

**DRAFT PROSPECTUS**

Dated: June 27, 2022

**Fixed Price Issue**

(Please read section 26 of the Companies Act, 2013)

(This Draft Prospectus will be updated upon filing with the RoC)

**MAFIA TRENDS LIMITED**  
CIN: U51909GJ2017PLC095649

Registered Office	Contact Person	Email and telephone	Website
1, Prabhu Kutir Complex, Sandesh Press Road, Vastrapur, Ahmedabad – 380 015, Gujarat, India.	Shashank Poddar	<b>Email-id:</b> grievance@mafiastores.com <b>Telephone:</b> +91 77780 43457	www.mafiastores.com

**PROMOTERS OF OUR COMPANY: RAJENDRA SINGH RAJPUROHIT AND MAHENDRA SINGH RAJPUROHIT****DETAILS OF THE ISSUE**

TYPE	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Initial public offering of up to 13,00,000 Equity Shares of face value ₹ 10/- each (“ <b>Equity Shares</b> ”) aggregating up to ₹ [●] lakhs (the “ <b>Issue</b> ”)	This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations and in terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company.

**Details of offer for sale:** This is a fresh issue of Equity Shares by the Company and does not have an offer for sale portion.

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. 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. 69 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**

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. 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 69 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.

**OUR COMPANY’S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares offered through the Prospectus are proposed to be listed on the SME Platform of BSE Limited. Our Company has received an ‘in-principle’ approval letter dated [●] from BSE for using its name in this offer document for listing our shares on the SME Platform of the BSE. For the purpose of this Offer, the Designated Stock Exchange will be BSE Limited (“BSE”). A signed copy of the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Prospectus up to the Issue Closing Date, see “Material Contracts and Documents for Inspection” on page 247 of this Draft Prospectus.

**LEAD MANAGER****REGISTRAR TO THE ISSUE**

 <b>GYR</b> <b>Capital Advisors</b> <small>CLARITY   TRUST   GROWTH</small>	 <b>LINK Intime</b> <b>LINK Intime</b>
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**GYR CAPITAL ADVISORS PRIVATE LIMITED**  
(Formerly known as Alpha Numero Services Private Limited)  
428, Gala Empire, Near JB Tower, Drive in Road,  
Thaltej, Ahmedabad-380 054, Gujarat, India.  
**Telephone:** +91 87775 64648  
**Facsimile:** N.A.  
**E-mail:** info@gyrcapitaladvisors.com  
**Website:** www.gyrcapitaladvisors.com  
**Investor grievance:** investors@gyrcapitaladvisors.com  
**Contact Person:** Mohit Baid  
**SEBI Registration Number:** INM000012810

**Link Intime India Private Limited**  
C-101, 247 Park, 1st Floor, L.B.S. Marg,  
Vikhroli West, Mumbai – 400 083  
Maharashtra, India  
**Contact Person:** Shanti Gopalkrishnan  
**Tel:** +91 22 4918 6200  
**Email:** mafia.ipo@linkintime.co.in  
**Investor grievance e-mail:** mafia.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in  
**SEBI Registration No. :** INR000004058  
**CIN:** U67190MH1999PTC118368

**ISSUE PERIOD**

ISSUE OPENS ON	[●]	ISSUE CLOSES ON	[●]
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## MAFIA TRENDS LIMITED

CIN: U51909GJ2017PLC095649

Our Company was incorporated as 'Mafia Trends Private Limited' on February 07, 2017 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Gujarat at Ahmedabad. Pursuant to a special resolution of our Shareholders passed in the extra-ordinary general meeting held on December 22, 2021, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to 'Mafia Trends Limited', and a fresh certificate of incorporation dated January 12, 2022 was issued to our Company by the Registrar of Companies, Gujarat at Ahmedabad. The corporate identification number of our Company is U51909GJ2017PLC095649. For details of change in Registered Office of our Company, please refer to the chapter titled "History and Certain Corporate Matters" on page 125 of this Draft Prospectus.

**Registered Office:** 1, Prabhu Kutir Complex, Sandesh Press Road, Vastrapur, Ahmedabad – 380 015, Gujarat, India; **Telephone:** +91 77780 43457;  
**Contact Person:** Shashank Poddar, Company Secretary and Compliance Officer; **E-mail:** grievance@mafiastores.com; **Website:** www.mafiastores.com;  
**Corporate Identity Number:** U51909GJ2017PLC095649

### OUR PROMOTERS- RAJENDRA SINGH RAJPUROHIT AND MAHENDRA SINGH RAJPUROHIT

**PUBLIC ISSUE OF UP TO 13,00,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH ("EQUITY SHARES") OF MAFIA TRENDS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ [●] LACS ("ISSUE") OF THE ISSUE, [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS 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 OUR COMPANY. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 177 OF THE DRAFT PROSPECTUS.**

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 NIs 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 an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the irrelative 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 is invited to "Issue Procedure" on page 186 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 and 28 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 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. 69 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

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. 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 69 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.

### OUR COMPANY'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares offered through the Prospectus are proposed to be listed on the SME Platform of BSE Limited. Our Company has received an 'in-principle' approval letter dated [●] from BSE for using its name in this offer document for listing our shares on the SME Platform of the BSE. For the purpose of this Offer, the Designated Stock Exchange will be BSE Limited ("BSE"). A signed copy of the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Prospectus up to the Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 247 of this Draft Prospectus.

#### LEAD MANAGER



**GYR CAPITAL ADVISORS PRIVATE LIMITED**  
428, Gala Empire, Near JB Tower,  
Drive in Road, Thaltej,  
Ahmedabad-380 054,  
Gujarat, India.  
**Telephone:** +91 87775 64648  
**Facsimile:** N.A.  
**E-mail:** info@gyrcapitaladvisors.com  
**Website:** www.gyrcapitaladvisors.com  
**Investor grievance:** investors@gyrcapitaladvisors.com  
**Contact Person:** Mohit Baid  
**SEBI Registration Number:** INM000012810

#### REGISTRAR TO THE ISSUE



**Link Intime India Private Limited**  
C-101, 247 Park, 1st Floor, L.B.S. Marg,  
Vikhroli West, Mumbai – 400 083  
Maharashtra, India  
**Contact Person :** Shanti Gopalkrishnan  
**Tel:** +91 22 4918 6200  
**Email:** mafia.ipo@linkintime.co.in  
**Investor grievance e-mail:**  
mafia.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in  
**SEBI Registration No. :** INR000004058  
**CIN:** U67190MH1999PTC118368

#### ISSUE PROGRAMME

ISSUE OPENS ON	[●]
ISSUE CLOSES ON	[●]

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise 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

Term	Description
“Company”, “our Company”, “Mafia”, “the Company”, “the Issuer” or “MTL”	Mafia Trends Limited, a company incorporated under the Companies Act, 2013, having its registered office at 1, Prabhu Kutir Complex, Sandesh Press Road, Vastrapur, Ahmedabad – 380 015, Gujarat, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.

