	0.02	0.02
Land Free hold	15.48	-	-	15.48	-	-	-	-	15.48	15.48
Tata Xenon Pickup	4.68	-	-	4.68	0.89	0.45	-	1.34	3.34	3.79
Tata 407	-	7.00	-	7.00	-	0.66	-	0.66	6.34	-
Water cooler	0.33	0.03	-	0.36	0.02	0.02	-	0.04	0.32	0.31
<b>TOTAL</b>	<b>934.70</b>	<b>119.96</b>	<b>-</b>	<b>1,054.66</b>	<b>106.80</b>	<b>62.35</b>	<b>-</b>	<b>169.15</b>	<b>885.51</b>	<b>827.90</b>

DETAILS OF PROPERTY, PLANT & EQUIPMENT AS RESTATED

ANNEXURE- XIV  
(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2019	ADDITIONS	DEDUCTIONS	AS AT 31.03.2020	UPTO 01.04.2019	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2020	AS AT 31.03.2020	AS AT 31.03.2019
<b>Tangible Assets</b>										
Building	74.73	-	-	74.73	2.37	2.37	-	4.74	69.99	72.36
CCTV Camera	1.33	-	-	1.33	0.06	0.06	-	0.12	1.21	1.27
Computer	2.41	-	-	2.41	0.30	0.38	-	0.68	1.73	2.11
Electrification	19.33	-	-	19.33	0.92	0.92	-	1.84	17.49	18.41
Laboratory Equipment	3.41	-	-	3.41	0.36	0.36	-	0.72	2.69	3.05
Scale Map	0.29	-	-	0.29	0.03	0.03	-	0.06	0.23	0.26
Office furniture	4.64	0.04	-	4.68	0.21	0.22	-	0.43	4.25	4.43
Plant and machinery	780.72	26.93	-	807.65	43.81	53.41	-	97.22	710.43	736.91
Borwell	0.09	-	-	0.09	0.01	0.01	-	0.02	0.07	0.08
Byke GJ CN 2175	0.26	-	-	0.26	0.03	0.02	-	0.05	0.21	0.23
Cycle	0.03	-	-	0.03	-	0.01	-	0.01	0.02	0.03
Land Free hold	15.48	-	-	15.48	-	-	-	-	15.48	15.48
Tata Xenon Pickup	4.68	-	-	4.68	0.45	0.44	-	0.89	3.79	4.23
Water cooler	0.06	0.27	-	0.33	-	0.02	-	0.02	0.31	0.06
<b>TOTAL</b>	<b>907.46</b>	<b>27.24</b>	<b>-</b>	<b>934.70</b>	<b>48.55</b>	<b>58.25</b>	<b>-</b>	<b>106.80</b>	<b>827.90</b>	<b>858.91</b>

DETAILS OF PROPERTY, PLANT & EQUIPMENT AS RESTATED

ANNEXURE- XIV  
(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 06.06.2018	ADDITIONS	DEDUCTIONS	AS AT 31.03.2019	UPTO 06.06.2018	FOR THE PERIOD	DEDUCTIONS	UPTO 31.03.2019	AS AT 31.03.2019	AS AT 06.06.2018
<b>Tangible Assets</b>										
Building	74.73	-	-	74.73	0.44	1.93	-	2.37	72.36	74.29
CCTV Camera	1.33	-	-	1.33	0.01	0.05	-	0.06	1.27	1.32
Computer	1.38	1.03	-	2.41	0.04	0.26	-	0.30	2.11	1.34
Electrification	19.33	-	-	19.33	0.17	0.75	-	0.92	18.41	19.16
Laboratory Equipment	3.41	-	-	3.41	0.07	0.29	-	0.36	3.05	3.34
Scale Map	0.29	-	-	0.29	0.01	0.02	-	0.03	0.26	0.28
Office furniture	4.20	0.44	-	4.64	0.04	0.17	-	0.21	4.43	4.16
Plant and machinery	481.19	299.53	-	780.72	5.93	37.88	-	43.81	736.91	475.26
Borwell	0.09	-	-	0.09	-	0.01	-	0.01	0.08	0.09
Byke GJ CN 2175	0.26	-	-	0.26	-	0.03	-	0.03	0.23	0.26
Cycle	0.03	-	-	0.03	-	-	-	-	0.03	0.03
Land Free hold	15.48	-	-	15.48	-	-	-	-	15.48	15.48
Tata Xenon Pickup	4.68	-	-	4.68	0.08	0.37	-	0.45	4.23	4.60
Water cooler	0.06	-	-	0.06	-	-	-	-	0.06	0.06
<b>TOTAL</b>	<b>606.46</b>	<b>301.00</b>	<b>-</b>	<b>907.46</b>	<b>6.79</b>	<b>41.76</b>	<b>-</b>	<b>48.55</b>	<b>858.91</b>	<b>599.67</b>

DETAILS OF PROPERTY, PLANT & EQUIPMENT AS RESTATED

ANNEXURE- XIV  
(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2018	ADDITIONS	DEDUCTIONS	AS AT 06.06.2018	UPTO 01.04.2018	FOR THE PERIOD	DEDUCTIONS	UPTO 06.06.2018	AS AT 06.06.2018	AS AT 31.03.2018
<b>Tangible Assets</b>										
Building	74.73	-	-	74.73	-	0.44	-	0.44	74.29	74.73
CCTV Camera	1.33	-	-	1.33	-	0.01	-	0.01	1.32	1.33
Computer	1.38	-	-	1.38	-	0.04	-	0.04	1.34	1.38
Electrification	19.33	-	-	19.33	-	0.17	-	0.17	19.16	19.33
Laboratory Equipment	3.41	-	-	3.41	-	0.07	-	0.07	3.34	3.41
Scale Map	0.29	-	-	0.29	-	0.01	-	0.01	0.28	0.29
Office furniture	4.20	-	-	4.20	-	0.03	-	0.03	4.17	4.20
Plant and machinery	469.96	11.23	-	481.19	-	5.93	-	5.93	475.26	469.96
Borwell	0.09	-	-	0.09	-	-	-	-	0.09	0.09
Byke GJ CN 2175	0.26	-	-	0.26	-	0.01	-	0.01	0.25	0.26
Cycle	0.03	-	-	0.03	-	-	-	-	0.03	0.03
Land Free hold	15.48	-	-	15.48	-	-	-	-	15.48	15.48
Tata Xenon Pickup	4.68	-	-	4.68	-	0.09	-	0.09	4.59	4.68
Water cooler	0.06	-	-	0.06	-	-	-	-	0.06	0.06
<b>TOTAL</b>	<b>595.23</b>	<b>11.23</b>	<b>-</b>	<b>606.46</b>	<b>-</b>	<b>6.80</b>	<b>-</b>	<b>6.80</b>	<b>599.66</b>	<b>595.23</b>

**DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**
**ANNEXURE -**
**XXIII**  
**(₹ In Lakhs)**

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
Sale of Goods					
-Domestic Sales	4,099.48	7,391.70	6,358.99	3,615.59	1,054.66
-Export Sales	-	-	-	-	-
<b>TOTAL</b>	<b>4,099.48</b>	<b>7,391.70</b>	<b>6,358.99</b>	<b>3,615.59</b>	<b>1,054.66</b>

**DETAILS OF OTHER INCOME AS RESTATED**
**ANNEXURE -**
**XXIV**  
**(₹ In Lakhs)**

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
Discount Received	8.97	6.16	-	0.29	3.75
Interest on Deposit UGVCL	-	-	0.96	0.92	0.83
Material Shortage Claim	-	-	-	0.10	-
Rate of Difference Received	-	-	3.31	0.17	1.00
Insurance claim	-	0.02	0.16	-	-
Sundry Balances Written off	4.46	-	0.90	-	-
<b>TOTAL</b>	<b>13.43</b>	<b>6.18</b>	<b>5.33</b>	<b>1.48</b>	<b>5.58</b>

**DETAILS OF COST RAW MATERIAL CONSUMED AS RESTATED**
**ANNEXURE -**
**XXV**  
**(₹ In Lakhs)**

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
Inventory at the beginning of the year	820.48	749.87	565.85	328.38	295.02
Add: Purchases	4,088.83	6,883.62	6,020.70	2,825.36	828.34
Less: Inventory at the End of the year	1,037.98	820.48	749.87	565.85	328.38
<b>TOTAL</b>	<b>3,871.33</b>	<b>6,813.01</b>	<b>5,836.68</b>	<b>2,587.89</b>	<b>794.98</b>

**DETAILS OF DIRECT EXPENSES AS RESTATED**
**ANNEXURE -**
**XXVI**  
**(₹ In Lakhs)**

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
Cash Discount	-	1.16	0.92	3.72	-
Electricity expense	63.46	112.88	100.11	70.76	10.52
Factory Expense	5.55	13.20	8.57	4.87	0.71
Labour Charges	0.06	0.04	0.58	2.23	-
Repairs and Maintenance Expense	0.44	6.39	1.18	6.39	0.44
Transportation Charges	7.92	25.90	19.31	20.58	4.53
Cylinder Charges Expense	22.09	45.58	31.76	8.74	-
Electrical Repairing Expense	4.37	5.19	2.13	4.42	0.42
Excise / GST Expense	-	-	2.05	594.85	166.15
Freight Expense	0.18	0.06	-	-	-
Fuel Expense	25.53	35.39	37.66	18.21	0.08
Job Work Charges	1.40	0.99	3.52	2.59	-
Loading and Unloading charges	0.87	1.84	1.27	0.70	0.17
Machinery Part purchase	-	0.04	0.02	0.68	-
Packing Charges	0.15	0.01	0.29	0.03	0.35
Rate Difference Given A/C	0.51	1.98	2.78	3.44	-
<b>TOTAL</b>	<b>132.53</b>	<b>250.65</b>	<b>212.15</b>	<b>742.21</b>	<b>183.37</b>

DETAILS OF CHANGES IN INVENTORIES OF STOCK-IN-TRADE AS RESTATED

ANNEXURE -

XXVII  
(₹ In Lakhs)

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
Opening Stock					
Work in Progress	565.38	239.59	182.28	310.17	357.37
Finish Goods	821.67	777.18	510.03	172.69	101.63
Less: Closing Stock					
Work in Progress	793.73	565.38	239.59	182.28	310.17
Finish Goods	1,031.60	821.67	777.18	510.03	172.69
<b>TOTAL</b>	<b>(438.28)</b>	<b>(370.28)</b>	<b>(324.46)</b>	<b>(209.45)</b>	<b>(23.86)</b>

DETAILS OF EMPLOYEE BENEFITS EXPENSE AS RESTATED

ANNEXURE -

XXVIII  
(₹ In Lakhs)

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
Salary and Wages	176.72	197.87	194.47	171.73	17.00
Contribution to Provident Fund	9.22	7.09	10.75	2.55	0.29
Gratuity	2.24	7.98	5.84	8.04	1.84
Staff Welfare Expense	6.17	9.29	5.55	4.06	0.85
<b>TOTAL</b>	<b>194.35</b>	<b>222.23</b>	<b>216.61</b>	<b>186.38</b>	<b>19.98</b>

DETAILS OF FINANCE COST AS RESTATED

ANNEXURE -

XXIX  
(₹ In Lakhs)

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
Interest Expense	143.76	193.11	183.21	109.75	16.02
Bank Charges	31.14	6.08	1.51	0.68	-
Interest on Delayed Payment of taxes	-	0.52	0.05	-	0.02
<b>TOTAL</b>	<b>174.90</b>	<b>199.71</b>	<b>184.77</b>	<b>110.43</b>	<b>16.04</b>

DETAILS OF DEPRECIATION AND AMORTIZATION EXPENSE AS RESTATED

ANNEXURE -

XXX  
(₹ In Lakhs)

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
Depreciation and Amortization Expenses	52.98	62.35	58.25	41.76	6.80
<b>TOTAL</b>	<b>52.98</b>	<b>62.35</b>	<b>58.25</b>	<b>41.76</b>	<b>6.80</b>

DETAILS OF OTHER EXPENSES AS RESTATED

ANNEXURE -

XXXI  
(₹ In Lakhs)

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
Office Expenses	0.39	1.32	1.99	1.56	0.20
Printing & stationery expense	0.50	0.55	0.75	0.97	0.10
Rent Expense	-	4.56	5.40	4.70	0.20
Admin charges	1.34	0.20	0.21	0.10	-
Advertisement exp	-	-	0.10	-	-
Balance w/off	0.15	0.06	-	2.85	8.88
Bank charges	-	-	-	-	0.09
Commission expense	0.43	2.00	-	1.50	-
Rounding off	-	-	-	-	0.09
Cleaning exp	0.02	-	-	-	-
Computer maintenance	0.04	0.14	0.24	0.22	0.05
Conveyance Expense	0.07	-	0.06	0.62	0.66
New Product Development Expense w/off	-	-	-	-	10.91
Donation expense	0.49	0.21	0.45	0.08	0.22
Electricity expense Ahmedabad office	0.01	-	-	-	-
Food expense	-	-	-	-	0.04
GST Charges	1.96	0.16	0.16	0.08	0.13
Income tax expense	-	0.46	-	0.78	-
Insurance expense	3.06	2.47	7.80	6.83	0.23
Internet charges	-	0.15	0.03	0.05	-
Legal Exp	1.79	2.51	10.91	10.18	-
Misc Expense	0.16	0.07	0.26	9.54	0.22
Membership Fees	-	-	0.08	-	-
Panchayat tax A/c	-	-	0.36	0.70	-
Postage & courier charges	0.16	0.16	0.19	0.23	0.03
Professional fees	2.13	15.00	9.66	9.15	0.10
ROC Filling fees	0.23	-	-	0.12	9.58
Security expense	-	-	-	0.52	-
Software installation exp	-	-	-	0.03	-
Stock Audit fees	-	0.16	0.14	0.08	-
Sales promotion exp	-	-	11.98	0.28	-
Telephone expenses	-	-	0.01	0.03	0.03
Travelling expense	0.41	0.28	1.03	1.92	0.26
Vehical Repairing expenses	0.33	0.70	6.99	0.20	0.26
VAT Expenses	-	-	-	-	0.01
Professional tax	-	-	-	-	0.09
Bank Processing Charges	-	-	-	-	2.26
Petrol Expenses	-	-	-	-	0.07
Tempo Diesel Expenses	-	-	-	-	0.65
Toll Tax Expenses	-	-	-	-	0.01
Stamp Duty	-	-	-	-	5.00
<b>TOTAL</b>	<b>13.67</b>	<b>31.16</b>	<b>58.80</b>	<b>53.35</b>	<b>40.37</b>

**DETAILS OF OTHER INCOME AS RESTATED**
**ANNEXURE - XXXII**  
 (₹ In Lakhs)

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018	Nature
Other Income	13.43	6.18	5.33	1.48	5.58	
Net Profit Before Tax as Restated	111.43	189.05	121.52	104.50	22.56	
Percentage	12.05%	3.27%	4.39%	1.42%	24.73%	

**Source of Income**

Discount Received	8.97	6.16	-	0.29	3.75	Recurring and related to Business Activity
Interest on Deposit UGVCL	-	-	0.96	0.92	0.83	Recurring and related to Business Activity
Material Shortage Claim	-	-	-	0.10	-	Non-Recurring and related to Business Activity
Rate of Difference Received	-	-	3.31	0.17	1.00	Non-Recurring and related to Business Activity
Transportation Expenses Outward	-	-	-	-	-	Non-Recurring and related to Business Activity
Insurance claim	-	0.02	0.16	-	-	Non-Recurring and related to Business Activity
Sundry Balances Written off	4.46	-	0.90	-	-	Non-Recurring and related to Business Activity
<b>Total Other income</b>	<b>13.43</b>	<b>6.18</b>	<b>5.33</b>	<b>1.48</b>	<b>5.58</b>	



**DETAILS OF CONTINGENT LIABILITIES & COMMITMENTS AS RESTATED**

**ANNEXURE -**

**XXXIII**

(₹ In Lakhs)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 6, 2018
<b>I. Contingent Liabilities</b>					
(a) claims against the company not acknowledged as debt;	-	-	-	-	-
(b) guarantees excluding financial guarantees; and	-	-	-	-	-
(c) other money for which the company is contingently liable.	-	-	-	-	-
<b>II. Commitments-</b>					
(a) estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-	-
(b) uncalled liability on shares and other investments partly paid	-	-	-	-	-
(c) other commitments	-	-	-	-	-

*Note: The above details should be read with the significant accounting policies and notes to restated summary, statement of*

Provision is made for gratuity (unfunded) based upon actuarial valuation done at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

I. ASSUMPTIONS:	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
Discount rate	6.87%	6.84%	6.84%	7.77%	7.77%
Expected rate of salary increase	7.00%	5.00%	5.00%	5.00%	5.00%
Attrition Rate	0.00%	4.00%	4.00%	4.00%	4.00%
Mortality Table (LIC)	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement	58 years	58 years	58 years	58 years	58 years

II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
	₹	₹	₹	₹	₹
Defined Benefit Obligation at beginning of the year	23.70	15.72	9.88	1.84	-
Current Service Cost	2.62	3.30	2.12	8.04	1.84
Interest cost	0.81	1.07	0.77	-	-
Benefits Paid	-	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.01)	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.06	(0.08)	1.50	-	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	(1.24)	3.69	1.45	-	-
<b>Defined Benefit Obligation as at end of the year</b>	<b>25.94</b>	<b>23.70</b>	<b>15.72</b>	<b>9.88</b>	<b>1.84</b>

III. AMOUNT RECOGNIZED IN THE BALANCE SHEET:	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
	₹	₹	₹	₹	₹
Net liability as at beginning of the year	23.70	15.72	9.88	1.84	-
Net expense recognized in the Statement of Profit and Loss	2.24	7.98	5.84	8.04	1.84
Benefits Paid	-	-	-	-	-
Net Liability/(Asset) Transfer In	-	-	-	-	-
<b>Net liability as at end of the year</b>	<b>25.94</b>	<b>23.70</b>	<b>15.72</b>	<b>9.88</b>	<b>1.84</b>

IV. EXPENSES RECOGNISED	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
	₹	₹	₹	₹	₹
Current Service Cost	2.62	3.30	2.12	8.04	1.84
Interest Cost	0.81	1.07	0.77	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.01)	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.06	(0.08)	1.50	-	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	(1.24)	3.69	1.45	-	-
<b>Expense charged to the Statement of Profit and Loss</b>	<b>2.24</b>	<b>7.98</b>	<b>5.84</b>	<b>8.04</b>	<b>1.84</b>

V. EXPERIENCE ADJUSTMENTS	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
	₹	₹	₹	₹	₹
On Plan Liability (Gains)/Losses	(1.24)	3.69	1.45	-	-

VII) The estimates of rate of salary increase considered in the actuarial valuation takes into account inflation, seniority, promotion and all other relevant factors including supply and demand in the employment market.