#### Company Related Terms

Term	Description
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 128 of this Draft Prospectus.
Auditor / Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, M/s. Piyush Kothari & 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	Nikundra Harjibhai Desai, the Chief Financial Officer of our Company.
Company Secretary and Compliance Officer	Shashank Poddar, the Company Secretary and the Compliance Officer of our Company.
Corporate Social Responsibility Committee	The committee of the Board of directors constituted as our Company’s corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 128 of this Draft Prospectus.
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 ₹ 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.

<b>Term</b>	<b>Description</b>
Promoters	Promoters of our Company, namely Rajendra Singh Rajpurohit and Mahendra Singh Rajpurohit. For further details, please see the section entitled “ <i>Our Promoters and Promoter Group</i> ” on page 140 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 128 of this Draft Prospectus.
Managing Director/ MD	The managing director of our Company is Rajendra Singh Rajpurohit.
Materiality Policy	A policy adopted by our Company, in its Board meeting held on May 09, 2022, , for identification of group companies, material creditors and material litigations.
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 128 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 140 of this Draft Prospectus.
Registered Office	The registered office of our Company situated at 1, Prabhu Kutir Complex, Sandesh Press Road, Vastrapur, Ahmedabad – 380 015, 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 nine months period ended January 31, 2022 and 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 147 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 128 of this Draft Prospectus.
Whole-time Director	The whole-time director of our Company is Mahendra Singh Rajpurohit.

#### **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 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.

<b>Term</b>	<b>Description</b>
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 [●].
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 186 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.bseindia.com">www.bseindia.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 BSE ( <a href="http://www.bseindia.com">www.bseindia.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

<b>Term</b>	<b>Description</b>
	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	BSE 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.
Draft Prospectus/DP	This Draft Prospectus dated [●] 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 constitute 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 [●] 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.



<b>Term</b>	<b>Description</b>
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 63 of this Draft Prospectus.
Issue/Issue Size	Initial Public Offering of up to 13,00,000 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 63 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, 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 May 13, 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 BSE.

<b>Term</b>	<b>Description</b>
Registrar to the Issue / Registrar	Link Intime India 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	BSE 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 Agreements	The agreement dated [●] entered into among the Underwriters and our Company prior to the 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, circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022 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.

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

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

<b>Term</b>	<b>Description</b>
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 14A under the Securities Act
₹/Rs./ Indian Rupees/ 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 Regulations AIF	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 Regulations ICDR	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Regulations FPI	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Regulations FVCI	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Ind AS Transition Circular	SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The government of a state in India
Trademarks Act	Trademarks Act, 1999
TDS	Tax deducted at source

<b>Term</b>	<b>Description</b>
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 months period ending December 31

### Industry Related Terms

<b>Term</b>	<b>Description</b>
B2C	Business-to-Consumer
COVID	Coronavirus Disease
DPIIT	Department for Promotion of Industry and Internal Trade
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HORECA	Hotel, Restaurant and Café sector
NSO	National Statistical Office
PLI	Production Linked Incentive
QSR	Quick Service Restaurants
RAI	Retailers Association of India

Notwithstanding the foregoing, terms in “*Description of Equity Shares and Terms of Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure*” on pages 237,71 , 74, 116, 147, 161 and 186 respectively of this Draft Prospectus, will have the meaning ascribed to such terms in these respective sections.

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

### **Certain Conventions**

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

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

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

### **Financial Data**

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled “*Financial Information*” on page 147 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) months period ended on March 31 of that year.

The Restated Financial Statements of our Company for the nine months period ended January 31, 2022 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 22, 91 and 148 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 22, 74 and 91 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			
	January 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019*
1 USD	74.55	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 69 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 22 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:

- The COVID-19 pandemic has had, and is expected to have, a material adverse effect on the garments industry which had a negative impact on our business, financial condition, results of operations and cash flows.
- We require several approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of “Mafia Trends Limited” from “Mafia Trends Private Limited” pursuant to name change of our company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.
- We are required to obtain licenses and approvals under several legislations. Our inability to obtain or renew such permits, approvals and licenses in the ordinary course of our business may adversely affect our business, financial condition and results of operations.
- We have committed defaults in repayment of the loans availed by our Company, in the past.
- If we are unable to maintain and enhance our brand, the sales of our products may suffer which would have a material adverse effect on our business operations.

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 22, 91 and 148, 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.

## OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including the sections entitled “*Risk Factors*”, “*Industry Overview*”, “*Outstanding Litigation and Material Developments*”, “*Our Promoters and Promoter Group*”, “*Financial Statements*”, “*Objects of the Issue*”, “*Our Business*”, “*Issue Procedure*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 22, 74, 161, 140, , 63, 91, 186 and 237, respectively.

### 1. Summary of Industry

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. India’s nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY2021-22. India is the third-largest unicorn base in the world with over 83 unicorns collectively valued at US\$ 277.77 billion, as per the Economic Survey. By 2025, India is expected to have 100 unicorns, which 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 January 28, 2022, foreign exchange reserves in India reached the US\$ 634.287 billion mark.

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

### 2. Summary of Business

We are one of the pioneers in setting up stores across various small Indian towns and cities including Anjar, Kalol, Baroda, alongwith Ahmedabad. We primarily operate in Tier-II and Tier-III cities, with a chain of ‘Value Retail’ departmental stores offering clothings, apparels, general merchandise catering to the men. Based in Ahmedabad, our operations are spread across small cities and some parts in Gujarat. In 2011, we started our operations. Our first store was named ‘Mafia Western Outfit’ at Ahmedabad, Gujarat, and currently operate 8 stores spread across 3 cities in Gujarat. Our stores are located in Ahmedabad, Kalol and Vadodara. Our Company follows the concept of ‘Value Retailing’ to target the strata of the population belonging to the expanding aspiring class and middle class based on our customer’s socio-economic conditions, purchasing power, demographic details and customer trends. We believe our offerings in untapped markets, provide our customers with a different shopping experience, comprising of a vast range of value retail products under a modern ambience and feel of a large retail mall.

Our business revolves around the marketing and selling of Men’s fashion which includes Apparels such as Jeans, T-shirts, Shirts, Chinos, Formal trousers and Formal shirts. Our business is based on the primary concept of ‘Value Retailing’ following which we aim to provide the latest fashion trends in apparels and non-apparels for men with an added focus on demands of the youth and young generation. We source our products, including private labels, directly from the regions where such products are widely available or manufactured, to minimize our procurement costs and offer quality products at such costs. Our strong sourcing capability is backed by an efficient logistics network, which is supported by strong IT infrastructure, systems and processes, thus enabling us in achieving our goal of ‘Value Retailing.’

For further details, please refer to chapter titled “*Our Business*” on page 91 of this Draft Prospectus.

### 3. Promoters

Rajendra Singh Rajpurohit and Mahendra Singh Rajpurohit are the Promoters of our Company. For further details please see chapter titled “*Our Promoters and Promoter Group*” beginning on page 140 of this Draft Prospectus.

### 4. Issue

Initial Public Offer is of upto 13,00,000 Equity Shares of face value of ₹ 10 each of the Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating upto ₹ [●] lacs. For further details, please see chapter titled “*The Issue*” beginning on page 42 of this Draft Prospectus.