VIII) The company operates an unfunded gratuity plan wherein employees are entitled to the benefit as per scheme of the company for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

**DETAILS OF RELATED PARTY TRANSACTION AS RESTATED**

**ANNEXURE - XXXV**  
(₹ In Lakhs)

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the period ended December 31, 2021	Amount outstanding as on December 31, 2021 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2021	Amount outstanding as on March 31, 2021 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2020	Amount outstanding as on March 31, 2020 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2019	Amount outstanding as on March 31, 2019 (Payable)/ Receivable	Amount of transaction during the period ended June 6, 2018	Amount outstanding as on June 6, 2018 (Payable)/ Receivable
Sabar Flexipack Private Limited	Associate* Company	Purchase of materials	-	-	1,169.76	-	1,321.05	388.89	999.23	-	238.43	-
		Sale of materials	-	-	1,650.10	-	1,483.66	-	1,205.54	138.67	246.08	303.33
		Vendor Advances	-	-	-	-	53.00	53.00	-	-	-	-
Hikmatbahadur Kunwar	Director	Director Remuneration	27.00	(110.77)	36.00	(85.98)	36.00	(77.72)	36.00	(32.58)	-	-
		Loan Taken	6.10	-	15.50	-	11.95	-	53.58	-	13.50	(41.75)
		Loan Repayment	8.31	-	40.25	-	-	-	21.00	-	1.00	-
		Capital Introduced	-	-	-	-	-	-	-	-	4.29	-
		Capital Withdrawn	-	-	-	-	-	-	-	-	7.50	(305.04)
Vishalkumar Bharatbhai Patel	Director** & Promoter	Director Remuneration	-	(4.46)	-	(4.46)	-	(4.46)	6.00	(10.66)	-	-
		Loan Taken	-	-	-	-	-	-	8.00	-	-	-
		Interest on Loan	-	-	-	-	-	-	0.41	-	-	-
		Loan Repayment	-	-	-	-	6.20	-	3.74	-	-	-
		Capital Introduced	-	-	-	-	-	-	-	-	4.00	(83.06)
Manoj Kumar Agarwal	Director	Director Remuneration	9.42	(8.25)	12.00	8.42	6.00	17.70	6.05	-	-	-
		Loan Given	-	-	32.00	-	18.20	-	-	-	-	-
		Loan Taken	9.42	-	-	-	0.50	-	0.70	-	-	-
		Loan Repayment	1.75	-	33.72	-	-	-	-	-	-	-
Parth Kunwar	Relative of Director	Salary	9.00	(54.67)	12.00	(48.37)	12.00	(39.02)	-	(40.41)	-	-
		Interest on Loan	-	-	-	-	-	-	4.38	-	-	-
		Loan Given	-	-	-	-	-	-	-	-	-	-
		Loan Taken	9.25	-	2.00	-	-	-	-	-	-	-
		Loan Repayment	11.95	-	1.05	-	1.40	-	0.44	-	2.00	-
Radha Kunwar	Relative of Director	Director Remuneration	4.50	(5.15)	6.00	(0.80)	6.00	-	-	(31.77)	-	-
		Interest on Loan	-	-	-	-	-	-	3.18	-	-	-
		Loan Repaid	-	-	5.00	-	38.00	-	0.32	-	-	(25.87)
		Loan Taken	0.15	-	-	-	0.22	-	3.04	-	-	-
Rahi Tradelinks	HUF of Relative of Director	Purchase of materials	460.44	(123.14)	475.34	(41.17)	103.14	50.51	-	-	-	-
		Vendor Advances	-	-	-	-	50.51	-	-	-	-	-
		Sale of materials	3.66	-	28.94	-	3.17	-	-	-	-	-
Jagdamba Trading Co.	Proprietorship Firm of Director	Purchase of materials	464.94	36.25	14.41	222.55	-	197.69	-	48.05	-	35.34
		Sale of materials	2,367.39	-	3,406.79	-	1,952.67	-	712.83	-	176.04	-
Aniruddhsingh A Bhati	Promoter	Loan Taken	2.00	-	-	-	-	-	8.00	(8.00)	-	-
		Salary	-	-	-	-	3.10	-	-	-	-	-
		Loan Repaid	2.00	-	-	-	8.00	-	-	-	-	-
		Capital Withdrawn	-	-	-	-	-	-	-	-	2.00	(180.06)
		Advance Given	-	-	-	-	-	-	4.30	4.30	-	-
		Advance Repaid	-	-	-	-	4.30	-	4.30	-	-	-
Ashoksingh B Bhati (HUF)	HUF of Relative of Promoter	Loan Taken	-	(4.65)	-	(4.65)	2.00	(5.65)	-	(3.65)	-	(6.00)
		Interest on Loan	-	-	-	-	-	-	0.72	-	-	-
		Loan Repaid	-	-	1.00	-	-	-	7.07	-	-	-

**DETAILS OF RELATED PARTY TRANSACTION AS RESTATED**

**ANNEXURE - XXXV**  
(₹ In Lakhs)

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the period ended December 31, 2021	Amount outstanding as on December 31, 2021 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2021	Amount outstanding as on March 31, 2021 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2020	Amount outstanding as on March 31, 2020 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2019	Amount outstanding as on March 31, 2019 (Payable)/ Receivable	Amount of transaction during the period ended June 6, 2018	Amount outstanding as on June 6, 2018 (Payable)/ Receivable
Manishkumar Govindbhai Chaudhary	Promoter	Loan Taken	-	-	3.00	6.65	1.00	2.85	1.00	(0.75)	-	-
		Salary	-		-		3.00		-		-	
		Advance Given	-		3.80		2.85		-		-	
		Advance Repaid	6.65		-		-		-		-	
		Loan Repaid	-		3.00		1.75		0.25		-	
Nanduba Ashoksingh Bhati	Relative of Promoter	Advance Given	-	-	-	8.00	8.00	8.00	-	-	-	-
		Advance Repaid	8.00		-		-		-		-	
Ashoksingh Bhati	Relative of Promoter	Advance Given	-	-	2.00	2.00	-	-	-	-	-	-
		Advance Repaid	2.00		-		-		-		-	
Bharatbhai Bhikabhai Patel	Relative of Director** &	Advance Given	-	-	17.00	17.00	-	-	-	-	-	-
		Advance Repaid	17.00		-		-		-		-	
Sourabh Agrawal	Promoter	Advance Given	-	-	1.50	1.50	-	-	-	-	-	-
		Advance Repaid	1.50		-		-		-		-	
		Capital Introduced	-		-		-		-		1.00	(178.87)

\*Director of the company were promoters and directors of the company upto FY 2021.

\*\*Director upto 22.06.2020

**DETAILS OF ACCOUNTING RATIOS AS RESTATED**
**ANNEXURE - XXXVI**

(₹ In Lakhs, except per share data and ratios)

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
Restated Profit after Tax as per Profit & Loss Statement (A)	81.81	139.84	89.80	74.15	46.29
Tax Expense (B)	29.62	49.21	31.72	30.35	(23.73)
Depreciation and amortization expense (C)	52.98	62.35	58.25	41.76	6.80
Interest Cost (D)	143.76	193.63	183.26	109.75	16.04
Weighted Average Number of Equity Shares at the end of the Year (E)	1,09,99,524	1,09,99,524	1,09,99,524	1,09,99,524	1,09,99,524
Number of Equity Shares outstanding at the end of the Year (F)	1,09,99,524	1,09,99,524	1,09,99,524	1,09,99,524	1,09,99,524
Nominal Value per Equity share (₹) (G)	10.00	10.00	10.00	10.00	10.00
Restated Net Worth of Equity Share Holders as per Statement of Assets and Liabilities (H)	1,480.09	1,398.28	1,258.44	1,168.64	1,094.49
Current Assets (I)	4,376.17	4,256.19	3,236.77	2,624.85	2,027.81
Current Liabilities (J)	2,780.41	2,977.58	2,339.20	2,034.30	1,569.81
Earnings Per Share - Basic & Diluted <sup>1</sup> (₹)	0.74	1.27	0.82	0.67	0.42
Return on Net Worth <sup>1&amp;2</sup> (%)	7.37%	10.00%	7.14%	6.34%	4.23%
Net Asset Value Per Share <sup>1</sup> (₹)	13.46	12.71	11.44	10.62	9.95
Current Ratio <sup>1</sup>	1.57	1.43	1.38	1.29	1.29
Earning before Interest, Tax and Depreciation and Amortization <sup>1</sup> (EBITDA)	308.17	445.03	363.03	256.01	45.40

**Notes -**

1. Ratios have been calculated as below:

Earnings Per Share (₹) (EPS) :	$\frac{A}{E}$
Return on Net Worth (%):	$\frac{A}{H}$
Net Asset Value per equity share (₹):	$\frac{H}{F}$
Current Ratio:	$\frac{I}{J}$
Earning before Interest, Tax and Depreciation and Amortization (EBITDA):	$A + (B+C+D)$

2. Return on Network has been annualised.

3. As on June 6, 2018, the entity was partnership firm. Hence, no. of shares has been calculated by dividing balance of partner's capital by face value of shares.

4. The above details should be read with the significant accounting policies and notes to restated summary, statement of assets &amp; liabilities, profits and losses and cash flows appearing in Annexure I - III.

## STATEMENT OF TAX SHELTERS

ANNEXURE - XXXVII  
(₹ In Lakhs)

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the period ended March 31, 2019	For the period ended June 6, 2018
Profit before tax as per books (A)	111.43	189.05	121.52	104.50	22.56
Income Tax Rate (%)	26.000%	26.000%	26.000%	26.000%	31.200%
MAT Rate (%)	15.600%	15.600%	15.600%	19.240%	0.000%
Tax at notional rate on profits	28.97	49.15	31.60	27.17	7.04
<b>Adjustments :</b>					
<b>Permanent Differences(B)</b>					
<i>Expenses disallowed under Income Tax Act, 1961</i>					
Donation	0.49	0.21	0.45	0.08	0.22
<b>Total Permanent Differences(B)</b>	<b>0.49</b>	<b>0.21</b>	<b>0.45</b>	<b>0.08</b>	<b>0.22</b>
<b>Income considered separately (C)</b>					
Interest Income	0.00	0.00	(0.96)	(0.92)	(0.83)
<b>Total Income considered separately (C)</b>	<b>-</b>	<b>-</b>	<b>(0.96)</b>	<b>(0.92)</b>	<b>(0.83)</b>
<b>Timing Differences (D)</b>					
Gratuity	2.24	7.98	5.84	8.04	1.84
Depreciation as per Books	52.98	62.35	58.25	41.76	6.80
Depreciation as per Income tax	(77.94 )	(110.80 )	(115.25 )	(93.94 )	(15.83 )
<b>Total Timing Differences (D)</b>	<b>(22.72)</b>	<b>(40.47)</b>	<b>(51.16)</b>	<b>(44.14)</b>	<b>(7.19)</b>
<b>Net Adjustments E = (B+C+D)</b>	<b>(22.23)</b>	<b>(40.26)</b>	<b>(51.67)</b>	<b>(44.98)</b>	<b>(7.80)</b>
<b>Tax expense / (saving) thereon</b>	<b>(5.78)</b>	<b>(10.47)</b>	<b>(13.43)</b>	<b>(11.69)</b>	<b>(2.43)</b>
<b>Income from Other Sources</b>					
Interest Income	-	-	0.96	0.92	0.83
<b>Income from Other Sources (F)</b>	<b>-</b>	<b>-</b>	<b>0.96</b>	<b>0.92</b>	<b>0.83</b>
<b>Set-off from Brought Forward Losses (G)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Taxable Income/(Loss) as per Income Tax (A+E+F+G)</b>	<b>89.20</b>	<b>148.79</b>	<b>70.81</b>	<b>60.44</b>	<b>15.59</b>
<b>Taxable Income/(Loss) as per MAT</b>	<b>111.43</b>	<b>189.05</b>	<b>121.52</b>	<b>104.50</b>	<b>22.56</b>
<b>Income Tax as returned/computed</b>	<b>23.19</b>	<b>38.69</b>	<b>18.96</b>	<b>20.11</b>	<b>4.85</b>
<b>Tax paid as per normal or MAT</b>	<b>Normal</b>	<b>Normal</b>	<b>MAT</b>	<b>MAT</b>	<b>Normal</b>

**Capitalisation Statement as at September 30, 2021****ANNEXURE - XXXVIII**  
(₹ In Lakhs)

<b>Particulars</b>	<b>Pre Issue</b>	<b>Post Issue</b>
<b>Borrowings</b>		
Short term debt (A)	1,501.72	-
Long Term Debt (B)	920.87	-
<b>Total debts (C)</b>	<b>2,422.59</b>	-
<b>Shareholders' funds</b>		
Share capital	1,099.95	-
Reserve and surplus - as Restated	380.14	-
<b>Total shareholders' funds</b>	<b>1,480.09</b>	-
<b>Long term debt / shareholders funds</b>	0.62	-
<b>Total debt / shareholders funds</b>	1.64	-

## OTHER FINANCIAL INFORMATION

### STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

(₹ in lakhs)

Particulars	For the period ended December 31, 2021	For the year ended March 31		
		2021	2020	2019
Restated Profit after Tax as per Profit & Loss Statement (A)	81.81	139.84	89.80	74.15
Tax Expense (B)	29.62	49.21	31.72	30.35
Depreciation and amortization expense (C)	52.98	62.35	58.25	41.76
Interest Cost (D)	143.76	193.63	183.26	109.75
Weighted Average Number of Equity Shares at the end of the Year (E)	1,09,99,524	1,09,99,524	1,09,99,524	1,09,99,524
Number of Equity Shares outstanding at the end of the Year (F)	1,09,99,524	1,09,99,524	1,09,99,524	1,09,99,524
Nominal Value per Equity share (₹) (G)	10.00	10.00	10.00	10.00
Restated Net Worth of Equity Share Holders as per Statement of Assets and Liabilities (H)	1,480.09	1,398.28	1,258.44	1,168.64
Current Assets (I)	4,376.17	3,821.53	3,236.77	2,624.85
Current Liabilities (J)	2,780.41	2,542.92	2,339.20	2,034.30
<b>Earnings Per Share - Basic &amp; Diluted<sup>1</sup> (₹)</b>	<b>0.74</b>	<b>1.27</b>	<b>0.82</b>	<b>0.67</b>
<b>Return on Net Worth<sup>1 &amp; 2</sup> (%)</b>	<b>7.37%</b>	<b>10.00%</b>	<b>7.14%</b>	<b>6.34%</b>
<b>Net Asset Value Per Share<sup>1</sup> (₹)</b>	<b>13.46</b>	<b>12.71</b>	<b>11.44</b>	<b>10.62</b>
<b>Current Ratio<sup>1</sup></b>	<b>1.57</b>	<b>1.50</b>	<b>1.38</b>	<b>1.29</b>
<b>Earning before Interest, Tax and Depreciation and Amortization<sup>1</sup> (EBITDA)</b>	<b>308.17</b>	<b>445.03</b>	<b>363.03</b>	<b>256.01</b>

1) Formulas used for calculating above ratios are as under:

- a) Basic EPS is being calculated by using the formula: (Net Profit after Tax / Equivalent Weighted Average No. of outstanding equity Shares)
  - b) Net worth = Equity Share Capital + Reserves & Surplus
  - c) Net Asset Value is being calculated by using the formula: (Restated Net Worth / Actual Number of Equity Shares at end of the year / period)
  - d) Return on Net worth (%) is being calculated by using the formula: (Restated Profit After Tax / Restated Net worth) \*100
  - e) Earnings before Interest, Tax & Depreciation and Amortization is being calculated by adding interest, tax expense, depreciation and amortization expense to Restated Profit after tax as per Profit & Loss Statement.
- 2) 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 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.
- 3) The Calculation of Earnings per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.
- 4) As there is no dilutive capital in the company, Basic and Diluted EPS are similar.
- 5) The above Ratios have been computed on the basis of the Restated Financial Information for the respective period, the above statements should be read with the Notes to Restated Financial Statements.



## CAPITALIZATION STATEMENT

### STATEMENT OF CAPITALIZATION, AS RESTATED

(₹ in lakhs)

Particular	Pre-Issue (As at December 31, 2021)	Post Issue
<b>Borrowings</b>		
Short term debt (A)	1,501.72	[●]
Long Term Debt (B)	920.87	[●]
<b>Total debts (C=A+B)</b>	<b>2,422.59</b>	<b>[●]</b>
<b>Shareholders' funds</b>		
Equity share capital (D)	1,099.95	[●]
Reserve and surplus - as restated (E)	380.14	[●]
<b>Total shareholders' funds (F=D+E)</b>	<b>1,480.09</b>	<b>[●]</b>
<b>Long term debt / shareholders' funds</b>	<b>0.62</b>	<b>[●]</b>
<b>Total debt / shareholders' funds</b>	<b>1.64</b>	<b>[●]</b>

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.*

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### **BUSINESS OVERVIEW**

Our Company was originally formed as a Partnership Firm under the Partnership Act, 1932 ("Partnership Firm") having Firm Registration Number MHN/6001 in the name and style of "Sabar Flex Industries" pursuant to Deed of Partnership dated March 06, 2007. Sabar Flex Industries was thereafter converted from Partnership Firm to a Public Limited Company under Part I Chapter XXI of the Companies Act, 2013 with the name and style of "Sabar Flex India Limited" and received a Certificate of Incorporation from the Registrar of Companies, dated June 7, 2018. The corporate identification number of our Company is U25209GJ2018PLC102720. For further details, including change in our Registered Office, please refer the chapter "History and Certain Corporate Matters" beginning on Page No. 106 of this Draft Prospectus.

Our Company is promoted by Mr. Hikmatbahadur K. Kunwar. At present look after the overall management, day to day affairs and is the guiding force behind the strategic decisions of our Company. His industry knowledge and understanding of the current market situation enables us to improve our geographic horizon and market presence. We believe that we shall be able to create a market position by adhering to the vision of our Promoter and senior management and their experience.

#### **Our business operations are broadly divided into:**

4. To carry on the business as manufacturers of and dealer in products, articles of packaging, made from paper, board, pulp of all kinds, cellulose films, polyethylene, plastic films, and metal foils and films of all kinds and other flexible or laminated materials, bags, pouches, envelopes, sheets, rolls and all kinds of flexible packaging and manufacturing, fabricating, printing, treating, waxing and laminating all kinds of packing materials and all type of Raw Materials of packing materials. Manufacturing of ink and all type of raw material of ink.
5. To carry on the business as manufacturers, processors, designers, buyers, sellers, exporters, importers and otherwise dealers in all kinds of packing cases, cartons, drums, crates, cans and containers, wooden boxes, plastic containers, polythene containers, bottles, hollow wares etc., whether made of plastic or any manmade fiber, or of other material, including high and low density polythene, polypropylene, plastic and other manmade fibrous material used in manufacture of all or any of the above products and raw materials used therefore.
6. To carry on the business of manufacturers, buyers, sellers, importers, exporters and dealers in all kinds of packing materials, containers, receptacles, boxes, cartons, cases, drums, cages, tins, bins, jars, tubes, crates, packing cases, cans, bottles, vials and fittings thereof of every kind and to manufacture and deal in plastic, any other materials whether chemically treated or not, used for the manufacture of any of the articles or products or goods.

For details relating to our business, description of our activities, services, products, location of plant, capacity, facility creation, marketing, competition, markets of each segment, inter alia, please refer to the chapters titled business overview and Industry Overview on Page No 62 of this Draft Prospectus respectively.

### **FACTORS AFFECTING OUR RESULT OF OPERATIONS**

Except as otherwise stated in the Draft Prospectus and the Risk Factors given in the Draft Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

#### **Regulatory Framework**

At present, the segments in which we operate are not subject to extensive Government regulation. While we are not in a position to predict the likelihood, timing or content of any such regulation or legislation, if any such regulation or legislation is notified, we may be affected in various ways. However, we require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained other permits and licenses

which are adequate to run our business, we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

#### ***Ability of Management***

Our success depends on the continued services and performance of the members of our management team and other key employees. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our Promoters could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. We do not maintain “key man” life insurance for our Promoters, senior members of our management team or other key personnel.

#### ***High dependency on other industries***

Our business is to provide packaging for goods in different industries such as pharmaceuticals and FMCG industries. So the risk associated to our business is that if these industries are adversely affected in any way, or if their demand decreases over time the demand for our business subsequently would decrease from those industries only. To mitigate this we may have to penetrate into several other industries and have business relationships with multiple organisations within the same industries to reduce risk of over dependence on a few companies.

#### ***Ability to manage logistics and transportation needs***

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation from our factory to our customers. We have entered into agreements with third party transport service providers and depend on them for supply of goods. Since the cost of our goods carried by third party transporters is typically much higher than the consideration paid for transportation, it may be difficult for us to recover damages for damaged, delayed or lost goods. Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs, transportation strikes and lock-outs, shortage of labour, delays and disruption of transportation services for events such as weather-related problems and accidents. Further, movement of goods encounters additional risks such as accidents, pilferage, spoilage or shrinkage may adversely affect our operations, results of operations and financial condition. Although we have not experienced any material logistics and transport related disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may not be cost-effective, thereby adversely affecting our operations, results of operations, cash flows and financial condition.

#### ***Competition***

Competition in the packaging sector as a whole, is generally fragmented. We face significant competition from local or regional players and geographical markets in which we operate, and our success depends on our ability to ensure the continued quality, relevance and innovation of our products. We face competition from big players as they have better financial and other resources than we have, or may be able to develop more effective advertisement and marketing campaigns or better priced or more variety of products than us, which may enable them to compete against us more effectively for future business. These competitive factors may force us to reduce rates and/or increase spend in order to continue to attract new customers, and to pursue new market opportunities. Increased competition could result in reduced demand for our products, increased expenses, reduced margins and loss of market share. Failure to compete successfully against current or future competitors in each of our business segments could harm our business, operating cash flows and financial condition.

#### ***COVID-19 Pandemic***

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 industry in which our Company operates and from where it derives substantial revenues and profits. But for Our Company the impact of Covid-19 was on the moderate side on the business of company. Our Company operations was regular in Covid-19 situation. But a prolonged pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the onslaught of the second wave of the virus and the likelihood of a third wave, 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. The future impact of COVID-19 or any other severe communicable disease on our

business and results of operations depends on several factors including those discussed in the chapter “*Risk Factors*” beginning on Page No. 19. We are continue to closely monitor the economic conditions and the effect of COVID-19 and have outlined certain measures to combat the pandemic situation and to minimize the impact on our business.

#### **Significant Developments after December 31, 2021 that may affect our Future Results of Operations**

The Directors confirm that there have been no other events or circumstances since the date of the last financial statements as disclosed in the Draft Prospectus which materially or adversely affect or is likely to affect the profitability of our Company or the value of our assets, or our ability to pay liabilities within next twelve months.

#### **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a) Basis of preparation of Financial Statements:**

The restated summary statement of assets and liabilities of the Company as at December 31, 2021 and March 31, 2021, 2020, 2019 and 2018 and the related restated summary statement of profits and loss and cash flows for the period/year ended December 31, 2021 and March 31, 2021, 2020, 2019 and 2018 (herein collectively referred to as (“Restated Summary Statements”) have been compiled by the management from the audited Financial Statements for the period/year ended on December 31, 2021 and March 31, 2021, 2020, 2019 and 2018. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the “Act”) read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”) issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) (“Guidance Note”). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the BSE in connection with its proposed IPO. The Company’s management has recast the Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated Summary Statements.

The Restated Financial Statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III of the Companies Act, 2013.

##### **b) Use of Estimates:**

The preparation of the Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period/year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

##### **c) Impairment of Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is charged to the Statement of Profit and Loss in the period/year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

##### **d) Provisions and Contingent Liabilities:**

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the Financial Statements.

##### **e) Cash and Cash Equivalents:**

Cash and cash equivalents comprises Cash-in-Hand, Short-term Deposits and Balance in Current Accounts with Banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of

acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**f) Inventories:**

Inventories comprises of Stock-in-Trade.

Closing Stock is valued at Cost or Net Realisable Value whichever is lower. Cost of Stock-in-trade comprises of cost of purchase and other costs incurred in bringing them to their respective present location and condition.

**g) Revenue Recognition:**

Revenue from sale of goods net of returns is recognized on dispatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty as and when applicable, Price escalation claims are recognized to the extent there is reasonable certainty of its realization.

**h) Other Income:**

Interest income is accounted on accrual basis. Income other than interest income is accounted for when right to receive such income is established.

**i) Earning per Share:**

Basic earning per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity share outstanding during the period. Diluted earning per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**j) Taxation & Deferred Tax:**

Income taxes are accounted for in accordance with Accounting Standard (AS-22) – “Accounting for taxes on income”, notified under Companies (Accounting Standard) Rules, 2014. Income tax comprises of both current and deferred tax.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

**k) Segment Reporting:**

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

**RESULTS OF OUR OPERATIONS**
*(Amount ₹ in lacs)*

Particulars	As at December 31, 2021	% of Total	For the year ended March 31							
			2021	% of Total	2020	% of Total	2019	% of Total	2018	% of Total
<b>INCOME</b>										
Revenue from Operations	4,099.48	99.67%	7,391.70	99.92%	6,358.99	99.92%	3,615.59	99.96%	1,054.66	99.47%
Other Income	13.43	0.33%	6.18	0.08%	5.33	0.08%	1.48	0.04%	5.58	0.53%
<b>Total Income (A)</b>	4,112.91	100.00%	7,397.88	100.00%	6,364.32	100.00%	3,617.07	100.00%	1,060.24	100.00%
<b>EXPENDITURE</b>										
Cost of raw materials consumed	3,871.33	96.75%	6,813.01	94.51%	5,836.68	93.49%	2,587.89	73.68%	794.98	76.61%
Direct expenses	132.53	3.31%	250.65	3.48%	212.15	3.40%	742.21	21.13%	183.37	17.67%
Changes in inventories of work-in-progress and finished goods	(438.28)	-10.95%	(370.28)	-5.14%	(324.46)	-5.20%	(209.45)	-5.96%	(23.86)	-2.30%
Employee benefits expense	194.35	4.86%	222.23	3.08%	216.61	3.47%	186.38	5.31%	19.98	1.93%
Finance costs	174.90	4.37%	199.71	2.77%	184.77	2.96%	110.43	3.14%	16.04	1.55%
Depreciation and Amortization	52.98	1.32%	62.35	0.86%	58.25	0.93%	41.76	1.19%	6.80	0.66%
Other expenses	13.67	0.34%	31.16	0.43%	58.80	0.94%	53.35	1.52%	40.37	3.89%
<b>Total Expenses (B)</b>	4,001.48	100.00%	7,208.83	100.00%	6,242.80	100.00%	3,512.57	100.00%	1,037.68	100.00%
<b>Profit before extraordinary items and tax(A-B)</b>	111.43	2.71%	189.05	2.56%	121.52	1.91%	104.50	2.89%	22.56	2.13%
Extraordinary items	-	-	-	-	-	-	-	-	-	-
<b>Profit before tax</b>	111.43	2.71%	189.05	2.56%	121.52	1.91%	104.50	2.89%	22.56	2.13%
<i>Tax expense:</i>										
(i) Current tax	23.19	0.56%	38.69	0.52%	18.96	0.30%	20.11	0.56%	4.85	0.46%
(ii) Deferred tax	6.43	0.16%	10.52	0.14%	13.31	0.21%	14.63	0.40%	(28.58)	-2.70%
(iii) MAT Credit Entitlement	-	0.00%	-	0.00%	(0.55)	-0.01%	(4.39)	-0.12%	-	0.00%
<b>Total Tax Expense</b>	29.62	0.72%	49.21	0.67%	31.72	0.50%	30.35	0.84%	(23.73)	-2.24%
<b>Profit for the year</b>	81.81	1.99%	139.84	1.89%	89.80	1.41%	74.15	2.05%	46.29	4.37%

## ***Main Components of our Profit and Loss Account***

### **Income**

Our total income comprises of revenue from operations and other income.

### ***Revenue from Operations***

Our revenue from operation as a percentage of our total income was 99.92%, 99.92%, 99.96% and 99.47% for the Financial Years ended March 31, 2021, March 31, 2020, March 31, 2019 and March 31, 2018 respectively.

### **Other Income**

It is the income earned from discounts, interests on deposits, material shortage claims, rate differences, insurance claims and write offs of sundry balances.

### **Expenditure**

Our total expenditure primarily consists of cost of raw materials consumed, direct expenses, changes in inventories of work-in-progress and finished goods, employee benefit expenses, finance costs and Other Expenses.

### ***Employee Benefit Expenses***

Our employee benefits expense comprises of salary and allowances and remuneration to directors, contribution to PF, gratuity and staff welfare fund.

### ***Finance costs***

Our Finance cost expenses comprises of bank charges, interest on borrowings, interest on delayed filing of return and interest on late payment of taxes.

### ***Other Expenses***

Other expenses primarily include remuneration to Statutory Auditor, advertisement expenses, conveyance expenses, stationery and courier expenses, electricity expenses, legal and professional charges, repairs and maintenance expenses, miscellaneous expenses, office expenses, provision for bad and doubtful debts, rent, telephone expenses, travelling expenses and rates & taxes.

### ***Provision for Tax***

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## **Fiscal 2021 compared with fiscal 2020**

### ***Income***

The total income of our company for fiscal year 2021 was ₹ 7,397.88 lacs against ₹ 6,364.32 lacs total income for Fiscal year 2020. An increase of 16.24% in total income.

### ***Expenditure***

#### ***Cost of raw materials consumed***

In Fiscal 2021, our Company incurred cost for raw materials consumed ₹ 6,813.01 lacs against ₹ 5,836.68 lacs expenses in fiscal 2020. An increase of 16.73% from fiscal 2020 to 2021.

#### ***Direct expenses***

In Fiscal 2021, our Company incurred for direct expenses ₹ 250.65 lacs against ₹ 212.15 lacs expenses in fiscal 2020. An increase of 18.15% from fiscal 2020 to 2021.

#### ***Employee Benefit Expenses***

In Fiscal 2021, our Company incurred for employee benefit expenses ₹ 222.23 lacs against ₹ 216.61 lacs expenses in fiscal 2020. An increase of 2.59% from fiscal 2020 to 2021.

#### ***Finance Costs***

The finance costs for the fiscal 2021 was ₹ 199.71 lacs while it was ₹ 184.77 lacs for fiscal 2020.

### ***Other Expenses***

In fiscal 2021, our other expenses were ₹ 31.16 lacs and ₹ 58.80 lacs in fiscal 2020. A decrease of 47.01% from fiscal 2020 to 2021 due to decrease in insurance expense, legal and professional charges, sales and promotion expenses etc.

### ***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal 2021 of ₹ 189.05 lacs against profit before tax of ₹ 121.52 lacs in Fiscal 2020, a 55.57% increase.

### ***Profit/ (Loss) after Tax***

Profit after tax for the Fiscal 2021 was at ₹ 139.84 lacs against profit after tax of ₹ 89.80 lacs in fiscal 2020, a 55.72% increase.

## **Fiscal 2020 compared with fiscal 2019**

### ***Income***

The total income of our company for fiscal year 2020 was ₹ 6,364.32 lacs against ₹ 3,617.07 lacs total income for Fiscal year 2019. A decrease of 75.95% in total income.

### ***Expenditure***

#### ***Cost of raw materials consumed***

In Fiscal 2020, our Company incurred for costs of raw materials consumed ₹ 5,836.68 lacs against ₹ 2,587.89 lacs expenses in fiscal 2019. An increase of 125.54% from fiscal 2019 to 2020.

#### ***Direct expenses***

In Fiscal 2020, our Company incurred for direct expenses ₹ 212.15 lacs against ₹ 742.21 lacs expenses in fiscal 2019. A decrease of 71.42% from fiscal 2019 to 2020.

#### ***Employee Benefit Expenses***

In Fiscal 2020, our Company incurred for employee benefit expenses ₹ 216.61 lacs against ₹ 186.38 lacs expenses in fiscal 2019. An increase of 16.22% from fiscal 2019 to 2020.

#### ***Finance Costs***

The finance costs for the fiscal 2020 was ₹ 184.77 lacs while it was ₹ 110.43 lacs for fiscal 2019.

### ***Other Expenses***

In fiscal 2020, our other expenses were ₹ 58.80 lacs and ₹ 53.35 lacs in fiscal 2019. An increase of 10.22% from fiscal 2019 to 2020.

### ***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal 2020 of ₹ 121.52 lacs against profit before tax of ₹ 104.50 lacs in Fiscal 2019.

### ***Profit/ (Loss) after Tax***

Profit after tax for the Fiscal 2020 was negative at ₹ 89.80 lacs against profit after tax of ₹ 74.15 lacs in fiscal 2019.

## **Fiscal 2021 compared with fiscal 2020**

### ***Income***

The total income of our company for fiscal year 2021 was ₹ 7,397.88 lacs against ₹ 6,364.32 lacs total income for Fiscal year 2020. An increase of 16.24% in total income.

### ***Expenditure***

#### ***Cost of raw materials consumed***

In Fiscal 2021, our Company incurred cost for raw materials consumed ₹ 6,813.01 lacs against ₹ 5,836.68 lacs expenses in fiscal 2020. An increase of 16.73% from fiscal 2020 to 2021.

#### ***Direct expenses***

In Fiscal 2021, our Company incurred for direct expenses ₹ 250.65 lacs against ₹ 212.15 lacs expenses in fiscal 2020. An increase of 18.15% from fiscal 2020 to 2021.



### ***Employee Benefit Expenses***

In Fiscal 2021, our Company incurred for employee benefit expenses ₹ 222.23 lacs against ₹ 216.61 lacs expenses in fiscal 2020. An increase of 2.59% from fiscal 2020 to 2021.

### ***Finance Costs***

The finance costs for the fiscal 2021 was ₹ 199.71 lacs while it was ₹ 184.77 lacs for fiscal 2020.

### ***Other Expenses***

In fiscal 2021, our other expenses were ₹ 31.16 lacs and ₹ 58.80 lacs in fiscal 2020. A decrease of 47.01% from fiscal 2020 to 2021 due to decrease in insurance expense, legal and professional charges, sales and promotion expenses etc.

### ***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal 2021 of ₹ 189.05 lacs against profit before tax of ₹ 121.52 lacs in Fiscal 2020, a 55.57% increase.

### ***Profit/ (Loss) after Tax***

Profit after tax for the Fiscal 2021 was at ₹ 139.84 lacs against profit after tax of ₹ 89.80 lacs in fiscal 2020, a 55.72% increase.

## **Fiscal 2019 compared with fiscal 2018**

### ***Income***

The total income of our company for fiscal year 2019 was ₹ 3,617.07 lacs against ₹ 1,060.24 lacs total income for Fiscal year 2018. An increase of 241.16% in total income.

### ***Expenditure***

#### ***Cost of raw materials consumed***

In Fiscal 2019, our Company incurred for costs of raw materials consumed ₹ 2,587.89 lacs against ₹ 794.98 lacs expenses in fiscal 2018. An increase of 225.53% from fiscal 2018 to 2019.

#### ***Direct expenses***

In Fiscal 2019, our Company incurred for direct expenses ₹ 742.21 lacs against ₹ 183.37 lacs expenses in fiscal 2018. An increase of 304.76% from fiscal 2018 to 2019.

### ***Employee Benefit Expenses***

In Fiscal 2019, our Company incurred for employee benefit expenses ₹ 186.38 lacs against ₹ 19.98 lacs expenses in fiscal 2018. An increase of 832.83% from fiscal 2018 to 2019.

### ***Finance Costs***

The finance costs for the fiscal 2019 was ₹ 110.43 lacs while it was ₹ 16.04 lacs for fiscal 2018.

### ***Other Expenses***

In fiscal 2019, our other expenses were ₹ 53.35 lacs and ₹ 40.37 lacs in fiscal 2018. An increase of 32.15% from fiscal 2018 to 2019.

### ***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal 2019 of ₹ 104.50 lacs against profit before tax of ₹ 22.56 lacs in Fiscal 2018.

### ***Profit/ (Loss) after Tax***

Profit after tax for the Fiscal 2019 was at ₹ 74.15 lacs against profit after tax of ₹ 46.29 lacs in fiscal 2018.

### **Cash Flows**

(Amount ₹ in lacs)

Particulars	For the period ended December 31, 2021	For the year ended March 31,			
		2021	2020	2019	2018

Net Cash from Operating Activities	144.86	(36.67)	(421.92)	(55.11)	67.35
Net Cash from Investing Activities	(22.39)	(119.96)	(26.28)	(166.63)	(26.75)
Net Cash used in Financing Activities	(111.79)	178.58	446.54	224.37	(38.81)

#### ***Cash Flows from Operating Activities***

Net cash from operating activities for fiscal 2021 was at ₹ (25.46) lacs as compared to the Profit Before Tax at ₹ 189.05 lacs while for fiscal 2020, net cash from operating activities was at ₹ (404.21) lacs as compared to the Profit Before Tax at ₹ 121.52 lacs. For fiscal 2019, the net cash from operating activities was ₹ (55.11) lacs compared to Profit before Tax of ₹ 104.50 lacs. For fiscal 2018, the net cash from operating activities was ₹ 67.35 lacs compared to Profit before Tax of ₹ 22.56 lacs.

#### ***Cash Flows from Investment Activities***

Net cash from investing activities for fiscal 2021 was at ₹ (119.96) lacs due to purchase of fixed assets while for fiscal 2020, net cash from investing activities was at ₹ (26.28) lacs due to purchase of fixed assets. For fiscal 2019, the net cash from investing activities was ₹ (166.63) lacs due to purchase of fixed assets. For fiscal 2018, the net cash from investing activities was ₹ (26.75) lacs due to purchase of fixed assets.

#### ***Cash Flows from Financing Activities***

Net cash from financing activities for fiscal 2021 was at ₹ 167.37 lacs due to repayment of borrowings and proceeds from borrowings while for fiscal 2020, net cash from financing activities was at ₹ 428.82 lacs due to proceeds from borrowings and repayment of borrowings. For fiscal 2019, the net cash from financing activities was ₹ 224.38 lacs due to proceeds from borrowings, repayment of borrowings and repayment of partner capital. For fiscal 2018, the net cash from financing activities was ₹ (38.81) lacs due to repayment of principal amount and finance costs of borrowings and repayment of partner capital.