### 5. Objects of the Issue

(₹ in lacs)

Sr. No.	Particulars	Estimated amount
1.	Funding of working capital requirements	300
2.	General corporate purposes <sup>(1)</sup>	[●]
3.	Issue Expenses	[●]

<sup>(1)</sup>To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, please see chapter titled “Objects of the Issue” beginning on page 63 of this Draft Prospectus.

## 6. Shareholding of Promoters and Promoter Group

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

Sr. No.	Name of the Shareholders	Pre-Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital
<b>Promoters</b>			
1.	Rajendra Singh Rajpurohit	2,25,000	7.14
2.	Mahendra Singh Rajpurohit	24,44,310	77.61
<b>Promoter Group</b>			
3.	Abita Kanwar	28,098	0.89
4.	Punam Rajpurohit	28,098	0.89
5.	Navratan Rajpuohit	28,098	0.89
<b>Total</b>		<b>27,53,604</b>	<b>87.42</b>

For further details, please see chapter titled “Capital Structure” on page 53 of this Draft Prospectus.

## 7. Summary of Restated Financial Information

Following are the details as per the Restated Financial Information as at and for the nine months period ended January 31, 2022 and for the Financial Years ended on March 31, 2021, 2020 and 2019:

(₹ in lacs)

S. No.	Particulars	January 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
1.	Share Capital	62.44	62.44	62.44	62.44
2.	Net Worth	208.62	167.20	140.20	139.75
3.	Revenue from operations	620.16	365.65	1,147.86	1,282.33
4.	Profit after Tax	41.42	27.00	0.45	22.02
5.	Earnings per Share	6.63	4.32	0.07	21.11
6.	Net Asset Value per equity share	43.41	36.78	32.45	32.38
7.	Total borrowings	223.30	263.16	276.45	236.99

For further details, please refer the section titled “Financial Information” on page 147 of this Draft Prospectus.

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

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

## 9. Summary of Outstanding Litigation

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

### a) Litigations involving our Company

i) Cases filed against our Company:

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	02	Not quantifiable
Direct Tax matters	03	19.55
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

*\*To the extent quantifiable*

ii) *Cases filed by our Company:*

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

*\*To the extent quantifiable*

#### **b) Litigations filed against our Promoters**

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	04	Not quantifiable
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

*\*To the extent quantifiable*

#### **c) Litigations filed against our Directors**

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	04	Not quantifiable
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

*\*To the extent quantifiable*

For further details, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page 161 of this Draft Prospectus.

### **10. Risk Factors**

Please see the chapter titled “*Risk Factors*” beginning on page 22 of this Draft Prospectus.

### **11. Summary of Contingent Liabilities**

Following are the details as per the Restated Financial Information as at and for the nine months period ended January 31, 2022 and for the Financial Years ended on March 31, 2021, 2020 and 2019:

<b>Particulars</b>	<b>January 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
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NIL

For further details, please see the chapters titled “*Restated Financial Information*” at page 147 of this Draft Prospectus.

### **12. Summary of Related Party Transactions**

Following are the details as per the Restated Consolidated Financial Information as at and for the nine months period ended January 31, 2022 and for the Financial Years ended on March 31, 2021, 2020 and 2019:

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the period end January 31, 2022	Amount outstanding as on January 31, 2022	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
Rajendra Singh Rajpurohit	Director	Director Remuneration	-	(3.00)	3.00	(3.00)	8.00	(10.80)	10.00	(1.05)
		Loan Taken	58.14	(21.09)	34.38	38.90	25.76			
		Loan Repaid	37.06	-	45.18	37.16	27.73			
Mahendra Singh Rajpurohit	Director	Director Remuneration	-	(3.00)	3.00	(3.00)	4.00	4.36	6.00	(0.15)
		Loan Taken	4.93	(3.48)	20.51	-	156.25			
		Loan Repaid	1.45	-	16.15	-	161.12			
A M Enterprise	Partnership Firm of Director	Loan Taken	-	16.54	-	21.50	-	31.69	-	1.02
		Loan Repaid	-	-	-	-	-			
		Purchase (Incl GST)	5.46	-	-	-	-			
		Sales(Incl GST)	-	-	8.32	54.67	14.00			
Aarya Creation	Proprietorship Concern of Director	Sales (Incl GST)	-	41.76	-	41.76	94.43	41.76	-	0.73
		Advance Given	-	-	-	41.03	0.73			
		Purchases (Incl GST)	-	-	-	119.51	-			
Abhiraj Trends	Partnership Firm of Director	Sales (Incl GST)	-	(77.40)	-	(94.72)	24.94	(459.91)	-	(182.81)
		Purchases (Incl GST)	-	-	-	692.78	314.04			
Mafia (Akarnagar)	Partnership Firm of Director	Sales (Incl GST)	-	-	0.03	0.03	-	-	14.63	34.99
		Purchases (Incl GST)	-	-	-	-	-			
Mafia (Bapunagar)	Partnership Firm of Director	Sales (Incl GST)	-	14.46	-	14.71	0.38	14.71	7.72	14.33
		Purchases (Incl GST)	-	-	-	-	-			
Janvi Creation	Proprietorship Concern of Director	Sales (Incl GST)	-	-	-	-	-	(1.39)	-	-
		Purchases (Incl GST)	-	-	-	1.39	-			
Smuggler (Bapunagar)	Partnership Firm of Director	Sales (Incl GST)	-	-	-	18.91	-	18.91	1.61	19.41
		Purchases (Incl GST)	-	-	-	-	-			
Lootere	Partnership Firm of Director	Loan Taken	-	-	2.24	-	-	(8.30)	-	82.10
		Loan Repaid	-	-	10.54	-	-			
		Sales(Incl GST)	-	-	-	-	38.23			
		Purchases (Incl GST)	-	-	-	-	-			
Mafia Garment	Proprietorship Concern of Director	Loan Taken	-	-	126.42	-	-	(133.33)	-	(145.31)
		Loan Repaid	-	-	259.75	-	-			
		Sales(Incl GST)	-	-	-	-	-			
		Purchases (Incl GST)	-	-	-	-	183.20			
Harvey London	Proprietorship Concern of Relative of Director	Purchases (Incl GST)	3.79	26.29	14.59	(2.21)	24.65	(6.58)	-	-
Shilpa Rajpurohit	Relative of Director	Rent Deposit	0.60	7.00	-	6.40	6.40	6.40	-	-
		Rent Paid	-	-	-	-	-	-	-	-
Abhita Rajpurohit	Relative of Director	Salary given	-	(8.66)	0.69	-	-	-	0.54	-
		Loan Taken	9.99	-	-	-	-	-	-	-
		Loan Repaid	1.33	-	-	-	-	-	-	-

For further details, please see the chapters titled "Restated Financial Information" at page 147 of this Draft Prospectus.

### 13. Financials Arrangements

There are no financing arrangements whereby the Promoters, members of the 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 months immediately preceding the date of the Draft Prospectus.

### 14. Weighted Average Price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Draft Prospectus

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

Name of Promoters	No. of shares acquired in last one year from the date of this Draft Prospectus	Weighted Average Price (in ₹)
Rajendra Singh Rajpurohit	1,75,000	N.A.
Mahendra Singh Rajpurohit	19,01,130	N.A.