### **OTHER MATTERS**

#### **1. Unusual or infrequent events or transactions**

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

#### **2. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the Section titled “Financial Information” and chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations”, beginning on Page 122 and 125 respectively of this Draft Prospectus, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

#### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the chapter titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Conditions and Result of Operations”, beginning on Page 19 and 125 respectively of this Draft Prospectus, best to our knowledge 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.

#### **4. Future relationship between Costs and Income**

Other than as described in the chapter titled “Risk Factors” beginning on Page 19 of this Draft Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

#### **5. Competition Conditions**

The industry in we are operating faces competition from organized as well as unorganized players in the domestic market as well as in the international market. We have a number of competitors who manufacture and supply products, which are similar to us. Even with a diversified product portfolio, quality approach and modern technology we may have to face competitive pressures. We believe the principal elements of competition in our industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as an integrated packaging products manufacturers, buyers, sellers, importers, exporters and dealers with industry expertise, which enables us to provide our clients with innovative products suitable to their needs and market requirements.

## **SECTION VII – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or Stock Exchanges against the Promoters in the last five financial years, including any outstanding action; or (v) Material Litigation (as defined below); involving our Company, Directors, Promoters and Group Company.

Our Board, in its meeting held on March 30, 2022, determined that outstanding legal proceedings involving the Company, its Directors, Promoters and Group Company: (a) where the aggregate amount involved, in such individual litigation exceeds 10% of the profit after tax of our Company, as per last audited financial statements; or (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 10% of the profit after tax of our Company as per the last audited financial statements, if similar litigations put together collectively exceed 10% of the profit after tax of our Company, or (c) litigations whose outcome could have a material impact on the business, operations, prospects or reputation of our Company, will be considered as material litigation (“**Material Litigation**”).

Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding 10% of the total revenue for the last audited financial statements, as material dues for the Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on March 30, 2022. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“**MSME**”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.

All terms defined in a particular litigation are for that particular litigation only.

#### **LITIGATION INVOLVING OUR COMPANY**

##### **i. Litigation against our Company**

###### **1. Criminal Proceedings**

Nil

###### **2. Actions taken by Statutory/Regulatory Authorities**

Nil

###### **3. Tax Proceedings**

Below are the details of pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

(₹ in lacs)

<b>Particulars</b>	<b>Number of cases</b>	<b>Amount involved*</b>
<b>Indirect Tax</b>		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Direct Tax</b>		
Cases filed against our Company	Nil	Nil
Cases filed by our Company	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

\*To the extent quantifiable

4. *Other Material Litigations*

Nil

5. *Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals*

Nil

**ii. Litigation by our Company**

1. *Criminal Proceedings*

Nil

2. *Civil and other Material Litigations*

Nil

**LITIGATION INVOLVING OUR PROMOTERS**

***Cases filed against our Promoters***

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Nil

4. *Other Material Litigations*

Nil

***Cases filed by our Promoters***

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

***Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscals***

As on date of this Draft Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchanges has been initiated against our Promoters in the last five Fiscals including any outstanding action.

**LITIGATION INVOLVING OUR DIRECTORS**

***Cases filed against our Directors***

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Nil

3. *Disciplinary action by SEBI or any stock exchange in the last five Fiscals*

Nil

4. *Other Material Litigations*

Nil

***Cases filed by our Directors***

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

**LITIGATION INVOLVING OUR SUBSIDIARY**

As on date of this Draft Prospectus, our Company does not have a subsidiary.

**LITIGATION INVOLVING OUR GROUP COMPANY**

As on date of this Draft Prospectus, our Company does not have a group company.

**OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

In terms of the Materiality Policy dated March 30, 2022, our Company has 9 material creditor, as on date of this Draft Prospectus.

As on December 31, 2021, our Company has no amount payable or outstanding towards small-scale undertakings. Details of amounts outstanding to material and other creditors is as follows:

(₹ in lacs)

Particulars	No. of Creditors	Amount
Outstanding dues to material creditors	9	694.77
Outstanding dues to small scale undertakings	NIL	NIL
Outstanding dues to other creditors	313	468.89
<b>Total outstanding dues</b>	<b>322</b>	<b>1,163.66</b>

Complete details of outstanding dues to our creditors as on [www.sabarflex.com](http://www.sabarflex.com) are available at the website of our Company, [www.sabarflex.com](http://www.sabarflex.com). Information provided on the website of our Company is not a part of this Draft 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, [www.sabarflex.com](http://www.sabarflex.com), would be doing so at their own risk. For further details, refer to the section titled "*Financial Information*" on page 122 of this Draft Prospectus.

**MATERIAL DEVELOPMENT SINCE DECEMBER 31, 2021**

There have not arisen, since the date of the last financial statements disclosed in this Draft Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on page 125 of this Draft Prospectus.

## **GOVERNMENT & OTHER APPROVALS**

We are required to obtain consents, licenses, registrations, permissions and approvals for carrying out our present business activities. Our Company has obtained the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. For details in connection with the regulatory and legal framework within which we operate, please refer the chapter “Key Industrial Regulations and Policies” on page 95 of this Draft Red Herring Prospectus. The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.

The following statements set out the details of licenses, permissions and approvals taken by our Company under various central and state laws for carrying out the business:

### **ISSUE RELATED APPROVALS**

For the approvals and authorizations obtained by our Company in relation to the Issue, see “Other Regulatory and Statutory Disclosures – Authority for the Issue” on page 139 of this Draft Red Herring Prospectus.

### **APPROVALS FROM THE STOCK EXCHANGES**

- a) Our Company has received an in-principle approval from Emerge Platform of NSE dated [●] for listing of Equity Shares issued pursuant to the Issue.
- b) Our Company’s ISIN is INE0DZ101013.

#### **General Approvals**

- a) Certificate of Incorporation dated June 7, 2018 under the Companies Act, 2013 issued by Registrar of Companies, Ahmedabad.
- b) Intimation letter dated September 22, 2019 issued for allotment of code number GJNRD0061049000 issued under Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 by the Employees’ Provident Fund.
- c) Certificate of Importer-Exporter Code dated November 22, 2018 bearing IEC number ABACS4202Q issued by Additional Director General of Foreign Trade, Ministry of Commerce and Industry.
- d) Udyam Registration Certificate dated February 15, 2021 bearing Registration Number UDYAM-GJ-01-0047119 issued by Ministry of Micro, Small & Medium Enterprises.

#### **Tax Related Approvals**

- a) Our Company’s permanent account number issued by the Income Tax Department is ABACS4202Q.
- b) Our Company’s tax deduction and collection number issued by the Income Tax Department is AHMS33440B.
- c) Registration certificate of goods and services tax (Gujarat) bearing registration number 24ABACS4202Q1ZB dated December 20, 2021 issued by the Government of India.

#### **Business Related Approvals**

As mentioned hereinabove, we require various approvals, licenses, registrations and permits to carry on our operations in India. Some of these may expire in the ordinary course of business and applications for renewal of such approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by our Company for conducting our operations is provided below.

Sr. No.	Type of License/Approval	Issuing Authority	Reference Registration License No.	Date of Issue/Renewal	Valid up to
1.	License to work a factory	Joint Director, Directorate Industrial Safety and Health, Ahmedabad Region	Registration No. 2315/22201/2018 License Number 34943	October 3, 2018	December 31, 2020

#### **Quality Related Approvals**

The following is the list of the quality related approvals which have been availed by our Company:

Sr. No.	Type of License/Approval	Issuing Authority	Reference Registration / License No.	Date of Issue/Renewal	Valid up to
1.	Certificate issued for certifying that manufacturing unit of our Company situated at Survey No.33, Village-Dhandha, Himatnagar-Idar, Highway, Himatnagar – 383 001, Sabarkantha, (N), Gujarat, India is compliant with the requirements of AS/NZS ISO 9001:2008/ISO 9001:2008	KVQA Certification Services Private Limited	IQSC201510095	October 2015	27, October 2018

#### **Intellectual Property Related Approvals**

As on date of this Draft Red Herring Prospectus, our Company has not applied for or availed any intellectual property approvals.

#### **Licenses / approvals which have expired and for which renewal applications have not been made by our Company.**

The License to work factory of the company is yet to be renewed.

#### **Licenses / Approvals which are required but not yet applied for by our Company:**

The licenses of our Company are under the name of “*Sabar Flex*” and we are yet to apply for changing our name post conversion to a public limited company.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

This Issue in terms of this Draft Prospectus has been authorized by the Board of Directors pursuant to a resolution dated March 16, 2022 and by the shareholders pursuant to a special resolution in an EGM held on March 22, 2022 under section 62 (1) (c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the Emerge Platform of National Stock Exchange of India Limited for using its name in the Draft Prospectus/Prospectus pursuant to letter dated [●]. National Stock Exchange of India Limited is the Designated Stock Exchange.

### **Prohibition by the SEBI or other Governmental Authorities**

Our Company, our Promoters, our Promoter Group, our Directors, Person in control of our Company, have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

### **Association with Securities Market**

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

### **Prohibition by RBI**

Neither our Company, our subsidiary, our Promoter, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter “Outstanding Litigations And Material Development” beginning on page **Error! Bookmark not defined.** of the Draft Prospectus.

### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

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

**In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, we confirm that we have fulfilled eligibility criteria for EMERGE Platform of NSE, which are as under:**

- ***Incorporation: The Company shall be incorporated under the Companies Act, 1956/2013.***

Our Company is incorporated under the Companies Act, 2013 in India.

- ***Post Issue Paid up Capital: The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crores.***

The post issue paid up capital (Face Value) of the company will be ₹ [●] lakhs. So, the company has fulfilled the criteria of post issue paid up capital shall not be more than ₹ [●] lakhs.

- ***Net-worth: Positive Net-worth.***

As per restated financial statement, the net-worth of the company is ₹ 1,480.09 lakhs as on December 31, 2021.

- ***Operating Profit (earnings before interest, depreciation and tax) from operations for atleast 2 (two) out of 3 (three) financial years:***

Our company is having operating profit, details are mentioned as below

(Amount in Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
-------------	----------------	----------------	----------------



Total Income	7,397.88	6,364.32	3,617.07
Operating Profit (earnings before interest, depreciation and tax)	445.03	363.03	256.01

- Our Company has not been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) or No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies
- Our Company has not received any winding up petition admitted by a NCLT/Court.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.

#### **Other Disclosures:**

We further confirm that:

- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting companies of the Issuer Company.
- There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) during the past three years.
- There are no litigations record against the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies).
- There are no criminal cases/investigation/offences filed against the director of the company.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

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

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MERCHANT BANKER, GYR ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, GYR ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED APRIL 13, 2022.**

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

*Note:*

*All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Ahmedabad in terms of sections 26, 32 and 33 of the Companies Act,*

#### **Disclaimer from our Company and the Lead Manager**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Agreement entered between the LM (GYR Advisors Private Limited) and our Company on April 13, 2022 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **Disclaimer in Respect of Jurisdiction**

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 SEBI, VCFs, FVCIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), NBFCs or trusts under registered applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI 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. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Gujarat, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.**

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

Applicants are advised to ensure that any Applications from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Applicant where required must agree in the Allotment Advice that such Applicants 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

#### **Disclaimer Clause of the NSE Emerge**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

### **Filing**

This Draft Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the copy of the Draft Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Draft Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Draft Prospectus and Prospectus will be filed online through SEBI Intermediary portal at [www.sipportal.sebi.gov.in](http://www.sipportal.sebi.gov.in)

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013.

### **Listing**

Application will be made to the National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The Emerge Platform of National Stock Exchange of India Limited has given its in-principle approval for using its name in our Offer documents vide its letter [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Issue Closing Date

### **Consents**

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue\*, Legal Advisor to the Issue, Underwriter(s) to the Issue\* and Market Maker to the Issue\* to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*\* The consent will be taken while registering the Prospectus with Roc.*

Our Company has received written consent dated March 30, 2022 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated March 30, 2022 on our restated consolidated financial

information; and (ii) its report dated March 30, 2022 on the statement of special tax benefits in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

#### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or abroad the five (5) years preceding the date of this Draft Prospectus except as disclosed in this Draft Prospectus.

#### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled “*Capital Structure*” beginning on page 45 of this Draft Prospectus.

#### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

#### **Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

#### **Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies/ Subsidiaries and Associates of our Company**

Except as stated in the chapter titled “*Capital Structure*” beginning on page **Error! Bookmark not defined.** of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

#### **Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

As of date of this Draft Prospectus, our Company does not have any Group/ Associate.

#### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares and other instruments**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Prospectus.

#### **Outstanding Convertible Instruments**

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

#### **Option to Subscribe**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

#### **Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

#### **Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Draft Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

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

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and

the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

#### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on March 16, 2022. For further details on the Stakeholders Relationship Committee, please refer to section titled “*Our Management*” beginning on page **Error! Bookmark not defined.** of this Draft Prospectus.

**Our Company has appointed Kushang Surendrakumar Thakkar, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:**

**Kushang Surendrakumar Thakkar,**

B/1/104, Palledium, NR. Orchid Wood,

Opp. Divya Bhaskar, Corporate Road,

Prahladnagar Ahmedabad- 380015, Gujarat, India

**Tel:** 9429111979

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

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

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “**SCORES**”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

#### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

#### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

### Price Information of past issues handled by the Lead Manager

Sr. No.	Issue Name	Issue size (₹ In Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing*	
1.	Naapbooks Limited	3.99	74	15.09.2021	77.00	-16.22%	4.40%	-29.73%	-1.59%	-	-
2.	Asccensive Educare Limited	2.25	26	12.01.2022	27.60	-1.31%	-1.50%	-	-	-	-
3.	Achyut Health Care Limited	3.60	20	30.03.2022	21.15	-	-	-	-	-	-
4.	Dhyaani Tile and Marblez Limited	2.45	51	12.04.2022	52.25	-	-	-	-	-	-

\* Companies have been listed on September 15, 2021, January 01, 2021, March 30, 2022 and April 12, 2022 hence not applicable

### Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day*			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day*			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day*			Nos. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing day*		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-2022	3	9.84	-	-	2	-	-	-	-	-	-	-	-	-

\* Companies have been listed on September 15, 2021, January 01, 2021, March 30, 2022 and April 12, 2022 hence not applicable

### Notes:

1. In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
2. Source: [www.bseindia.com](http://www.bseindia.com)

### Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please refer the website of Lead Manager at [www.gyrcapitaladvisors.com](http://www.gyrcapitaladvisors.com)

## **SECTION VIII – ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2018, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

For details in relation to Issue expenses, see “Objects of the Issue” and “Other Regulatory and Statutory Disclosures” on pages 53 and 139, respectively.

### **AUTHORITY FOR THE ISSUE**

The present Public Issue of upto 42,00,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on March 16, 2022 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on March 26, 2022 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

### **RANKING OF EQUITY SHARES**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “Main provisions of AoA” on page 200 of the Draft Prospectus.

### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “Dividend Policy” on page 121 of the Draft Prospectus.

### **FACE VALUE AND ISSUE PRICE**

The Equity Shares having a Face Value of Rs. 10.00 each are being offered in terms of the Draft Prospectus at the price of [●] per equity Share (including premium of [●] per share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis for Issue Price” on page 58 of the Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **COMPLIANCE WITH SEBI (ICDR) REGULATIONS**

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

### **RIGHTS OF THE EQUITY SHAREHOLDERS**

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

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;

- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “Main provisions of the Articles of Association” beginning on page 200 of the Draft Prospectus.

#### **ALLOTMENT ONLY IN DEMATERIALISED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

1. Tripartite agreement dated March 15, 2022 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated August 27, 2020 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the National Stock Exchange from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

#### **MINIMUM NUMBER OF ALLOTTEES**

The minimum number of allottees in the Issue shall be 50 shareholders in case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

#### **JOINT HOLDERS**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

#### **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

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

- 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, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

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

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

#### **ISSUE PROGRAMME**

An indicative time table in respect of the Issue is set out below:

<b>Event</b>	<b>Indicative Date</b>
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. 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 Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

#### **MINIMUM SUBSCRIPTION**

*In accordance with Regulation 260 (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the draft Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs. 1,00,000 (Rupees One Lakh) per application.*

As per section 39 of the Companies Act 2013, if the “stated minimum amount” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

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

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of National Stock Exchange of India Limited.

#### **APPLICATION BY ELIGIBLE NRIS, FPIS OR VCFS REGISTERED WITH SEBI**

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

#### **AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.**

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

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

#### **RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the chapter titled “Capital Structure” beginning on page 45 of the Draft Prospectus, and except as provided in the Articles

of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer sub-heading “Main provisions of Articles of Association” on page 200 of the Draft Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

## **MIGRATION TO MAIN BOARD**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the Emerge Platform of National Stock Exchange of India Limited on a later date subject to the following:

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

If the Paid-up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## **MARKET MAKING**

The shares offered through this Issue are proposed to be listed on the Emerge platform of National Stock Exchange of India Limited, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the Emerge platform of National Stock Exchange of India Limited for a minimum period of 3 (three) years from the date of listing on the Emerge platform of National Stock Exchange of India Limited. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "General Information - Details of the Market Making Arrangements for this Issue" on page 37 of the Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

<b>Issue size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)</b>	<b>Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)</b>
Upto ₹20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

## **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

## **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated

English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

## **JURISDICTION**

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

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 may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is less than and equal to Rs. 10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the Emerge Platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 146 and 152 of the Draft Prospectus.

The Issue comprise of a Public Issue of upto 42,00,000 Equity Shares of Face Value of Rs. 10/- each fully paid (The "**Equity Shares**") for cash at a price of [●] per Equity Shares (*including a premium of [●] per equity share*) aggregating to [●] lakhs ("*the issue*") by our Company of which [●] Equity Shares of Rs. 10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of [●] Equity Shares of Rs. 10/- each is hereinafter referred to as the Net Issue. The Issue and the Net Issue will constitute [●] and [●] respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares available for allocation</b>	[●] Equity Shares	[●] Equity Shares
<b>Percentage of Issue Size available for allocation</b>	[●] of the Issue Size	[●] of the Issue Size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. For further details please refer to " <i>Issue Procedure</i> " on page [●] of this Draft Prospectus.	Firm Allotment
<b>Mode of Application</b>	All the applications shall make the application (Online or Physical) through ASBA Process Only	Through ASBA Process Only
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
<b>Minimum Application Size</b>	<p><b><u>For Other than Retail Individual Investors:</u></b></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares at an Issue price of [●] each, such that the Application Value exceeds Rs. 2,00,000/-.</p> <p><b><u>For Retail Individuals Investors:</u></b></p> <p>[●] Equity Shares at an Issue price of [●] Each</p>	[●] Equity Shares
<b>Maximum Application Size</b>	<p><b><u>For Other than Retails Individual Investors:</u></b></p> <p>The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.</p> <p><b><u>For Retail Individuals Investors:</u></b></p> <p>Such number of Equity Shares in</p>	[●] Equity Shares

	multiples of [●] Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-	
<b>Trading Lot</b>	[●] Equity Shares	[●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
<b>Application lot Size</b>	[●] Equity Shares thereafter Equity Shares and in multiples of [●]	
<b>Terms of Payment</b>	The entire Application Amount shall be blocked by the SCSBs in the bank account of the Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI Mechanism) at the time of the submission of the Application Form	

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to “*Issue Structure*” on page 152 of the Draft Prospectus.