### 15. Details of acquisition of specified securities by our Promoters, members of the Promoter Group, and other Shareholders with nominee director rights or other rights, in the last three years preceding the date of this Draft Prospectus

Name of acquirer/ shareholder	Date of acquisition of equity shares	No. of shares acquired	Acquisition price per share
Abita Kanwar	November 25, 2021	6,244	160.00.
Punam Rajpurohit	November 25, 2021	6,244	160.00
Shashank Rajpurohit	November 25, 2021	6,244	160.00
Navratan Rajpurohit	November 29, 2021	6,244	160.00
Mukesh Singh	November 25, 2021	6,244	160.00
Yogesh Prajapati	March 30, 2022	75,500	40.00

### 16. Average Cost of Acquisition of Shares for Promoters

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

Name of Promoters	No. of shares held	Average Cost of Acquisition (in ₹)
Rajendra Singh Rajpurohit	2,25,000	2.22
Mahendra Singh Rajpurohit	24,44,310	8.31

### 17. Pre-IPO Placement

Our Company does not contemplate any issuance or placement of Equity Shares in this Issue.

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

Except as stated in "Capital Structure - Issue of equity shares for consideration other than cash or out of revaluation reserves and through Bonus Issue" at page 53 of this Draft Prospectus, 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.

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

No split or consolidation of equity shares has been made in the last one year prior to filing of this Draft Prospectus.

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

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

## SECTION II – RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.*

*To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 74, 91 and 148 of this Draft Prospectus, respectively. The industry-related information disclosed in this section that is not otherwise publicly available is derived 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.*

*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, in the section titled “Forward-Looking Statements” on page 15 of this Draft Prospectus.*

*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. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information.*

*Materiality:*

*The Risk Factors have 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 qualitatively instead of quantitatively; and*
- Some events may not be material at present but may have a material impact in future.*

*The financial and other related implications of risks concerned, whether quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.*

*In this Draft Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.*

*In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Mafia Trends Limited*

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

### INTERNAL RISK FACTORS



## **BUSINESS RELATED RISKS**

- 1. The COVID-19 pandemic has had, and is expected to have, a material adverse effect on the garments industry which had a negative impact on our business, financial condition, results of operations and cash flows.***

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the industry in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the onslaught of the third wave of the virus and the likelihood of a fourth 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.

Further if in case due to any fourth or consequent wave of Coronavirus or surge in new and deadly variants of the Virus, if another lockdown is imposed in the country and further restrictions are imposed by the government, we may face huge losses and our business operations could be severely impacted. Any such restrictions could cause delays in the completion of our orders and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition.

- 2. We require several approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of “Mafia Trends Limited” from “Mafia Trends Private Limited” pursuant to name change of our company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.***

We require several approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. Also, we were a private limited company in the name of “Mafia Trends Private Limited” which was carrying business. After complying with the relevant procedure of Companies Act, 2013, the said private limited company was converted into a public limited company in the year 2022. Upon conversion there was change of name of the company from “Mafia Trends Private Limited” to “Mafia Trends Limited”. We shall be taking necessary steps for transferring the approvals in new name of our Company. In case we fail to transfer/obtain the same in name of the Company the same may adversely affect our business or we may not be able to carry our business. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. Also, Company is in process for applying certain licenses and registrations, for further details, see chapter “Government and Other Statutory Approvals” on page 165 of this Draft Prospectus.

- 3. We are required to obtain licenses and approvals under several legislations. Our inability to obtain or renew such permits, approvals and licenses in the ordinary course of our business may adversely affect our business, financial condition and results of operations.***

We are required to obtain and renew various licenses and approvals under several legislations from time to time, such as, the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and the relevant rules and regulations. These approvals, licenses, registrations and permits are subject to several conditions and are primarily valid for a specific period. However, in some cases, these licenses could have been granted for shorter period as well. These licenses contain certain terms and conditions which are required to be complied with throughout the period of the license. In respect of the licenses which are applicable to us and have not been availed by our Company, we may not be able to comply with the terms listed therein, for instance, we have not availed a provident fund registration under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and therefore the relevant compliances relating to provident fund for our employees have not been complied with. We cannot assure you that we shall be able to obtain or renew such licenses or

be able to continuously meet such conditions specified in such licenses or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant consents/permits/licenses/approvals. With respect to some of our outlets, while we do not require to obtain any specific approval or license at this stage, we may, in the future, at future relevant stages require to apply for and obtain any such approvals or licenses that may be required to be obtained. We cannot assure you that we shall be able to obtain such licenses or approvals on a timely manner or at all which may affect the timelines or the operations of the outlet. We cannot assure you that the relevant authorities will not initiate penal actions against us, restrain our operations, impose fines/penalties or initiate legal proceedings for inability to obtain approvals or comply with the terms listed therein, in a timely manner or at all. Any such failure or delay in obtaining such consents, approvals, permits and licenses may affect our ability to continue our operations, which may in turn have an adverse effect on our business, financial condition and results of operations.

**4. *We have committed defaults in repayment of the loans availed by our Company, in the past.***

Our Company had availed a loan from Kotak Mahindra Bank Limited (the “**Bank**”) of an amount of ₹ 17.87 lakhs and had issued a cheque bearing number 103802 dated March 03, 2021 for an amount of ₹ 16.27 lakhs towards its repayment, which got dishonoured. The Bank filed a criminal case against our Company and one of our Promoters, Rajendra Singh Rajpurohit before the Hon’ble Additional Chief Metropolitan Magistrate Court under Section 138 of the Negotiable Instruments Act, 1881. Subsequently, the Bank and our Company mutually agreed to settle the matter before a sole arbitrator and therefore filed a claim under the Arbitration and Conciliation Act, 1996 pursuant to which an award dated June 30, 2021 was passed by the arbitrator directing us to pay (i) a claim sum of ₹ 18.00 lakhs along with an interest at the rate of 18% on the awarded sum from the date of the award until the award is paid in full and (ii) an additional sum of ₹ 2,000 towards arbitration fee and expenses. Our Company is in the process of making payment towards the award and the criminal case is therefore pending. For further details, please see “*Outstanding Litigation and Material Developments*” at page 161.

We cannot assure you that a default under any of our existing financing agreements will not occur which 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. Defaults under one or more of our Company’s financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition.

**5. *Our entire business operations are based out of a single warehouse at Ahmedabad. The loss of, or shutdown of, our warehouse or any disruption in the operation of our warehouse will adversely affect our business, financial condition and results of operations.***

Our business operations are based out of a single warehouse located in Ahmedabad, Gujarat. Accordingly, we rely exclusively on our warehouse for our continued business operations to earn revenues, pay our operating expenses and service our debt obligations. Any significant disruption, including social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect operations. Any failure of our systems or any shutdown of warehouse for any reason could result in significant increase of costs and delays in execution of orders. We do not have a diversified base of operations, and local disturbances which would have a material adverse effect on our business, and consequently on our operations and financial condition.

Further, our warehouse is subject to operating risks, such as performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Any disruption of operations of our warehouse could result in delayed delivery of our product, which in turn may lead to disputes and legal proceedings with our customers on account of any losses suffered by them or any interruption of their business operations due to such delay or defect. While our strategic objectives include geographical expansion across India, in the event that we are unable to make available our products in a prompt manner and within the requisite timelines our business, financial condition and prospects may be adversely affected.