\*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - i. Individual Applicant other than retail Individual Investors; and
  - ii. other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

***If the retail individual investor category is entitled to more than fifty percent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.***

#### **WITHDRAWAL OF THE ISSUE**

The Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

#### **ISSUE PROGRAMME**

An indicative time table in respect of the Issue is set out below:

<b>Event</b>	<b>Indicative Date</b>
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]

Event	Indicative Date
Initiation of Allotment / Refunds / Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. 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 Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

## **ISSUE PROCEDURE**

All Applicants shall review the “General Information Document for Investing in Public Issues” prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI, suitably modified from time to time, if any, and the UPI Circulars (“General Information Document”), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

The General Information Documents will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager, before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc shall be applicable to Public Issue opening on or after January 1, 2022 and October 1, 2021 respectively.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Applicants; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

SEBI through UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“**UPI Phase III**”), as may be prescribed by SEBI. Accordingly, the Offer has been undertaken under UPI Phase II, till any further notice issued by SEBI.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by National Stock Exchange of India Limited (NSE) to act as intermediaries for submitting Application Forms are provided on [www.nseindia.com](http://www.nseindia.com). For details on their designated branches for submitting Application Forms, please see the above mentioned website of NSE.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants.



## **FIXED PRICE ISSUE PROCEDURE**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI (ICDR) Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via Fixed Price Issue method. In terms of Regulation 253(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be issued to Non Retail Category i.e. QIBs and Non Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at Issue Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange. However, if the retail individual investor category is entitled to more than fifty per cent of the net Issue on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI.

In case of QIB Applicants, the Company, in consultation with the Lead Manager, may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

## **PHASED IMPLEMENTATION OF UPI FOR BIDS BY RETAIL INDIVIDUAL BIDDERS AS PER THE UPI CIRCULAR**

SEBI has issued UPI Circular in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 and till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and the continuation of this phase has been extended until March 31, 2020. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders into the UPI Mechanism.

For further details, refer to the General Information Document to be available on the website of the Stock Exchange and the Lead Manager.

#### **Electronic registration of Bids**

- The Designated Intermediary registered the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries could also set up facilities for off-line electronic registration of Bids, subject to the condition that they would subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.
- On the Bid/Offer Closing Date, the Designated Intermediaries uploaded the Bids till such time as were permitted by the Stock Exchanges and as disclosed in this Draft Prospectus.
- Only Bids that are uploaded on the Stock Exchanges Platform were considered for allocation/Allotment. The Designated Intermediaries were given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/Offer Period after which the Stock Exchange(s) sent the bid information to the Registrar to the Offer for further processing.

#### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. An electronic copy of the Application Form will also be available for download on the website of the Stock Exchange (National Stock Exchange of India Limited) i.e. [www.nseindia.com](http://www.nseindia.com) at least one day prior to the Issue Opening Date.

All the investors (except Retail Individual Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, Retail Individual Investors applying in public Issue through intermediaries shall use only UPI payment mechanism for application. The application form submitted by NIIs and QIBs must provide applicant's bank account details and authorization to block funds in the relevant space provided in the Application Form. Further, Retail Individual Investors submitting application form using UPI shall mention the UPI of his/her own Bank account in the application form in the relevant space. The Application Forms that do not contain applicant's bank account details or UPI of own Bank Account, as the case may be, are liable to be rejected. All the investors were also required to ensure that the ASBA Account had sufficient credit balance as an amount equivalent to the full Bid Amount which could have been blocked by the SCSB.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the syndicate member/ SCSBs/ RTA/ DPs/ stock brokers, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. Applications made by the

RIIs using third party bank account or using third party linked bank account UPI ID were liable for rejection.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Application Form*</b>
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

\*excluding electronic Application Forms downloaded by the Applicants.

#### **SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS**

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account or UPI linked Bank Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- i. An SCSB, with whom the bank account to be blocked, is maintained
- ii. A syndicate member (or sub-syndicate member)
- iii. A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
- iv. A depository participant (“DP”) (Whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v. A registrar to an issuer and share transfer agent (“RTA”) (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retail investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), shall enter their UPI ID in the application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the applicants has a bank account and shall not submit it to any non-SCSB Bank.

For applications submitted to Designated Intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of Stock Exchange. Further, Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer/ Registrar to the Issue. However, in case of Electronic forms, “printouts” of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

SCSB, after accepting the form, shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and blocked funds available in the bank account specified in the form, to the extent of the application money specified.

It is clarified that Retail Individual Investors may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form submitted by RIIs (without using UPI for payment), NIIs and QIBs, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors (other than Retail Individual Investors) to intermediaries other than SCSBs without use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	<p>After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).</p> <p>Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis through API integration, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds.</p> <p>Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor shall accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.</p>

Stock exchange(s) shall validate the electronic application details with depository's records for DP ID/Client ID and PAN Combination, on a real time basis through API Integration and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the application details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

#### **WHO CAN APPLY?**

**As per the existing RBI regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

Each Applicants should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

#### **Subject to the above, an illustrative list of Applicants is as follows:**

- a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) QIBs;
- e) Mutual Funds registered with SEBI;
- f) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- g) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- h) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- l) Foreign Venture Capital Investors registered with the SEBI;
- m) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;

- o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- p) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- r) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- s) Insurance funds set up and managed by army, navy or air force of the Union of India;
- t) Multilateral and bilateral development financial institution;
- u) Eligible QFIs;
- v) Insurance funds set up and managed by army, navy or air force of the Union of India;
- w) Insurance funds set up and managed by the Department of Posts, India;
- x) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- |                                       |  |
|---------------------------------------|--|
| 1. Minors (except under guardianship) | 2. Partnership firms or their nominees |
| 3. Foreign Nationals (except NRIs)    | 4. Overseas Corporate Bodies           |

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

**PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER**

The Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, in the Non-Institutional Category where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Lead Manager and syndicate members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Promoter and Promoter Group and any persons related to our Promoters and Promoter Group cannot participate in the Issue.

**APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

**APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

- No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company.
- Provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds.

- No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications, provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

## **APPLICATIONS BY ELIGIBLE NRIS ON REPATRIATION BASIS**

**Eligible NRIs applying on a repatriation basis are advised to use the application form meant for non-residents (blue in colour).**

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants making application on a repatriation basis by using the Non Resident Forms, should authorize their SCSB to block their Non-Resident External (NRE) accounts, or Foreign Currency Non-Resident (FCNR) or ASBA Accounts.

Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non Resident Ordinary (NRO) accounts for the full Application Amount, at the time of the submission of the Application Form.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

## **APPLICATIONS BY ELIGIBLE FIIs INCLUDING FIIs ON REPATRIATION BASIS**

**FIIs including FIIs who wish to participate in the issue are advised to use the application form for non-residents (blue in colour).**

As per the current regulations, the following restrictions are applicable for investments by FIIs:

1. Foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of FEMA Act, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as

is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.

3. In respect of investments in the secondary market, the following additional conditions shall apply:
- a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b) Nothing contained in clause (a) shall apply to:
    - i. Any transactions in derivatives on a recognized stock exchange;
    - ii. Short selling transactions in accordance with the framework specified by the Board;
    - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - iv. Any other transaction specified by the Board.
  - c) No transaction on the stock exchange shall be carried forward;
  - d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board;

Provided nothing contained in this clause shall apply to:

- i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
  - ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
  - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018;
  - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
  - vi. Any Application for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
  - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - viii. Any other transaction specified by the Board.
- e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:
- Provided that any shares held in non-dematerialized form, before the commencement of FEMA Act, can be held in non-dematerialized form, if such shares cannot be dematerialized.
- Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
4. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may,

during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.

7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.
8. No foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:
  - a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
  - b) Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

9. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.
10. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.
11. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.
12. A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
13. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
14. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.
15. The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.
16. In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.
17. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.
18. In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.



## **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Further, the SEBI, AIF Regulations prescribes, among others, the investment restrictions on AIFs.

The holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicants on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all such Applicants will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

## **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

## **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The "IRDA Investment Regulations"), are broadly set forth below:

- a) Equity shares of a Company: the least of 10% of the investee Company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) The entire group of the investee Company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.
- c) The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

## **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

## APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.
- d) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

*The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

## INDICATIVE PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE

### ASBA PROCESS

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link.

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

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

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the

ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DP's registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

#### **CHANNELS OF SUBMISSION OF APPLICATION FORMS**

From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

<b>Category of Investor</b>	<b>Channel I</b>	<b>Channel II</b>	<b>Channel III</b>	<b>Channel IV</b>
Retail Individual Investor (RII)	Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.  For such applications the existing process of uploading the Application and blocking of funds in the RIIs account by the SCSB would continue.	Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.	Not Applicable	RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.
Non- Institutional Investor (NII) including Qualified Institutional Buyer (QIB)			Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.  For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.	Not Applicable

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such Applications with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Applications and shall not upload such Applications with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each Application into the electronic bidding system as a separate Application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be.

Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

### **PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE SUBMITTED BY RETAIL INDIVIDUAL INVESTOR**

In addition to application to be submitted to SCSB, with whom the bank account to be blocked, is maintained, a RII would also have the option to submit application form with any of the intermediary and use his / her bank account linked UPI ID for the purpose of blocking of funds with effect from January 01, 2019.

The detailed process in this regard is as detailed hereunder:

#### **Application and validation process**

- a) submission of the application with the intermediary, the RII would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
- b) RII will fill in the Application details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediary.
- c) The intermediary upon receipt of form will upload the Application details along with UPI ID in the stock exchange bidding platform.
- d) Once the Application has been entered in the bidding platform, the exchange will undertake validation of the PAN and Demat Account details of RII with the depository.
- e) Depository will validate the aforesaid Application details on a real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.
- f) SMS from exchange to RII for applying: Once the Application details are uploaded on the stock exchange platform, the stock exchange shall send an SMS to the RII regarding submission of his / her application, daily at the end of day basis, during bidding period. For the last day of applying, the SMS may be sent out the next working day.

#### **The Block Process**

- a) Post undertaking validation with depository, the stock exchange will, on a continuous basis, electronically share the Application details along with RIIs UPI ID, with the Sponsor Bank appointed by the issuer.
- b) The Sponsor Bank will initiate a mandate request on the RII i.e. request the RII to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment. For all pending UPI Mandate Requests, the Sponsor Bank will initiate requests for blocking of funds in the ASBA Accounts of relevant investors with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, RIIs using the UPI Mechanism need to accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests after the Cut-Off Time will lapse.
- c) The request raised by the Sponsor Bank, would be electronically received by the RII as a SMS / intimation on his / her mobile no. / Mobile app, associated with UPI ID linked bank account.

- d) The RII would be able to view the amount to be blocked as per his / her Application in such intimation. The RII would also be able to view an attachment wherein the IPO Application details submitted by RII will be visible. After reviewing the details properly, RII would be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the IPO.
- e) Upon successful validation of block request by the RII, as above, the said information would be electronically received by the RIIs' bank, where the funds, equivalent to application amount, would get blocked in RIIs account. Intimation regarding confirmation of such block of funds in RIIs account would also be received by the RII.
- f) The information containing status of block request (e.g. – accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with stock exchange. The block request status would also be displayed on stock exchange platform for information of the intermediary.
- g) The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.
- h) RIIs would continue to have the option to modify or withdraw the Application till the closure of the Issue period. For each such modification of Application, RII will submit a revised Application and shall receive a mandate request from sponsor bank to be validated as per the process indicated above.

Post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

#### **NUMBER OF APPLICATIONS PER BANK ACCOUNT**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

#### **HOW TO APPLY?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **MODE OF PAYMENT**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by applicant and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount.

However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 and all related circulars issued thereafter, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

In case of applications made by using any of channels under UPI Payments Mechanism, post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

The RTA, based on information of Applications and blocking received from stock exchange, would undertake reconciliation of the Applications data and block confirmation corresponding to the Applications by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

Upon approval of basis of allotment, RTA will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

Upon confirmation of receipt of funds in the public issue account, shares would be credited to the RII's account. RII will be notified for full/partial/no allotment. For partial allotment the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the RII.

### **UNBLOCKING OF ASBA ACCOUNT**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

In case of applications made by using any of channels under UPI Payments Mechanism, Registrar to the Issue will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

However, the Application Amount may be unblocked in the ASBA Account or Bank Account link in UPI Mechanism prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application or Application made through UPI Mechanism, as the case may be.

### **MAXIMUM AND MINIMUM APPLICATION SIZE**

The applications in this Issue, being a fixed price issue, will be categorized into two;

#### **1. For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed ₹ 2,00,000.

#### **2. For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of [●] Equity Shares so as to ensure that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter.

A person shall not make an application in the net Issue category for a number of specified securities that exceeds the total number of securities offered to the public. Further, the maximum application by non-institutional investors shall not exceed total number of specified securities offered in the issue less total number of specified securities offered in the issue to qualified institutional buyers.

Further, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.**

#### **OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

**Furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

#### **INFORMATION FOR THE APPLICANTS**

- a) The Company will file the Prospectus with the RoC at least 3 (three) working days before the Issue Opening Date.
- b) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.
- d) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- e) Applications made in the name of Minors and/or their nominees shall not be accepted.

#### **PRE-ISSUE ADVERTISEMENT**

As provided in Section 30 of the Companies Act, 2013 and 264(2) of the SEBI (ICDR) Regulations, 2018, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English national daily newspaper; one widely circulated Hindi national daily newspaper and one widely circulated Gujarati newspaper.

#### **SIGNING OF UNDERWRITING AGREEMENT**

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on [●]

#### **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of Companies Act, 2013.

#### **INFORMATION FOR THE APPLICANTS**

- a) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs or Sponsor Bank shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload it on its website. On the basis of approved basis of allotment, the Issuer shall make necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- c) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 5 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within two working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

**Designated Date:** On the Designated date, the SCSBs or Sponsor Bank shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 5 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

## **INTEREST AND REFUNDS**

### **COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

## **GROUND FOR REFUND**

### **NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In case, our Company fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, our Company shall refund through verifiable means the entire monies received within seven days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities. The Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If any such money is not repaid within eight days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. per annum.

## **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the Prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (1) shall be returned within such time and manner as may be prescribed under that section. If the Issuer does not received the subscription of 100% of the Issue through this Draft Prospectus including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 39 of the Companies Act, 2013.

## **MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

## **MODE OF REFUND**

Within six Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs or in case of Applications by RIIs applying through the UPI mechanism to the Sponsor Bank, to revoke the mandate and for unblocking the amount in ASBA Accounts of unsuccessful Applicants and also for any excess amount blocked on Applications.



The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Applications or in the event of withdrawal or failure of the Issue.

### **LETTERS OF ALLOTMENT OR REFUND ORDERS OR INSTRUCTIONS TO THE SCSBS**

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 6 Working Days from the Issue Closing Date. The Registrar shall instruct the Sponsor Bank or relevant SCSBs to, on the receipt of such instructions from the Registrar, revoke the mandate and for unblocking the amount in ASBA Accounts to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 6 Working Days of the Issue Closing Date.

### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:**

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

- 1. Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
- 2.** Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
- 3.** Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

### **GENERAL INSTRUCTIONS**

#### **Do's:**

- Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Read all the instructions carefully and complete the Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID and Client ID, UPI ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Applicants in case of joint Applications, is included in the Application Forms;
- QIBs, Non-Institutional Applicants and the Retail Applicants should submit their Applications through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their Application by using UPI mechanism for payment.
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicants whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Application;
- Ensure that you have funds equal to the Application Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

- Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Application under power of attorney or by limited companies, corporates, trust etc, relevant documents are submitted;
- Ensure that Application submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
- Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
- Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
- Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form;
- Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;

- Do not make Application on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not make Application at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);
- Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Do not make Application for Application Amount exceeding ₹ 2,00,000 (for Applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Net Issue Size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- Do not submit the General Index Register number instead of the PAN;
- Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- Do not submit Application on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicants;
- Do not submit Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not make Application if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- Do not submit Application by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

## **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 4, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker's Centre is available on the websites of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

Applicants may note that forms not filled completely or correctly as per instructions provided in this Draft Prospectus, the General Information Document which shall be made available on the website of the Stock Exchange, the Issuer and the LM, are liable to be rejected. Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below;

### **A. INSTRUCTION FOR FILLING THE APPLICATION FORM**

<b>COMMON APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> <small>Registered Office: Tel. No.: Fax No.: Email: Website: Contact Person: CIN:</small>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, NON INSTITUTIONAL INVESTORS, RETAIL INDIVIDUAL INVESTORS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
--------------------------------	--	---

<b>LOGO</b>	<b>TO,</b> <b>THE BOARD OF DIRECTORS</b> <b>XYZ LIMITED</b>	<b>FIXED PRICE SME ISSUE</b> <b>ISIN : XXXXXXXX</b>	<b>Application Form No.</b>
-------------	---	--	-----------------------------

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ Address _____ Email _____ Td. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	
<b>2. PAN OF SOLE/FIRST APPLICANT</b>		

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.</small>	<b>6. INVESTOR STATUS</b> <input type="checkbox"/> Individual(s)    • IND <input type="checkbox"/> Non- Resident Indians (Non- Repatriation Basis)    • NRI <input type="checkbox"/> Hindu Undivided Family*    • HUF <input type="checkbox"/> Bodies Corporate    • CO <input type="checkbox"/> Banks & Financial Institutions    • FI <input type="checkbox"/> Mutual Funds    • MF <input type="checkbox"/> National Investment Funds    • NIF <input type="checkbox"/> Insurance Funds    • IF <input type="checkbox"/> Insurance Companies    • IC <input type="checkbox"/> Venture Capital Funds    • VCF <input type="checkbox"/> Alternative Investment Funds    • AIF <input type="checkbox"/> Others (Please Specify)    • OTH <small>*HUF Should apply only through Karta (Application by HUF would be treated on par with individual)</small>
<b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b> No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [•]/- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price (In Figures) _____ (In Words) _____ <b>ALLOTMENT WILL BE IN DEMAT MODE ONLY<sup>2</sup></b>	
<b>5. CATEGORY</b> <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB	

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>	
Amount Blocked (₹ in Figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____ OR UPI Id _____ <small>(Maximum 45 characters)</small>		
<small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.</small>		
<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b> _____ Date: _____, 2019	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b> <small>I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue</small> 1) _____ 2) _____ 3) _____	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP</b> <b>(Acknowledging upload of Application in Stock Exchange System)</b> _____

<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - R</b>	<b>Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Application Form No.</b>
-------------	---	--	-----------------------------

DPID / CLID _____	Amount Blocked (₹ in figures) _____ ASBA Bank & Branch _____	PAN of Sole/First Applicant _____
ASBA Bank A/c No./UPI Id _____		Stamp & Signature of SCSB Branch
Received from Mr./Ms. _____		
Telephone / Mobile _____	Email _____	

XYZ LIMITED - INITIAL PUBLIC ISSUE - R		In Figures	In Words	Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Name of Sole / First Applicant
	No. of Equity Shares				
	Amount Blocked (₹)				
	ASBA Bank A/c No. / UPI Id: _____ Bank & Branch: _____				<b>Acknowledgement Slip for Applicant</b>
					<b>Application Form No.</b>