**6. *If we are unable to maintain and enhance our brand, the sales of our products may suffer which would have a material adverse effect on our business operations.***

Over the years, our brand “Mafia Trends” has significantly contributed to the success of our business and

maintaining and enhancing our brand may require us to make substantial investments in areas such as research and development, outlet operations, marketing and employee training, and these investments may not be successful. In particular, as we expand into new geographical regions, consumers in these markets may initially resist accepting our brand. Given the kind of competition, we anticipate that maintaining and enhancing our brand may become increasingly difficult and expensive. Our success will depend largely on our ability to maintain, anticipate, gauge and respond in a timely manner to changing fashion trends and consumer demands and preferences, and to continue to provide high quality products and services. This will attract our prospective consumers and develop faith for our brand. Further, our business is also dependent on the trust that our customers have in our brand and products. If our Company is unable to maintain the quality of its products, it could lead to a negative publicity of our brand name and image in the market. Such negative publicity of our brand name could adversely affect our profitability and business operations.

**7. *If our Company is unable to continue being creative in our designs or if we are unable to keep up to the changing fashion trends, our sales could be affected.***

Our results of operations depend upon the continued demand by consumers for our products. We operate in an industry that is highly competitive and where customers' purchases are highly subjective and sensitive to trends and fashion tastes. Creativity and being abreast with the latest fashion trends is one of the key attributes for success in this industry. For our Company to remain competitive in respect of appealing designs, our designers have to keep themselves abreast with the latest global trends, and fashion demands and more importantly understand the requirements of the customers. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to modify our products on a timely basis, we may lose customers to our competitors, or may be forced to reduce our sales realization on products by having to offer them at a discount, thereby reducing our margins. For instance, our typical design for a season begins well in advance of the season and we may not be able to incorporate trends that may be current to that season in the collection being released. A part of our production is for those products where we may not have an order in hand and the quantities are produced based on feedback received from merchandisers and management estimates. If we are not able to anticipate the demand, or misjudge the quantity, inter alia, this could lead to lower sales, higher inventories and higher discounts, each of which could have a material adverse effect on our brand, reputation, results of operations and financial condition.

**8. *There are outstanding litigations involving our Company, Promoters and Directors which, if determined adversely, may affect our business and financial condition. Further, in the past raids have been carried out at certain of our retail stores under the Copyright Act, 1957.***

As on the date of this Draft Prospectus, our Company, Promoters and Directors are involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We cannot assure you that these legal proceedings will be decided in favour of our Company, Promoters and Directors or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

A summary of the pending litigations involving our Company is provided below:

**a) Litigations involving our Company**

*i) Cases filed against our Company:*

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	02	Not quantifiable
Direct Tax matters	03	19.55
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

*\*To the extent quantifiable*

*ii) Cases filed by our Company:*

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

*\*To the extent quantifiable*

**b) Litigations filed against our Promoters**

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	04	Not quantifiable
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

*\*To the extent quantifiable*

**c) Litigations filed against our Directors**

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	04	Not quantifiable
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

*\*To the extent quantifiable*

Further, first information reports have been filed against our Promoters under Section 420 of the Indian Penal Code, 1860, pursuant to criminal raids carried out under the Copyright Act, 1957, for allegedly possessing, storing and selling counterfeit goods of brands such as Fossil, Diesel and Levi's. There can be no assurance that such raids shall not be carried out at the stores of our Company or that these legal proceedings will be decided in favour of our Promoters and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us or our Promoters, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

For further details, please refer to the section titled "Outstanding Litigation and Other Material Developments" on page 161 of this Draft Prospectus.

**9. Our continued operations are critical to our business and any shutdown of our retail stores may have an adverse effect on our business, results of operations and financial condition.**

We currently have 08 retail stores, all of which are located at Gujarat. As a result, any local social unrest, natural disaster or breakdown of services and utilities in that area could have material adverse effect on the business, financial position and results of our operations. Our retail stores are subject to operating risks, such as power supply or processes, reduction or stoppage of water supply, natural disasters, etc. and the need to comply with the directives of relevant government authorities. In the event that we are forced to shut down our retail stores for a significant period of time, it would have a material adverse effect on our earnings, our other results of operations and our financial condition as a whole. Further, continuous addition of stores in and around our current area of operation may put pressure on the existing infrastructure therein, which may affect our business. Further, spiralling cost of living around our manufacturing facility may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness.

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

We are exposed to payment delays and/or defaults by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business model, if we receive any bulk orders from any customers, we may supply our products to our customers without taking any advance payment or security deposit against the orders placed by them. Such delays in payments may

require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition. For the the nine months period ended January 31, 2022 and Fiscals ending March 31, 2021, 2020 and 2019 our trade receivables were ₹ 33.71 lacs, ₹ 92.45 lacs, ₹ 105.65 lacs and ₹ 290.00 lacs, respectively, out of which, debts amounting to ₹ 33.70 lacs, ₹ 48.21 lacs, ₹ 44.57 lacs and ₹ 159.72 lacs were outstanding for a period exceeding six months from the due date, out of which our management believes that ₹ 0.00 lacs, ₹ 0.00 lacs, ₹ 0.00 lacs, and ₹ 0.00 lacs are doubtful trade receivables.

There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

**11. *Our Company faces seasonality in its business, due to concentration of business in western India and uneven billing cycle. As a result, our revenues are skewed towards the second half of each financial year.***

Our Company typically operates its business activities to match & predict fashion trends. So, we focus on having products both of recent & current trends, as well as products of trends which are slowly catching up with the masses and is driving demand. Moreover, our business usually has peak demand during festival seasons. This makes our purchases and revenue booking cyclical in nature. Further, majority of the festivals are concentrated in the second half of the financial year. That makes us accumulate inventory for diverse customer needs for the peak buying season. As our revenues are not evenly distributed in all four quarters of every financial year, our revenue and profits may vary significantly during different financial periods and certain periods may not be indicative of our financial position for a full financial year and may be significantly below the expectations of the market, analysts and investors.

Further, since majority of our revenues are generated during the second half of each financial year, any lower revenues generated during such period may result in a material adverse effect on the business operations of our Company.

**12. *Our Company procures our products from third party manufacturers.***

For the products sold by our Company, we depend on third party manufacturers for manufacturing our products. Currently, our Company do not have any longterm agreements with such third party manufacturers and any delay or failure on our part to procure such products in a timely manner, or at all may affect our business operation and cause a negative effect on our brand value thereby affecting our business operations. In the absence of such agreements, we cannot assure that such manufacturers would fulfill their obligations or would not commit a breach of the understanding with us. Further, our third party manufacturers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms or prices, which may cause them to cater to our competitors alongside us or on a priority basis, which could adversely affect our business, results of operations and financial condition. 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. The inability to expand our vendor network on a regular basis or at all may adversely affect our business, revenues, cash flows and operations.

**13. *Our Company may not be able to sell its inventory through its existing sales network and such inventory may be subject to mark downs which may impact our results of operations and financial conditions.***

Since our products are based on seasons, our Company faces the risk of not being able to sell its inventory through the existing sales network of outlets and such unsold inventory, including return of stock from its trade partners may be subject to mark downs and inventory being sold by our Company at heavily discounted rates. Further we may offer discounts at the end of a season and run stock clearance sales. In case we sell any of our products at a lower price than the rates normally charged, it may impact our results of operations and financial conditions.

**14. *We do not own premises used by our Company. Disruption of our rights as licensee/ lessee or termination***

***of the agreements with our licensors/ lessors would adversely impact our manufacturing operations and, consequently, our business.***

As on the date of this Draft Prospectus, our retail stores are located on properties taken on leave and license or lease basis by Mr. Rajendra Singh Rajpurohit (Managing Director of our Company) in his individual capacity for which the company has received No Objection Certificate from him to use such premises for operational activities. There can be no assurance that our Company will be able to successfully continue to operate on the said premises. Any such event or any disruption of our rights to use such property will adversely affect our business operations.

Further, we have not entered into a formal rent agreement for two of our stores located at Akhbarnagar and Baroda and have been using these premises on mutually agreed commercial terms. Due to lack of a formal agreement, we cannot assure you that we will continue to be able to access the premises or that our rights will not be eventually disrupted. Any loss of such premises could adversely affect our business operations and financial condition. For further details, please see “*Our Business*” on page 91.

***15. Our Promoters and certain members of our Promoter Group have extended personal guarantees with respect to various loan facilities availed by our Company. Revocation of any or all of these personal guarantees may adversely affect our business operations and financial condition.***

Our Promoters Rajendra Singh Rajpurohit, Mahendra Singh Rajpurohit and certain members of our Promoter Group, have extended personal guarantees in favour of certain banks with respect to various facilities availed by our Company from them. In the event any of these guarantees are revoked, our lenders may require us to furnish alternate guarantees or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees in a timely manner or at all. If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations. For further details please refer to the chapter titled — “*Financial Indebtedness*” on page 158 of this Draft Prospectus.

***16. We are dependent on third party transportation providers for delivery of our products to us from our suppliers and delivery of our products to our network of outlets. Any failure on part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.***

Our success depends on the smooth supply and transportation of finished products from third party manufacturers to us and from us to our customers, both of which are subject to various uncertainties and risks. We use third party transportation providers for the delivery of products. Transportation strikes have had in the past, and could again in the future, have an adverse effect on our supplies and our deliveries to and from our outlets and suppliers in a timely and cost-efficient manner. In addition, products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and our results of operation negatively. A failure to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

***17. We are subject to risks associated with rejection of our products consequential to defects, which could generate adverse publicity or adversely affect our business, results of operations or financial condition.***

Defects, if any, in our products could lead to rejection of supplied products and consequential replacement liability. In the event our Company fails to replace the defective products in a timely manner or at all, the same could consequently lead to a negative publicity of our brand thereby affecting our brand value, our business, results of operations or financial condition. Such defective products, if capable of being refinished, are sold by our Company as fresh merchandise and the products that cannot be refinished, are sold at a discounted price.

We cannot assure you that no such claims will be brought against us in the future or that such claims will be settled in our favour. Any such successful claims against us could adversely affect our results of operations. Management resources could also be diverted away from our business towards defending such claims.

**18. *There have been instances where our Company has inadvertently filed incorrect information with the RoC in its statutory filings.***

In the past, there have been certain instances wherein the disclosures made in the statutory filings done under Companies Act, 2013 are incomplete or erroneous in nature, for instance, in accordance with Companies (Prospectus and Allotment of Securities) Rules, 2014, our Company inadvertently failed to file a copy of the record of the further allotment undertaken on March 29, 2019 in Form PAS-5 along with the private placement offer letter in Form PAS-4 with the RoC, and revised filing for the same has not been done by our Company. Further, in relation to the bonus issuance undertaken on May 12, 2022, an incorrect date of allotment has been inadvertently mentioned in the list of allottees attached to Form PAS-3 filed for said issuance.

No show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

**19. *Our business operations have substantial dependency on our ERP system for sales, demand & inventory analysis.***

To take our day-to-day business decisions for procurements or understanding demand in our outlets scattered at multiple locations, we use our business experience. But with the advent of technology, and to stay ahead from our competition, we have been using an ERP system which helps us to visualize the real-time data driven business metrics, in turn, which helps the management to take decisions. To operate the ERP, we have skilled personnel who navigates the system to generate the necessary data points and visualizations needed by the management. With employee attrition, if our organization loses the personnel, we may face a short term hardship to replace the employee to operate the ERP or to train an existing employee. This may delay our data driven business decisions taking capability.

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

The market in which our Company is doing business is highly competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

**21. *Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.***

Our business requires a significant amount of working capital. In our business, working capital is often required to finance the purchase of garments. Further, we are also required to maintain adequate stocks which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such demand for our products or stock adequate quantities of the same, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for our products on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such

defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults.

All of these factors, including increase in business activities, may widen the absolute gap between trade receivables and trade payables putting strain on our Company's financial resources and may result in increase in the amount of short-term borrowings/ working capital loans. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

**22. *We may be unable to grow our business in additional geographic regions or international markets, which may adversely affect our business prospects and results of operations.***

Our Company seeks to grow its market reach domestically as well as internationally to explore untapped markets and segments; however, we cannot assure you that we will be able to grow our business as planned. Infrastructure and logistical challenges in addition to changing customers' taste and preferences may prevent us from expanding our presence or increasing the penetration of our products. Further, customers may be price conscious and we may be unable to compete effectively with the products of our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

Further, expansion into new international markets is important to our long-term prospects. We may face various risks, including legal and regulatory restrictions, increased advertising and brand building expenditure, challenges caused by distance, language and cultural differences, in addition to our limited experience with such markets and currency exchange rate fluctuations. International markets require a very high standard of quality of products and our Company may not be able to match the international standards thereby failing to make a brand presence in the international markets. If we are unable to make long-lasting relations with the major customers in the overseas market or if we are unable to justify the quality of our products to them, it may make it difficult for us to enter into such markets. These and other risks, which we do not foresee at present, could adversely affect any international expansion or growth, which could have an adverse effect on our business, results of operations and financial condition.

**23. *Our agreements with various 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 for short term and long-term borrowings with certain lenders. These borrowings include secured fund based and non-fundbased facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, undertake guarantee obligations on behalf of any other bowered including group companies, which require our Company to obtain prior approval of the lenders for any of the above activities. We cannot assure you that our lenders will provide us with these approvals in the future. For details of these restrictive covenants, please refer to chapter titled — "Financial Indebtedness" on page 158 of this Draft Prospectus.

Further, certain of our financing arrangements include covenants to maintain our total outside liabilities and total net worth up to a certain limit and certain other liquidity ratios. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. 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. Defaults under one or more of our Company's financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition.



We believe that our relationships with our lenders are good, and we have in the past obtained consents from them to undertake various actions and have informed them of our corporate activities from time to time. Compliance with the various terms of such financing arrangements, however, is subject to interpretation and there can be no assurance that we have requested or received all relevant consents from our lenders as contemplated under our financing arrangements. It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. 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.