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

<b>COMMON APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> <small>Registered Office: _____          Tel. No.: _____ Fax No.: _____ Email: _____ Website: _____          Contact Person: _____ CIN: _____</small>	<b>FOR ELIGIBLE NRIs, FIIs/FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS</b>
--	---	---

<b>LOGO</b>	<b>TO, THE BOARD OF DIRECTORS XYZ LIMITED</b>	<b>FIXED PRICE SME ISSUE</b> <b>ISIN : XXXXXXXX</b>	<b>Application Form No.</b>	
-------------	---	--	---------------------------------	--

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>  <b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>  <b>BANK BRANCH SERIAL NO.</b>  	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>  <b>SCSB BRANCH STAMP &amp; CODE</b>  <b>SCSB SERIAL NO.</b>  	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____ <b>2. PAN OF SOLE/FIRST APPLICANT</b> _____
---	--	---

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL _____ <b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b> No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [ ]/- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price (In Figures) _____ (In Words) _____ <b>ALLOTMENT WILL BE IN DEMAT MODE ONLY <sup>2</sup></b> <small><sup>1</sup> Please note that applications must be made in minimum of [ ] shares and further multiples of [ ] shares accordingly.  <sup>2</sup> Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE.</small>	<b>6. INVESTOR STATUS</b> <input type="checkbox"/> Non-Resident Indians - NRI (Repatriation basis) <input type="checkbox"/> Foreign Institutional Investor - FII/ <input type="checkbox"/> Foreign Portfolio Investor - FPI <input type="checkbox"/> Foreign Venture Capital Investor - FVCI <input type="checkbox"/> FII Sub Account Corporate / Individual - FIISA <input type="checkbox"/> Others - OTH (please specify)
--	---

<b>7. PAYMENT DETAILS</b> Amount Blocked (₹ in Figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____ OR UPI Id _____ <small>(Maximum 45 characters)</small>	<b>PAYMENT OPTION : Full Payment</b>
--	--------------------------------------

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date: _____, 2019	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP</b> <b>(Acknowledging upload of Application in Stock Exchange System)</b>
--	--	--

TEAR HERE

<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Application Form No.</b>	
-------------	--	--	---------------------------------	--

DPID / CLID		PAN of Sole/First Applicant	
-------------	--	-----------------------------	--

Amount Blocked (₹ in figures) _____ ASBA Bank & Branch _____ ASBA Bank A/c No./UPI Id _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____	<b>Stamp &amp; Signature of SCSB Branch</b>
---	---

TEAR HERE

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	In Figures    In Words No. of Equity Shares _____ Amount Blocked (₹) _____ ASBA Bank A/c No. / UPI Id: _____ Bank & Branch: _____	<b>Stamp &amp; Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Name of Sole / First Applicant</b>  <b>Acknowledgement Slip for Applicant</b>  <b>Application Form No.</b>
--	---	--	---

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

## 1. FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT:

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- b) **Joint Applicants:** In the case of Joint Applicants, the Application should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

## 2. FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT:

- a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose **name** the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Application on behalf of the Central or State Government, Application by officials appointed by the courts and Application by Applicant residing in Sikkim ("PAN Exempted Applicant"). Consequently, all Applicants, other than the PAN Exempted Applicant, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Application by the Applicant whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Applicant is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Applications by Applicant whose demat accounts have been "suspended for credit" are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

## 3. FIELD NUMBER 3: APPLICANT'S DEPOSITORY ACCOUNT DETAILS

- a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.
- b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.
- d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

## 4. FIELD NUMBER 4: APPLICATION OPTIONS



- a) Since, this is the Fixed Price Issue and the Price has already been disclosed in the Prospectus, the Applicants should make application at the Issue Price only. For the purpose of this Issue, the Price has been Determined as [●] per equity shares (including premium of [●] per equity share).
- b) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can make application at the Cut-off Price indicating their agreement to apply for and purchase the Equity Shares at the Issue Price as determined in terms of Prospectus. Making Application at the Cut-off Price is prohibited for QIBs and NIIs and such Applications from QIBs and NIIs may be rejected.
- c) **Minimum Application Value and Application Lot:** For Application made by Retail Individual Investors, minimum application of [●] Equity Shares to ensure that the minimum Application value is not exceeding ₹ 2,00,000 and not less than ₹ 1,00,000. For Application made by QIBs and Non – Institutional Investors, minimum application of [●] Equity Shares and in multiples of [●] Equity Shares thereafter to ensure that the minimum Application value is exceeding ₹ 2,00,000.
- d) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum application Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. Also, in case if the RII category is entitled to more than the allocated equity shares on proportionate basis, the RII category shall be allotted that higher percentage.

#### Maximum and Minimum Application Size

- e) The Applicants may apply for the desired number of Equity Shares in multiple of [●] equity shares at Issue Price. Applications by Retail Individual Investors and Retail Individual Shareholders must be for [●] equity shares, so as to ensure that the Application Amount, payable by the Applicants does not exceed ₹ 2,00,000.  
  
In case the Application Amount exceeds ₹ 2,00,000 due to revision of the Application or any other reason, the Application may be considered for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected.  
  
For NRIs, Application Amount of up to ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and Application Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- f) Application by QIBs and NIIs must be for [●] equity shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter, as may be disclosed in the Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to make application at Cut off Price.
- g) RII may revise or withdraw their application until Issue Closing Date. QIBs and NII's cannot withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after making application and are required to pay the Application Amount upon submission of the Application.
- h) In case the Application Amount reduces to ₹ 2,00,000 or less due to a revision of the Price, Application by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- i) An Application cannot be submitted for more than the net issue size.
- j) The maximum application by any applicant including QIB applicant should not exceed the investment limits prescribed for them under the applicable laws.

#### Multiple Applications

- k) Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Application Forms bearing the same application number shall be treated as multiple Applications and are liable to be rejected.
- l) Applicants are requested to note the following procedures that may be followed by the Registrar to the Issue to detect multiple Applications:
  - i. All Applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple Application by Applicants and may be rejected.
  - ii. For Application from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Application on behalf of the PAN Exempted Applicants, the Application Forms may be checked for

common DP ID and Client ID. Such Applications which have the same DP ID and Client ID may be treated as multiple applications and are liable to be rejected.

**m) The following Applications may not be treated as multiple Applications:**

- i. Applications by Reserved Categories making application in their respective Reservation Portion as well as application made by them in the Issue portion in public category.
- ii. Separate Applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
- iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

**5. FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a) The categories of Applicants are identified as per the SEBI (ICDR) Regulations, 2018 for the purpose of Applications, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- b) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI (ICDR) Regulations, 2018. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c) The SEBI (ICDR) Regulations, 2018, specify the allocation or allotment that may be made to various categories of Application in an issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form.
- d) For Issue specific details in relation to allocation, Applicants may refer to the Prospectus.

**6. FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Applicants should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue follows the investment restrictions under applicable law.
- b) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d) Applicants should ensure that their investor status is updated in the Depository records.

**7. FIELD NUMBER 7: PAYMENT DETAILS**

- a) Applicants are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Applicants doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Applicants providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.
- b) The full Application Amount shall be blocked based on the authorization provided in the Application Form.
- c) RIIs who make application at Cut-off price shall be blocked on the Cap Price.
- d) All Applicants (other than Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- e) RIIs submitting their applications through Designated Intermediaries can participate in the Issue through the UPI mechanism, through their UPI ID linked with their bank account.
- f) Application Amount cannot be paid in cash, cheque, and demand draft, through money order or through postal order.

**Payment instructions for Applicants (other than Anchor Investors)**

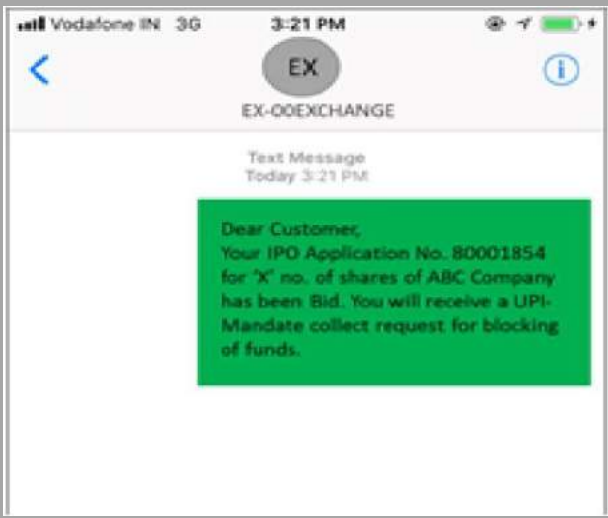
- a) From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:




Category of Investor	Channel I	Channel II	Channel III	Channel IV
Retail Individual Investor (RII)	Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.	Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.		RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.
Non- Institutional Investor (NII)	For such applications the existing process of uploading the Application and blocking of funds in the RIIs account by the SCSB would continue.		Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.  For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.	Not Applicable

Please see below a graphical illustrative process of the investor receiving and approving the UPI mandate request:

**ILLUSTRATIVE SMS**

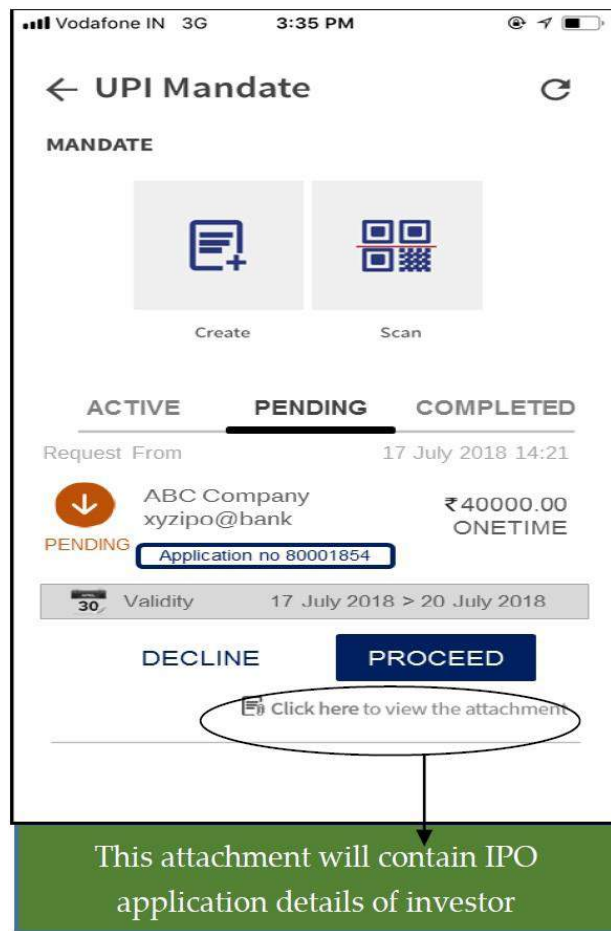
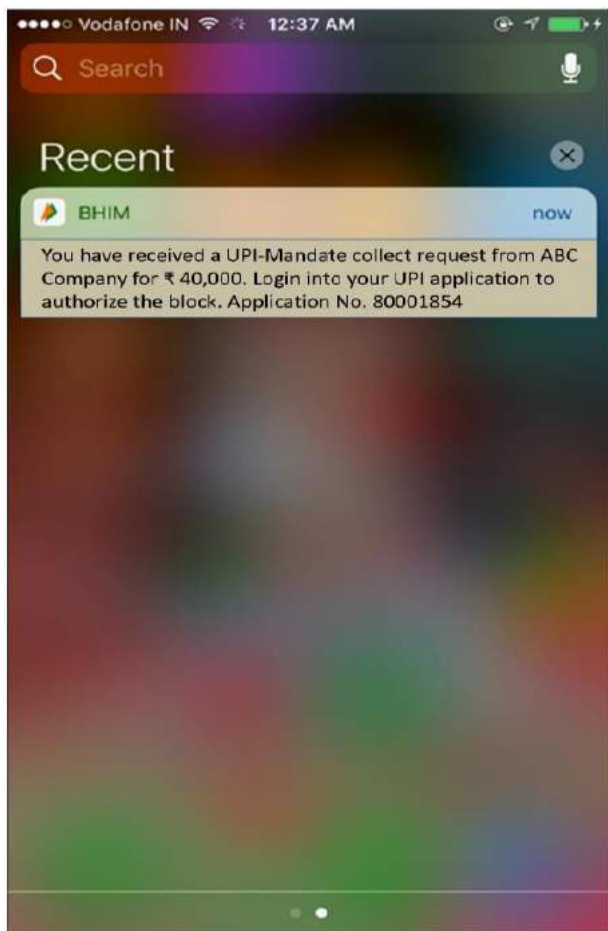


**BLOCK REQUEST SMS TO INVESTOR**



**BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION      BLOCK REQUEST SMS TO INVESTOR**

## BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION BLOCK REQUEST SMS TO INVESTOR



## SAMPLE OF IPO DETAILS IN ATTACHMENT

## POST VERIFICATION OF DETAILS ABOVE

## BLOCK REQUEST INTIMATION THROUGH UPI BLOCK REQUEST SMS TO INVESTOR APPLICATION

Secure | https://

1 Enter Details

Investor Details

Depository Name	DP ID	Client ID
NSDL	IN300513	14871468

Beneficiary No.	PAN Card	Investor's Name
-	AAMPF7581P	SHYAM SHARAM

IPO Details

Company Name	IPO Symbol	Bid Lot
IPO	SUPREMEENG	40000

Face Value	Maximum Price	Minimum Price
10.00	₹ 32.00	₹ 27.00

Cut Off Price	IPO Start Date	IPO End Date
₹ 32.00	20 July 2018	27 July 2018

Discount Amount	Discount Category
NA	-

Vodafone IN 3G 5:43 PM

← Create Mandate

TO

ABC Company

✓ xyzipo@bank **Verified Merchant**

Mandate Amount

₹ 40000.00

The Amount entered will be blocked immediately & debited from payer account as per your Mandate inputs

Frequency

**ONETIME**

Validity

Start Date **20 JULY 2018** > End Date **27 JULY 2018**

Users account will be debited within validity period.

REMARKS

Application no 80001834

Click here to view the attachment


**PROCEED**

## PRE-CONFIRMATION PAGE

## ENTERING OF UPI PIN

## PRE-CONFIRMATION PAGE

Vodafone IN 3G 3:48 PM

 Please check the below details as the amount will be **blocked** for the validity period and will be debited as per the mandate inputs. In case of non-execution of the Mandate, the amount will be unblocked

**Mandate Details**

To  
ABC Company

 xyzipo@bank

AMOUNT  
₹ 0000.00

FREQUENCY  
ONETIME

VALIDITY  
20 JULY 2018 to 27 JULY 2018


REMARKS  
Application no 80001854

[CANCEL](#) [CONFIRM](#)

## ENTERING OF UPI PIN

Vodafone IN 3G 1:39 AM


[CANCEL](#)

STATE BANK OF INDIA 

ABC Company ₹ 40000

ENTER UPI PIN

— — — —

1	2	3
4	5	6
7	8	9
	0	SUBMIT

## CONFIRMATION PAGE

## APPROVED MANDATES VISIBLE IN UPI APPLICATION

## PRE-CONFIRMATION PAGE

Vodafone IN 3G 3:49 PM



### Mandate Approved

UPI ID: xyzipo@bank  
 Amount: Rs 40000.00  
 Frequency: ONETIME  
 UMN: 5473tsfeh735489jsbyw457isntea59jdkn@upi  
 Validity: 20<sup>th</sup> July 2018 to 27<sup>th</sup> July 2018


[VIEW DETAILS](#)
[HOME](#)

## ENTERING OF UPI PIN

Vodafone IN 3G 5:43 PM

### ← Active Mandate

Received From 18 July 2018 14:21



ABC Company  
xyzipo@bank  
**ACTIVE**

₹ 40000.00  
ONETIME

Application No 80001834

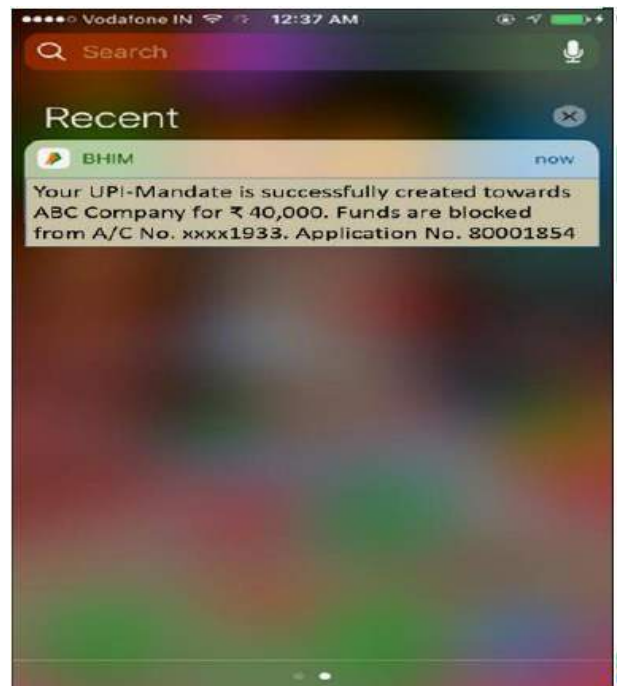
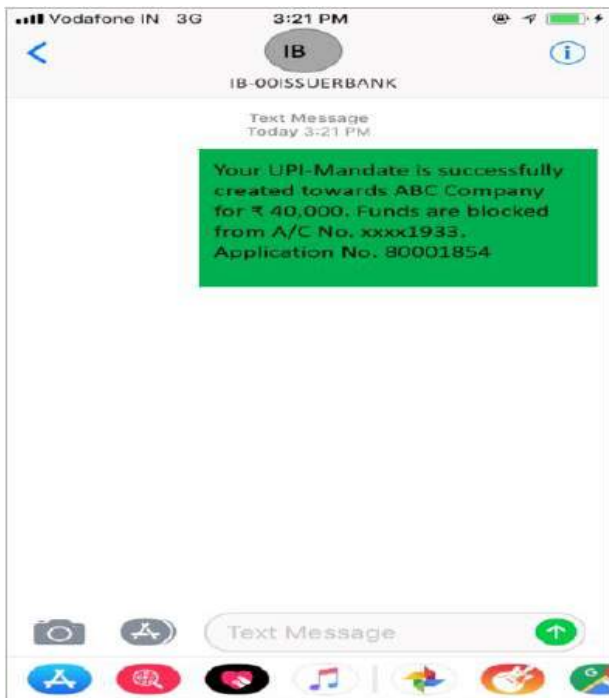
#### MANDATE DETAILS

START DATE: 20 July 2018  
 END DATE: 27 July 2018  
 FREQUENCY: One Time  
 UMN: 5473tsfeh735489jsbyw457isntea59jdkn@upi  
 REMARKS: Application No 80001834

BLOCK CONFIRMATION SMS TO INVESTOR

BLOCK CONFIRMATION  
INTIMATION

APPLICATION



- b) QIB and NII Applicants may submit the Application Form either;
- to SCSB in physical or electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Application Form, or
  - in physical mode to any Designated Intermediary.
- c) Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by Applicants and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted.
- d) Applicants should note that application made using third party UPI ID or ASBA Bank account are liable to be rejected.
- e) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA Account.
- f) Applicants should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centers, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.
- g) **Applicants making application through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- h) **Applicants making application directly through the SCSBs** should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and for application directly submitted to SCSB by investor, may enter each application details into the electronic bidding system as a separate application.

- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Application on the Stock Exchange platform and such Applications are liable to be rejected.
- l) Upon submission of a completed Application Form each Applicants (not being a RII who has opted for the UPI payment mechanism and provided a UPI ID with the Application Form) may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs. For details regarding blocking of Application Amount for RIIs who have provided a UPI ID with the Application Form, please refer to graphical illustrative process of the investor receiving and approving the UPI mandate request provided in clause (a).
- m) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- n) SCSBs making application in the Issue must apply through an Account maintained with any other SCSB; else their Applications are liable to be rejected.

## **8. FIELD NUMBER 8: UNBLOCKING OF ASBA ACCOUNT**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB or the Sponsor Bank, as the case may be, along with instructions to unblock the relevant ASBA Accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant ASBA Account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs or the Sponsor Bank, as the case may be, to unblock the respective ASBA Accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs or the Sponsor Bank, as the case may be, may transfer the requisite amount against each successful Applicants to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB or to the Sponsor Bank to revoke the mandate and, as the case may be, to unblock the Application Amount in the Relevant Account within four Working Days of the Issue Closing Date.

### **Additional Payment Instructions for RIIs applying through Designated Intermediaries using the UPI mechanism**

- d) Before submission of the application form with the Designated Intermediary, an RII shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
- e) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>
- f) RIIs shall mention his / her UPI ID along with the application details in the Application Form in capital letters and submit the Application Form to any of the Designated Intermediaries.
- g) The Designated Intermediary upon receipt of the Application Form will upload the application details along with UPI ID in the stock exchange bidding platform.
- h) Once the application has been entered into the Stock Exchange bidding platform, the stock exchange will validate the PAN and Demat Account details of the RII with the Depository. The Depository will validate the aforesaid details on a real time basis and send a response to the stock exchange which will be shared by the stock exchange with the Designated Intermediary through its bidding platform, for corrections, if any.
- i) Once the application details have been validated by the Depository, the stock exchange will, on a continuous basis, electronically share the application details along with the UPI ID of the concerned RII with the Sponsor Bank appointed by the Issuer.
- j) The Sponsor Bank will validate the UPI ID of the RII before initiating the Mandate request.

- k) The Sponsor Bank after validating the UPI ID will initiate a UPI Mandate Request for valid UPI ID on the RII which will be electronically received by the RII as an SMS / intimation on his / her mobile number / mobile app associated with the UPI ID linked account. The RII shall ensure that the details of the application are correct by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire application Amount and authorized the Sponsor Bank to block the application Amount mentioned in the Application Form and Subsequent debit in case of allotment.
- l) Upon successful validation of the block request by the RII, the said information would be electronically received by the RII's bank, where the funds, equivalent to the application amount would get blocked in the ASBA Account of the RII. Intimation regarding confirmation of such blocking of funds in the ASBA Account of the RII would also be received by the RII. Information on the block status request would be shared with the Sponsor Bank which in turn would share it with the stock exchange which in turn would share it with the Registrar in the form of a file for the purpose of reconciliation and display it on the stock exchange bidding platform for the information of the Designated Intermediary.
- m) RIIs may continue to modify or withdraw the application till the closure of the Issue Period. For each modification of the application, the RII will submit a revised application and will receive a new UPI Mandate Request from the Sponsor Bank to be validated as per the process indicated above.
- n) RIIs to check the correctness of the details on the mandate received before approving the Mandate Request.
- o) Post closure of the Issue, the stock exchange will share the application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

**Discount: NOT APPLICABLE**

**Additional Payment Instruction for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

**9. FIELD NUMBER 9: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.
- c) Applicants must note that Application Form without signature of Applicants and /or ASBA Account holder is liable to be rejected.

**10. FIELD NUMBER 10: ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- a) Applicant should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediary or SCSB, as applicable, for submission of the Application Form.
- b) All communications in connection with Application made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicant should contact the Registrar to the Issue.
  - ii. In case of ASBA Application submitted to the Designated Branches of the SCSBs, the Applicant should contact the relevant Designated Branch of the SCSB.
  - iii. Applicants may contact the Company Secretary and Compliance Officer or Lead Manager in case of any other complaints in relation to the Issue.
  - iv. In case of queries relating to uploading of Application by a Syndicate Member, the Applicant should contact the relevant Syndicate Member.
  - v. In case of queries relating to uploading of Application by a Registered Broker, the Applicant should contact the relevant Registered Broker
  - vi. In case of Application submitted to the RTA, the Applicant should contact the relevant RTA.



- vii. In case of Application submitted to the DP, the Applicant should contact the relevant DP.
- viii. In case of queries relating to uploading of Application through the UPI Mechanism, the Applicant should contact the Sponsor Bank;
- c) The following details (as applicable) should be quoted while making any queries –
  - i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Application.
  - ii. name and address of the Designated Intermediary, where the Application was submitted; or
  - iii. Applications, ASBA Account number or the UPI ID (for RIIs who make the payment of Application Amount through the UPI mechanism) linked to the ASBA Account where the Application Amount was blocked in which the amount equivalent to the Application Amount was blocked.
  - iv. For further details, Applicants may refer to the Prospectus and the Application Form.

## **B. INSTRUCTIONS FOR FILLING THE REVISION FORM**

- a) During the Issue Period, any Applicants (other than QIBs and NIIs, who can only revise their Application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise / withdraw their Application till closure of the Issue period.
- c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had made the original Application. It is clarified that RIIs whose original Application is made using the UPI mechanism, can make revision(s) to their Application using the UPI mechanism only, whereby each time the Sponsor Bank will initiate a new UPI Mandate Request. Applicants are advised to retain copies of the blank Revision Form and the Application(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

<b>COMMON APPLICATION REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Registered Office: Tel. No.:      Fax No.:      Email:      Website: Contact Person:      CIN:	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, NON INSTITUTIONAL INVESTORS, RETAIL INDIVIDUAL INVESTORS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
---	---	--

<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXXX	Application Form No.
-------------	--	---	-------------------------

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/CDP/RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ Address _____ _____ Tel. No (with STD code) / Mobile _____ <b>2. PAN OF SOLE/FIRST APPLICANT</b> _____ <b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> NSDL      CDSL _____ For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	SCSB BRANCH STAMP & CODE	
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	

PLEASE CHANGE MY APPLICATION <span style="float: right;"><input type="checkbox"/> PHYSICAL</span>											
<b>4. FROM (as per last Application or Revision)</b>											
<b>Options</b>	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures)							Price per Equity Share (₹) [•] (In Figures)			
Option 1	ORIGINAL APPLICATION							ORIGINAL APPLICATION			
(OR) Option 2											
(OR) Option 3											
<b>5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off")</b>											
<b>Options</b>	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures)							Price per Equity Share (₹) [•] (In Figures)			
Option 1	REVISED APPLICATION							REVISED APPLICATION			
(OR) Option 2											
(OR) Option 3											

<b>6. PAYMENT DETAILS</b> Additional Amount Blocked (₹ in Figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____ OR UPI Id _____ (Maximum 45 characters)	<b>PAYMENT OPTION : Full Payment</b>
---	--------------------------------------

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date: _____, 2019	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP</b> (Acknowledging upload of Application in Stock Exchange System)
---	---	---

-----TEAR HERE-----											
<b>LOGO</b>	<b>XYZ LIMITED</b> REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for SYNDICATE MEMBER/ REGISTERED BROKER/ SCSB / DP / RTA	Application Form No.								
DPID / CLID _____ PAN _____											
Additional Amount Blocked (₹ in figures) _____		ASBA Bank & Branch _____									
ASBA Bank A/c No./UPI Id _____		Stamp & Signature of SCSB Branch									
Received from Mr./Ms. _____											
Telephone / Mobile _____ Email _____											
-----TEAR HERE-----											

<b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	Option 1	Option 2	Option 3	Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER/SCSB/DP/RTA	Name of Sole / First Applicant	
	No. of Equity Shares				_____	
	Issue Price				_____	
	Additional Amount Blocked (₹)				_____	
	ASBA Bank A/c No. / UPI Id: _____				_____	
Bank & Branch: _____				<b>Acknowledgment Slip for Applicant</b>		
Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.				Application Form No.		

XYZ LIMITED 1

<b>COMMON APPLICATION REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> <small>Registered Office: Tel. No.:      Fax No.:      Email:      Website: Contact Person:      CIN:</small>	<b>FOR ELIGIBLE NRIs, FIIs/FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS</b>
---	---	---

<b>LOGO</b>	<b>TO, THE BOARD OF DIRECTORS XYZ LIMITED</b>	<b>FIXED PRICE SME ISSUE ISIN : XXXXXX</b>	<b>Application Form No.</b>
-------------	---	--	---------------------------------

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ Address _____ _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE/FIRST APPLICANT</b> _____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> NSDL <input type="checkbox"/> CDSL <input type="checkbox"/> <small>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small>

<b>PLEASE CHANGE MY APPLICATION</b>	<input type="checkbox"/> <b>PHYSICAL</b>
-------------------------------------	--

4. FROM (as per last Application or Revision)		Price per Equity Share (₹) [•]																		
Options	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures)	(In Figures)																		
	7	6	5	4	3	2	1	Issue Price				Discount, if any				Net Price				"Cut-off" (Please tick)
Option 1	ORIGINAL APPLICATION							ORIGINAL APPLICATION				ORIGINAL APPLICATION				ORIGINAL APPLICATION				
(OR) Option 2	ORIGINAL APPLICATION							ORIGINAL APPLICATION				ORIGINAL APPLICATION				ORIGINAL APPLICATION				✓
(OR) Option 3	ORIGINAL APPLICATION							ORIGINAL APPLICATION				ORIGINAL APPLICATION				ORIGINAL APPLICATION				✓

5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off")		Price per Equity Share (₹) [•]																		
Options	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures)	(In Figures)																		
	7	6	5	4	3	2	1	Issue Price				Discount, if any				Net Price				"Cut-off" (Please tick)
Option 1	REVISED APPLICATION							REVISED APPLICATION				REVISED APPLICATION				REVISED APPLICATION				
(OR) Option 2	REVISED APPLICATION							REVISED APPLICATION				REVISED APPLICATION				REVISED APPLICATION				✓
(OR) Option 3	REVISED APPLICATION							REVISED APPLICATION				REVISED APPLICATION				REVISED APPLICATION				✓

6. PAYMENT DETAILS		PAYMENT OPTION : Full Payment
Additional Amount Blocked (₹ in Figures)		(₹ in words) _____
ASBA Bank A/c No.		
Bank Name & Branch		
OR		
UPI Id		
<small>(Maximum 45 characters)</small>		

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date: _____, 2019	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP</b> <b>(Acknowledging upload of Application in Stock Exchange System)</b>
---	---	--

----- TEAR HERE -----

<b>LOGO</b>	<b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Application Form No.</b>
DPID / CLID		PAN	
Additional Amount Blocked (₹ in figures)	ASBA Bank & Branch	<b>Stamp &amp; Signature of SCSB Branch</b>	
ASBA Bank A/c No./UPI Id			
Received from Mr./Ms.			
Telephone / Mobile	Email		

----- TEAR HERE -----

<b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - NR</b>	Option 1	Option 2	Option 3	<b>Stamp &amp; Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Name of Sole / First Applicant</b>
	No. of Equity Shares				
	Issue Price				
	Additional Amount Blocked (₹)				
	ASBA Bank A/c No. / UPI Id:				
Bank & Branch:					<b>Acknowledgment Slip for Applicant</b>
Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.					<b>Application Form No.</b>

## **11. FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 1, 2 and 3 above under the heading “Instructions for Filling the Application Form”.

## **12. FIELDS 4 AND 5: APPLICATION OPTIONS REVISION ‘FROM’ AND ‘TO’**

- a) Apart from mentioning the revised number of shares in the Revision Form, the Applicants must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form. For example, if Applicant has applied for [●] equity shares in the Application Form and such applicant is changing number of shares applied for in the Revision Form, the applicant must fill the details of [●] equity shares, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- b) In case of revision, applicants’ options should be provided by applicants in the same order as provided in the Application Form.
- c) In case of revision of Applicants by Retail Individual Investors and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, Subsequent to revision, does not exceed ₹ 200,000. In case the Application Amount exceeds ₹ 200,000 due to revision of the Application or for any other reason, the Application may be considered, subject to eligibility, for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected. The Cut-off Price option is given only to the Retail Individual Investors and Retail Individual Shareholders indicating their agreement to apply for and purchase the Equity Shares at the Issue Price.
- d) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Application or make additional payment and the Issue Price is higher than the price disclosed in the Prospectus, the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised application at Cut-off Price.
- e) In case of a downward revision in the Price, RIIs who have applied at the Cut-off Price could either revise their application or the excess amount paid at the time of application may be unblocked in case of applicants.

## **13. PAYMENT DETAILS**

- a) All Applicants are required to make payment of the full Application Amount along with the Application Revision Form.
- b) Applicant may Issue instructions to block the revised amount based on the revised Price in the ASBA Account of the UPI Linked Bank Account, to the same Designated Intermediary through whom such applicant had placed the original application to enable the relevant SCSB to block the additional Application Amount, if any.
- c) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the application or make additional payment and the Price is higher than Issue price disclosed in the Prospectus prior to the revision, the number of Equity Shares applied for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the applicant is deemed to have approved such revised application at the Cut-off Price.
- d) In case of a downward revision in the Price, RIIs and Retail Individual Shareholders, who have applied at the Cut-off Price, could either revise their application or the excess amount paid at the time of application may be unblocked.

## **14. FIELD NUMBER 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 9 above under the heading “Instructions for Filling the Application Form” for this purpose.

### **APPLICANT’S DEPOSITORY ACCOUNT AND BANK DETAILS**

*Please note that, providing bank account details or UPI ID in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.*

***Please note that, furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.***

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code, occupation (hereinafter referred to as 'Demographic Details') or UPI ID (in case of Retail Individual Investors). These Bank Account or UPI ID details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

## **PAYMENT BY STOCK INVEST**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## **OTHER INSTRUCTIONS**

### **JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **MULTIPLE APPLICATIONS**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- I. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- II. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- III. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application or Application through UPI Mechanism either in physical or electronic mode, an Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of

the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected.

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the Income Tax Act, 1961. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the General Index Registration ("GIR") number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

#### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

#### **GROUND FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and not firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;

- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations for "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account, UPI ID and/or Depositories Account;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
- ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form;
- Submission of Application Form(s) using third party ASBA Bank Account;
- Submission of more than one Application Form per UPI ID by RIIs applying through Designated Intermediaries;
- In case of Applications by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Application Form is linked to a third party bank account;
- The UPI Mandate is not approved by Retail Individual Investor; and
- The original Application is made using the UPI mechanism and revision(s) to the Application is made using ASBA either physically or online through the SCSB, and vice versa.

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) a tripartite agreement dated March 15, 2022 with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated August 27, 2020 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE0DZ101013



- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

## COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc. at below mentioned addresses;**

<p><b>To</b>  <b>Kushang Surendrakumar Thakkar</b>  B/1/104, Palledium, Nr. Orchid Wood Opp. Divya Bhaskar, Corporate Road, Prahladnagar Ahmedabad-380015, Gujarat, India  <b>Telephone:</b> +91 9429111979  <b>E-mail:</b> sabarahmedabad@gmail.com</p>	<p><b>To the Registrar to the Issue</b>  <b>BIGSHARE SERVICES PRIVATE LIMITED</b>  1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059, Maharashtra, India  <b>Tel. No.:</b> 022 6263 8200  <b>Fax No.:</b> 022 263 8280  <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>  <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>  <b>Contact Person:</b> Mr. Swapnil Kate  <b>SEBI Registration No.:</b> INR000001385</p>
--	--

## DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall make best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

## IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

- a) 'Any person who: makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or



- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.

**Section 447 of the Companies Act, 2013, is reproduced as below:**

*Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:*

*Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.*

*Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.*

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted [●] equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows:
  - a) minimum fifty per cent. to retail individual investors; and
  - b) remaining to:
    - i. individual applicants other than retail individual investors; and
    - ii. other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

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

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

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “BASIS OF ALLOTMENT”.

“Retail Individual Investor” means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Emerge Platform of NSE.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Emerge Platform of NSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

#### **UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or till the application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. Adequate arrangements shall be made to collect all Application forms.

#### **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
2. Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company’s balance sheet indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
4. Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company’s Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively;
5. Our Company shall not have recourse to utilize the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the FEMA and various regulations made thereunder. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DIPP also issues the Consolidated Foreign Direct Investment Policy (“**FDI Policy**”) from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India’s current FDI Policy issued by the DIPP with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017. In terms of the 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 foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Foreign investment is allowed up to 100% under automatic route, subject to applicable laws/regulations, security and other conditionalities in our Company. For further details kindly refer the chapter titled “*Key Industry Regulations and Policies*” beginning on Page no. 95 of this Draft Prospectus.

RBI has also issued Master Direction-Foreign Investment in India dated January 4, 2018 (“**Master Direction**”). In terms of the Master Direction, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions.

The RBI, in exercise of its power under the FEMA, has also notified Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Offer, subject to total FPI investment being within the individual FPI/sub account investment limit of less than 10% of the total paid-up equity capital on a fully diluted basis of the Company subject to the total holdings of all FPIs/sub accounts including any other direct and indirect foreign investments in the Company shall not exceed 24% of the paid-up equity capital of the Company on a fully diluted basis. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Company concerned by passing of resolution by the Board of the Company to that effect and by passing of a special resolution to that effect by its Shareholders. With effect from April 1, 2020, the aggregate limit of 24% shall increase to the sectoral cap applicable to the Indian Company which in case of our Company is 100%. Further, the aggregate limit as provided above may be decreased by the Company to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors through a resolution and also of its shareholders by means of a special resolution, before 31st March, 2020. In the event the Company decreases its aggregate limit to 24% or 49% or 74%, then it may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling, respectively as deemed fit, with the approval of its Board of Directors through a resolution and of its shareholders by means of a special resolution. However, once the aggregate limit has been increased to a higher threshold, the Company cannot reduce the same to a lower threshold. Further, eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% of the total paid-up equity capital on a fully diluted basis subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10% of the total paid-up equity capital on a fully diluted basis of the Company. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24 % if a special resolution to that effect is passed by the Shareholders of the Company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment (“**FDI**”) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

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

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Bidders. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Bidders are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

## **SECTION IX – MAIN PROVISIONS OF AOA**

*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.

<b>Article No.</b>	<b>Articles</b>	<b>Particulars</b>
<b>1.</b>	<b>Table Applicable.</b>	<b>F</b> No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to the Company but the regulations for the Management of the Company and for the observance of the Members thereof 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.
<b>CAPITAL</b>		
<b>3.</b>	<b>Authorised Capital.</b>	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.
<b>4.</b>	<b>Increase of capital by the Company how carried into effect.</b>	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.
<b>5.</b>	<b>New Capital same as existing capital.</b>	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.
<b>6.</b>	<b>Non-Voting Shares.</b>	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.
<b>7.</b>	<b>Redeemable Preference Shares.</b>	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.
<b>8.</b>	<b>Voting rights of preference shares.</b>	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.