**24. Our Company has availed certain unsecured loans which may be recalled at any time.**

Our Company has availed certain unsecured loans of which an amount of ₹ 53.45 lakhs is outstanding as on January 31, 2022, which may be recalled at any time. In the event, any of such unsecured lenders seek a repayment of any these loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to undertake new projects or complete our ongoing projects. Therefore, any such demand may adversely affect our business, financial condition and results of operations. For further details, see “Financial Indebtedness” on page 158 of this Draft Prospectus.

**25. In addition to our existing indebtedness for our existing operations, we may require further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.**

As on January 31, 2022 our Company’s total indebtedness is ₹ 194.71 Lacs. In addition to the indebtedness for our existing operations, we may require further indebtedness during the course of business. There can be no guarantee that we will be able to obtain the new facilities at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to further borrow at competitive rates. Also, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget for our working capital requirements, in which case there may be delays in arranging the additional working capital requirements which may delays leading to loss of reputation, levy of liquidated damages and an adverse effect on the cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements which may be entered into with our lenders could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties and acceleration of amounts due under such facilities which may adversely affect our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — “Financial Indebtedness” on page 158 of this Draft Prospectus.

**26. Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.**

Our Company has experienced negative net cash flow in operating, investing and financing activities in the past, the details of which are provided below:

	(₹ in lacs)		
Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net Cash Flow from/(used in) Operating Activities	30.19	7.58	(49.37)
Net cash generated from/(used in) Investing activities	-	-	(4.20)
Net Cash Flow from/(used in) Financing Activities	(34.98)	(9.87)	53.38

We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition.

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

Our Company's success largely depends on our brand name and brand image and our trademark is important for differentiating our Company's products from that of our competitors. Our current trademark and logo



, is owned by our Company under the provisions of the Trademarks Act, 1999. Our trademark and logo may be subject to counterfeiting or imitation which would adversely impact our reputation and lead to loss of customer confidence, reduced sales and higher administrative costs. There can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which could adversely affect our business, results of operations and financial condition. For further details, please refer to the chapters titled "*Our Business*" and "*Government and other Statutory Approvals*" on pages 91 and 165, respectively of this Draft Prospectus.

**28. *Our Promoters, Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoters, Director and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details please refer to the paragraph titled — "*Land and Property*" in the chapter titled — "*Our Business*", the paragraphs titled — "*Interest of our Directors*" in the chapter titled — "*Our Management*", the paragraphs titled — "*Interest of our Promoter and Other Interests and Disclosures*" in the chapter titled — "*Our Promoter and Promoter Group*", "*Financial Indebtedness*" and "*Restated Financial Information- Annexure – [●]: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements- Note [●]- Related Party Disclosures*" on pages 140, 158, [●], [●] and [●], respectively of this Draft Prospectus.

There can be no assurance that our Promoters, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and members of our Promoter Group will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

**29. *Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.***

Upon completion of this Issue, our Promoters and members of our Promoter Group will collectively hold 64.83% of the Equity share capital of our Company. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval. Accordingly, our Promoters will continue to retain significant control, including being able to control the composition of our Board of Directors, determine decisions requiring simple or special majority voting of shareholders, undertaking sale of all or substantially all of our assets, timing and distribution of dividends and termination of appointment of our officers, and our other shareholders may be unable to affect the outcome of such voting. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interests of our Company. Further, such control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. The interests of our Promoters could conflict with the interests of our other equity shareholders, and our Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

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

**Price.**

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price which is proposed to be determined on a fixed price basis. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter titled "*Capital Structure*" on page 53 of this Draft Prospectus.

- 31. *Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

- 32. *We have in past entered into related party transactions and we may continue to do so in the future.***

As of January 31, 2022, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group relating to our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please refer to the chapter titled "*Restated Financial Information*" at page 147 of this Draft Prospectus.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

- 33. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further, we have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled "*Objects of the Issue*" beginning on page 63 of this Draft Prospectus.

- 34. *Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Key Managerial Personnel. Loss of any of our directors and 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 of our Promoters and continued services and the management skills of our Key Managerial Personnel 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 to 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. Our Company has never been faced with a challenge of high rate of attrition of our Key Management Personnel in the past, however, any attrition of our 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. In the event we are unable to motivate and retain our key managerial personnel and thereby lose the services of our 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*” on page 128 of this Draft Prospectus.

**35. *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 fire, riots, third party liability claims, loss-in-transit for our products, accidents and natural disasters. Presently, we have availed a bharat sookshma udyam suraksha policy for five of our outlets, which insures *inter alia* building including plinth and foundation, contents and stocks from risks such as earthquake, etc. . While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

Furthermore, our Company has not availed appropriate insurance cover for all of our stores, and therefore could be exposed to a number of risks that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us. On the occurrence of any of the abovementioned events, we shall not be able to rely on any insurance cover which could adversely affect our results of operations and financial position. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

**36. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has not declared dividends in the past, and there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled “*Dividend Policy*” on page 146 of this Draft Prospectus.

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

Our business and the industry in which we operate are vulnerable to the problem of pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our place of operation may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

**38. *The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled “Objects of the Issue”.***

As the issue size shall be less than ₹10,000 lacs, under Regulation 262 of the SEBI ICDR Regulations it is not required that a credit rating agency registered with the SEBI be appointed by our Company, for overseeing the deployment and utilization of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilization of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the chapter titled — “*Objects of the Issue*” on page 63 of this Draft Prospectus.

**39. *We have not independently verified certain data in this Draft Prospectus.***

We have not independently verified data from the Industry and related data contained in this Draft Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**40. *The requirements of being a listed company may strain our resources.***

We are not a 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 listing agreements with the Stock Exchanges and compliances of SEBI (LODR) Regulations which will require us to file audited annual and unaudited half yearly results and limited review 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 which may adversely affect the financial position of the Company.

As a 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 to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management’s attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

**41. *Delay in raising funds from the IPO could adversely impact the implementation schedule.***

The proposed fund requirement, for funding our working capital requirements, primarily, as detailed in the chapter titled “*Objects of the Issue*” beginning on page 63 is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We, therefore, cannot assure that we would be able to execute our future plans/strategy within the estimated time frame.

**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.***

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 do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Although we currently intend that the Equity Shares will remain listed on the Stock Exchanges, there is no guarantee of the continued listing of the Equity Shares. Failure to maintain our listing on the Stock Exchanges or other securities markets could adversely affect the market value of the Equity Shares.

The Issue Price of the Equity Shares is proposed to be determined through a fixed price process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. You may not be able to resell your Equity Shares at a price that is attractive to you.

**43. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE Limited (BSE SME) in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuance of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE Limited (BSE SME). Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**44. *There is no existing market for our Equity Shares, and we do not know if one will develop to provide you with adequate liquidity. Further, an active trading market for the Equity Shares may not develop and the price of the Equity Shares may be volatile.***

An active public trading market for the Equity Shares may not develop or, if it develops, may not be maintained after the Issue. Our Company, in consultation with the lead manager, will determine the Issue Price. The Issue Price may be higher than the trading price of our Equity Shares following this Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The trading price of the Equity Shares after the Issue may be subject to significant fluctuations in response to factors such as, variations in our results of operations, market conditions specific to the sectors in which we operate economic conditions of India and volatility of the securities markets elsewhere in the world.