Article No.	Articles	Particulars
9.	<b>Provisions to apply on issue of Redeemable Preference Shares.</b>	<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 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 than 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>
10.	<b>Reduction of capital.</b>	<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>
11.	<b>Debentures.</b>	<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>
12.	<b>Issue of Sweat Equity Shares.</b>	<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>
13.	<b>ESOP.</b>	<p>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.</p>
14.	<b>Buy Back of shares.</b>	<p>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</p>

Article No.	Articles	Particulars
		other specified securities.
15.	<b>Consolidation, Sub-Division And Cancellation.</b>	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.
16.	<b>Issue of Depository Receipts.</b>	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.
17.	<b>Issue of Securities.</b>	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.
<b>MODIFICATION OF CLASS RIGHTS</b>		
18. (a)	<b>Modification of rights.</b>	<p>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>
18. (b)	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</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 <i>pari passu</i> therewith.
19.	<b>Shares at the disposal of the Directors.</b>	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.
20.	<b>Power to issue shares on preferential basis.</b>	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

Article No.	Articles	Particulars
		(1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.
21.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>	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.
22.	<b>Acceptance of Shares.</b>	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.
23.	<b>Directors may allot shares as full paid-up</b>	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 fully paid-up or partly paid-up shares as aforesaid.
24.	<b>Deposit and call etc.to be a debt payable immediately.</b>	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.
25.	<b>Liability of Members.</b>	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.
26.	<b>Registration of Shares.</b>	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.
<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>		
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Section 39 of the Act.	
28.	<b>Share Certificates</b>	(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



Article No.	Articles	Particulars
		<p>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 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.	<b>Issue of new certificates in place of those defaced, lost or destroyed.</b>	<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 Rs.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>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>
30. (a)	<b>The first named joint holder deemed Sole holder.</b>	<p>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</p>
30. (b)	<b>Maximum number of joint holders.</b>	<p>The Company shall not be bound to register more than three persons as the joint holders of any share.</p>

Article No.	Articles	Particulars
31.	<b>Company not bound to recognise any interest in share other than that of registered holders.</b>	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.
32.	<b>Installment on shares to be duly paid.</b>	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.
<b>UNDERWRITING AND BROKERAGE</b>		
33.	<b>Commission</b>	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.
34.	<b>Brokerage</b>	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.
<b>CALLS</b>		
35.	<b>Directors may make calls</b>	<p>(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 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 installments.</p>
36.	<b>Notice of Calls</b>	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.
37.	<b>Calls to date from resolution.</b>	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.
38.	<b>Calls on uniform basis.</b>	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.
39.	<b>Directors may extend time.</b>	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.

Article No.	Articles	Particulars
40.	<b>Calls to carry interest.</b>	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.
41.	<b>Sums deemed to be calls.</b>	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.
42.	<b>Proof on trial of suit for money due on shares.</b>	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, it 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 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.
43.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>	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.
44.	<b>Payments in Anticipation of calls may carry interest</b>	<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>
<b>LIEN</b>		
45.	<b>Company to have Lien on shares.</b>	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

Article No.	Articles	Particulars
		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 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.
46.	As to enforcing lien by sale.	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, fulfillment 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.
47.	Application of proceeds of sale.	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.
<b>FORFEITURE AND SURRENDER OF SHARES</b>		
48.	If call or installment not paid, notice may be given.	If any Member fails to pay the whole or any part of any call or installment 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 installment 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 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.	Terms of notice.	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.  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.
50.	On default of payment, shares to be forfeited.	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

Article No.	Articles	Particulars
		forfeiture.
51.	Notice of forfeiture to a Member	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.
52.	Forfeited shares to be property of the Company and may be sold etc.	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.
53.	Members still liable to pay money owing at time of forfeiture and interest.	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.
54.	Effect of forfeiture.	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.
55.	Evidence of Forfeiture.	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 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.	Title of purchaser and allottee of Forfeited shares.	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.
57.	Cancellation of share certificate in respect of forfeited shares.	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.
58.	Forfeiture may be remitted.	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.
59.	Validity of sale	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

Article No.	Articles	Particulars
		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.
60.	<b>Surrender shares.</b>	of 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.
<b>TRANSFER AND TRANSMISSION OF SHARES</b>		
61.	<b>Execution of the instrument of shares.</b>	(a) 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. (b) 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 thereof.
62.	<b>Transfer Form.</b>	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.  The instrument of transfer shall be in a common form approved by the Exchange;
63.	<b>Transfer not to be registered except on production of instrument of transfer.</b>	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.
64.	<b>Directors may refuse to register transfer.</b>	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-  (a) any transfer of shares on which the company has a lien.  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;
65.	<b>Notice of refusal to be given to transferor and transferee.</b>	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.
66.	<b>No fee on transfer.</b>	No fee shall be charged for registration of transfer, transmission, Probate,

Article No.	Articles	Particulars
		Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.
67.	<b>Closure of Register of Members or debenture holder or other security holders.</b>	The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made thereunder 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.
68.	<b>Custody of transfer Deeds.</b>	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.
69.	<b>Application for transfer of partly paid shares.</b>	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.
70.	<b>Notice transferee.</b>	to 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.
71.	<b>Recognition legal representative.</b>	of (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. (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 (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.
72.	<b>Titles of Shares of deceased Member</b>	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons 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 72of the Companies Act.

Article No.	Articles	Particulars
73.	<b>Notice of application when to be given</b>	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.
74.	<b>Registration of persons entitled to share otherwise than by transfer. (transmission clause).</b>	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'.
75.	<b>Refusal to register nominee.</b>	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.
76.	<b>Board may require evidence of transmission.</b>	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 indemnity.
77.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>	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.
78.	<b>Form of transfer Outside India.</b>	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.
79.	<b>No transfer to insolvent etc.</b>	No transfer shall be made to any minor, insolvent or person of unsound mind.
<b>NOMINATION</b>		
80.	<b>Nomination</b>	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.



Article No.	Articles	Particulars
		<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>iv) 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>
81.	<b>Transmission of Securities by nominee</b>	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>i) to be registered himself as holder of the security, as the case may be; or</p> <p>ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>iii) 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>iv) 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 dividends, 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>
<b>DEMATERIALIZATION OF SHARES</b>		
82.	<b>Dematerialisation of Securities</b>	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.
<b>JOINT HOLDER</b>		
83.	<b>Joint Holders</b>	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.
84.(a)	<b>Joint and several liabilities for all payments in respect of shares.</b>	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.
84.(b)	<b>Title of survivors.</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;
84.(c)	<b>Receipts of one sufficient.</b>	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

Article No.	Articles	Particulars
84.(d)	<b>Delivery of certificate and giving of notices to first named holders.</b>	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.
<b>SHARE WARRANTS</b>		
85.	<b>Power to issue share warrants</b>	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.
86.	<b>Deposit of share warrants</b>	<p>(a) 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>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>
87.	<b>Privileges and disabilities of the holders of share warrant</b>	<p>(a) 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>(b) 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>
88.	<b>Issue of new share warrant coupons</b>	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.
<b>CONVERSION OF SHARES INTO STOCK</b>		
89.	<b>Conversion of shares into stock or reconversion.</b>	<p>The Company may, by ordinary resolution in General Meeting.</p> <p>(a) convert any fully paid-up shares into stock; and</p> <p>(b) re-convert any stock into fully paid-up shares of any denomination.</p>
90.	<b>Transfer of stock.</b>	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 that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
91.	<b>Rights of stock holders.</b>	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

Article No.	Articles	Particulars
		conferred that privilege or advantage.
92.	<b>Regulations.</b>	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.
<b>BORROWING POWERS</b>		
93.	<b>Power to borrow.</b>	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, any body 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.
94.	<b>Issue of discount etc. or with special privileges.</b>	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.
95.	<b>Securing payment or repayment of Moneys borrowed.</b>	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, 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.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>	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.
97.	<b>Mortgage of uncalled Capital.</b>	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.
98.	<b>Indemnity may be given.</b>	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.

Article No.	Articles	Particulars
<b>MEETINGS OF MEMBERS</b>		
99.	<b>Distinction between AGM &amp; EGM.</b>	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.
100. (a)	<b>Extra-Ordinary General Meeting by Board and by requisition</b>	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
100. (b)	<b>When a Director or any two Members may call an Extra-Ordinary General Meeting</b>	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.
101.	<b>Meeting not to transact business not mentioned in notice.</b>	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.
102.	<b>Chairman of General Meeting</b>	The Chairman (if any) of the Board of Directors shall be entitled 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.
103.	<b>Business confined to election of Chairman whilst chair is vacant.</b>	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.
104.	<b>Chairman with consent may adjourn meeting.</b>	<p>a) 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.</p> <p>b) 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>c) 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>d) 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>
105.	<b>Chairman's casting vote.</b>	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.
106.	<b>In what case poll taken without adjournment.</b>	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.
107.	<b>Demand for poll not to prevent</b>	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

Article No.	Articles	Particulars
	<b>transaction of other business.</b>	transaction of any business other than the question on which the poll has been demanded.
<b>VOTES OF MEMBERS</b>		
<b>108.</b>	<b>Members in arrears not to vote.</b>	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.
<b>109.</b>	<b>Number of votes each member entitled.</b>	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 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.
<b>110.</b>	<b>Casting of votes by a member entitled to more than one vote.</b>	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.
<b>111.</b>	<b>Vote of member of unsound mind and of minor</b>	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.
<b>112.</b>	<b>Postal Ballot</b>	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.
<b>113.</b>	<b>E-Voting</b>	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
<b>114.</b>	<b>Votes of joint members.</b>	<p>a) 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 joint holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>
<b>115.</b>	<b>Votes may be given by proxy or by representative</b>	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

<b>Article No.</b>	<b>Articles</b>	<b>Particulars</b>
<b>116.</b>	<b>Representation of a body corporate.</b>	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 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.
<b>117. (a)</b>	<b>Members paying money in advance.</b>	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.
<b>117. (b)</b>	<b>Members not prohibited if share not held for any specified period.</b>	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.
<b>118.</b>	<b>Votes in respect of shares of deceased or insolvent members.</b>	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.
<b>119.</b>	<b>No votes by proxy on show of hands.</b>	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.
<b>120.</b>	<b>Appointment of a Proxy.</b>	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.
<b>121.</b>	<b>Form of proxy.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
<b>122.</b>	<b>Validity of votes given by proxy notwithstanding death of a member.</b>	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 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.
<b>123.</b>	<b>Time for objections to votes.</b>	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.

Article No.	Articles	Particulars
124.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>	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.
<b>DIRECTORS</b>		
125.	<b>Number of Directors</b>	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.
126.	<b>Qualification shares.</b>	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.
127.	<b>Nominee Directors.</b>	<p>(a) 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</p> <p>(b) 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.</p> <p>(c) 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.</p> <p>(d) 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.</p>
128.	<b>Appointment of alternate Director.</b>	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.
129.	<b>Additional Director</b>	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 upto the date of the next Annual General Meeting.
130.	<b>Directors power to fill casual vacancies.</b>	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 upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.

Article No.	Articles	Particulars
131.	<b>Sitting Fees.</b>	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.
132.	<b>Travelling expenses Incurred by Director on Company's business.</b>	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.
<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>		
133.	<b>Meetings of Directors.</b>	(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.
134.	<b>Chairperson</b>	(a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period 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. (b) 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.
135.	<b>Questions at Board meeting how decided.</b>	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.
136.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>	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.
137.	<b>Directors may appoint committee.</b>	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 fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
138.	<b>Committee Meetings how to be governed.</b>	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.
139.	<b>Chairperson Committee Meetings</b>	(a) A committee may elect a Chairperson of its meetings. (b) 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.
140.	<b>Meetings of the</b>	(a) A committee may meet and adjourn as it thinks fit.



Article No.	Articles	Particulars
	<b>Committee</b>	(b) 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.
<b>141.</b>	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>	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 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.
<b>RETIREMENT AND ROTATION OF DIRECTORS</b>		
<b>142.</b>	<b>Power to fill casual vacancy</b>	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.
<b>POWERS OF THE BOARD</b>		
<b>143.</b>	<b>Powers of the Board</b>	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.
<b>144.</b>	<b>Certain powers of the Board</b>	<p>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:</p> <ol style="list-style-type: none"> <li>(1) 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.</li> <li>(2) 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.</li> <li>(3) 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 company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.</li> <li>(4) 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</li> </ol>

Article No.	Articles	Particulars
		<p>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.</p> <p>(5) 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.</p> <p>(6) 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.</p> <p>(7) To secure the fulfillment 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.</p> <p>(8) 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.</p> <p>(9) 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.</p> <p>(10) 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.</p> <p>(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.</p> <p>(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.</p> <p>(13) 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.</p> <p>(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or 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;</p> <p>(15) 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.</p>

Article No.	Articles	Particulars
		<p>(16) 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.</p> <p>(17) 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.</p> <p>(18) 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 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 depredation 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>(19) 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>(20) 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</p>

Article No.	Articles	Particulars
		<p>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>(21) 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 and things in the name and on behalf of the Company as they may consider expedient.</p> <p>(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.</p> <p>(23) 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.</p> <p>(24) 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.</p> <p>(25) 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.</p> <p>(26) To redeem preference shares.</p> <p>(27) 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.</p> <p>(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.</p> <p>(29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.</p> <p>(30) 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 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>(31) 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>

Article No.	Articles	Particulars
		(32) 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.
		(33) 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.
		(34) 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.
		(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, 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.
		(36) 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.
		(37) 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.
		(38) 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.

#### MANAGING AND WHOLE-TIME DIRECTORS

145.	<b>Powers to appoint Managing/ Whole-time Directors.</b>	<p>(a) 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>(b) 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>
146.	<b>Remuneration of Managing or Whole-time Director.</b>	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.
147.	<b>Powers and duties of Managing</b>	(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

Article No.	Articles	Particulars
	<b>Director or Whole-time Director.</b>	<p>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 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 especially 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>
<b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER</b>		
148.	<b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>	<p>(a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>(b) 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>
<b>THE SEAL</b>		
149.	<b>The seal, its custody and use.</b>	<p>(a) 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, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) 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>
150.	<b>Deeds</b>	<b>how</b> 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

Article No.	Articles	Particulars
	<b>executed.</b>	by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.
<b>DIVIDEND AND RESERVES</b>		
<b>151.</b>	<b>Division of profits.</b>	<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>
<b>152.</b>	<b>The company in General Meeting may declare Dividends.</b>	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.
<b>153.</b>	<b>Transfer reserves</b>	<p><b>to</b> (a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>(b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>
<b>154.</b>	<b>Interim Dividend.</b>	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.
<b>155.</b>	<b>Debts may be deducted.</b>	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.
<b>156.</b>	<b>Capital paid up in advance not to earn dividend.</b>	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.
<b>157.</b>	<b>Dividends proportion amount paid-up</b>	<b>in to</b> 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.
<b>158.</b>	<b>Retention dividends completion transfer</b>	<b>of until of under</b> 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.

Article No.	Articles	Particulars
<b>Articles.</b>		
159.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>	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.
160.	<b>Effect of transfer of shares.</b>	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.
161.	<b>Dividend to joint holders.</b>	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.
162.	<b>Dividends how remitted.</b>	<p>(a) 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>(b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>
163.	<b>Notice of dividend.</b>	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
164.	<b>No interest on Dividends.</b>	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.
<b>CAPITALIZATION</b>		
165.	<b>Capitalization.</b>	<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>



Article No.	Articles	Particulars
166.	<b>Fractional Certificates.</b>	<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 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>
167.	<b>Inspection of Minutes Books of General Meetings.</b>	<p>(1) 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>(2) 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 Rs. 10 per page or any part thereof.</p>
168.	<b>Inspection of Accounts</b>	<p>(a) 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>(b) 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>
<b>FOREIGN REGISTER</b>		
169.	<b>Foreign Register.</b>	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.
<b>DOCUMENTS AND SERVICE OF NOTICES</b>		
170.	<b>Signing documents &amp; notices to be served or given.</b>	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.

Article No.	Articles	Particulars
171.	<b>Authentication of documents and proceedings.</b>	Save as otherwise expressly provided in the Act, a document or 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.
<b>WINDING UP</b>		
172.		Subject to the provisions of Chapter XX of the Act and rules made thereunder— <ul style="list-style-type: none"> <li>(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.</li> <li>(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.</li> <li>(iii) (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.</li> </ul>
<b>INDEMNITY</b>		
173.	<b>Directors' and others right to indemnity.</b>	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 favor, 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.
174.	Not responsible for acts of others	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 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.
<b>SECRECY</b>		
175 (a)	<b>Secrecy</b>	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

Article No.	Articles	Particulars
		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.
<b>175 (b)</b>	<b>Access to property information etc.</b>	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.

## **SECTION X – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been attached to the copy of the Prospectus submitted with RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10:30 a.m. and 5:30 p.m. on all Working Days from Issue Opening Date until the Issue Closing Date.

#### **A. Material Contracts**

1. Issue Agreement dated April 13, 2022 between our Company and the Lead Manager.
2. Memorandum of Understanding dated March 09, 2022 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the Lead Manager, Escrow Collection Bank(s) and the Registrar to the Issue.
4. Market Making Agreement dated [●] between our Company, the Lead Manager and Market Maker.
5. Underwriting Agreement dated [●] between our Company, the Lead Manager and Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated March 15, 2022.
7. Tripartite agreement between the CDSL, our Company and the Registrar dated August 27, 2020.

#### **B. Material Documents**

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificates of Incorporation of Sabar Flex Industries Limited.
3. Resolution of the Board of Directors meeting dated March 16, 2022 authorizing the issue.
4. Shareholders' resolution passed at the EGM held with shorter notice on March 21, 2022 authorizing the issue.
5. Auditor's report for Restated Financials dated February 10, 2022 included in this Draft Prospectus.
6. The Statement of Tax Benefits dated March 30, 2022 from our Statutory Auditors.
7. Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Lead Manager, Banker to the issue, Banker to the Company, Legal Advisor to the Issue, Registrar to the Issue, Market Maker and Underwriters as referred to in their specific capacities.
8. Approval from National Stock Exchange of India Limited vide letter dated [●] to use the name of National Stock Exchange of India Limited in this offer document for listing of equity shares on the Emerge Platform of National Stock Exchange of India Limited.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

### **DECLARATION**

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, SCRA, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

Signed by all the Directors of our Company.

<b>Name and Designation</b>	<b>Signature</b>
<b>Hikmatbahadur Krishnabahadur Kunwar</b> <i>Managing Director</i>	sd/-
<b>Manoj Kumar Agarwal</b> <i>Director</i>	sd/-
<b>Sonalbaben Pratikbhai Bhatt</b> <i>Non-Executive Director</i>	sd/-
<b>Shubham Bhatt</b> <i>Additional Independent Director</i>	sd/-
<b>Bhavna Shah</b> <i>Additional Independent Director</i>	sd/-

Signed by Chief Financial Officer of the Company.

sd/-

---

**Tinkle Rawal**

Chief Financial Officer

**Place:** Ahmedabad

**Date:** April 13, 2022