**45. *The price of the Equity Shares may be highly volatile after the Issue.***

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including, volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the our industry; adverse media reports on us or the industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

**46. *You will not be able to sell immediately on the Stock Exchanges any of the Equity Shares you purchase in the Issue.***

The Equity Shares will be listed on the SME Platform of BSE Limited (BSE SME). Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Upon receipt of final approval from the Stock Exchanges, trading in the Equity Shares is to

commence within six (6) working days of the date of closure of the Issue or such other time as may be prescribed by SEBI.

We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time period prescribed by law. Further, there can be no assurance that the Equity Shares to be Allotted pursuant to this Issue will be listed on the Stock Exchanges in a timely manner or at all.

***47. There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.***

Our listed Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

***48. The price of the Equity Shares may be volatile, which could result in substantial losses for investors acquiring the Equity Shares in the Issue.***

The market price of the Equity Shares may be volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- volatility in the Indian and global securities market or in the value of the Rupee relative to the U.S. Dollar, the Euro and other foreign currencies;
- our profitability and performance;
- changes in financial analysts' estimates of our performance or recommendations;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in the garment sector;
- adverse media reports about us or the Indian garment sector;
- significant developments in India's economic liberalisation and deregulation policies;
- significant developments in India's fiscal and environmental regulations;
- economic developments in India and in other countries; and
- any other political or economic factors.

These fluctuations may be exaggerated if the trading volume of the Equity Shares is low. Volatility in the price of the Equity Shares may be unrelated or disproportionate to our results of operations. It may be difficult to assess our performance against either domestic or international benchmarks.

Indian stock exchanges, including the Stock Exchanges, have experienced substantial fluctuations in the prices of listed securities and problems such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. The governing bodies of Indian stock exchanges have also, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment. If such or similar problems were to continue or recur, they could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares.

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

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through further issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

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

Any instance of disinvestments of Equity Shares by our Promoters 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 sale of Equity Shares might occur.

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

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

**52. We have in the last 12 months issued Equity Shares at a price that may be at lower than the Issue Price.**

In the last 12 months we may have issued fresh Equity Shares to the promoters and other shareholders of our Company which are as follows: -

<b>Date of allotment</b>	<b>Number of Equity Shares allotted</b>	<b>Face value (₹)</b>	<b>Issue Price</b>	<b>Nature of allotment</b>	<b>Benefit accrued to our Company</b>	<b>Source out of which Bonus Shares Issued</b>
March 30, 2022	75,500	10	40	Preferential Allotment <sup>(1)</sup>	General corporate purpose and working capital of the Company	N.A.

<sup>(1)</sup>Preferential Allotment of a total of 75,500 Equity Shares to Yogesh Prajapati.

The Equity Shares allotted to investors pursuant to this Issue may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time.

For Further details of equity shares issued, please refer to the chapter titled "Capital Structure" beginning on page 53 of the Draft Prospectus.

**EXTERNAL RISK FACTORS**

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



The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax (“**GST**”) regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the amendment of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2022 and the Ministry of Finance has notified the Finance Act, 2022 (“**Finance Act**”). There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 (“**Bill**”) has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

**54. Our business is substantially affected by prevailing economic conditions in India.**

We perform all of our real estate development activities in India, all of our projects are located in Ahmedabad, Gujarat, India, and the predominant portions of our customers are Indian nationals. As a result, we are highly dependent on prevailing economic conditions in India and our results of operation are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our real estate developments and the purchase thereof by our customers;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India’s present tax, trade, fiscal or monetary policies;
- natural disasters, political instability, communal disturbances, riots, civil unrest, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighboring countries;
- prevailing national, regional or global economic conditions, including in India’s principal export markets; and
- other significant regulatory or economic developments in or affecting India or its real estate development sector.

In addition to the factors set forth above, our business may be affected by adverse changes specific to the residential, and office space real estate markets. Demand in the residential real estate market may be adversely affected by changes such as a decrease in disposable income or a rise in residential mortgage rates or a decline in the population. Demand for our office space developments may be adversely affected by deteriorating economic conditions that could prompt current and potential tenants to place any expansion plans on hold or to search for locations with lower rental rates.

**55. *Foreign investors are subject to foreign investment restrictions under Indian law.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

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

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

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

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

**58. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance of our business. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence and spending. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

**59. *Natural calamities could have a negative impact on the Indian economy and cause our 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.

**60. *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 as the global equity markets generally. Such acts could negatively impact business sentiment as well as trade

between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

## SECTION III – INTRODUCTION

### THE ISSUE

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

Particulars	Details of Equity Shares
Issue of Equity Shares <sup>1)2)</sup>	Upto 13,00,000 Equity Shares of face value of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] lacs. <sup>2)</sup>
<i>of which:</i>	
Market Maker Reservation Portion	Issue of [●] Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs
Net Issue to Public <sup>3)</sup>	Issue of [●] Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs
	<i>of which:</i>
	[●] Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs will be available for allocation to Retail Individual Investors
	[●] Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
<b>Pre and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	31,49,550 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net proceeds of this Issue	Please refer the chapter titled “ <i>Objects of the Issue</i> ” on page 63 of this Draft Prospectus.

<sup>1)</sup> This Issue is being made in terms of Regulation 253(2) of Chapter IX of the SEBI (ICDR) Regulations. For further details, please refer to section titled “Issue Information” on page 177 of this Draft Prospectus.

<sup>2)</sup> The present Issue has been authorised pursuant to a resolution passed by our Board at its meeting held on April 05, 2022 and by our Shareholders by way of a special resolution passed pursuant to Section 62(1) (c) of the Companies Act, 2013 at the EGM held on April 11, 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

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

Explanation - For the purpose of sub-regulation (2), if the retail individual investor category is entitled to more than fifty per cent of the Issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

For further details please refer to the chapter titled “Issue Structure” beginning on page 183 of this Draft Prospectus.

## **SUMMARY OF FINANCIAL INFORMATION**

*The following tables provide the summary financial information of our Company derived from the Restated Financial Information as at and for the nine months period ended January 31, 2022 and for the Financial Years ended on March 31, 2021, 2020 and 2019. The Restated Financial Information referred to above is presented under the section titled “Financial Information” on page 147. The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the sections titled “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 147 and 148, respectively.*

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Sr. No.	Particulars	Annexure No.	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	<b>EQUITY AND LIABILITIES</b>					
1)	<b>Shareholders Funds</b>					
	a. Share Capital	V	62.44	62.44	62.44	62.44
	b. Reserves & Surplus	VI	208.62	167.20	140.20	139.75
2)	<b>Non - Current Liabilities</b>					
	a. Long-term Borrowings	VII	21.87	31.53	71.55	114.65
3)	<b>Current Liabilities</b>					
	a. Short Term Borrowings	VIII	201.43	231.63	204.90	122.34
	b. Trade Payables	IX				
	-Dues of micro enterprises and small enterprises		-	-	-	-
	-Dues of creditors other than micro enterprises and small enterprises		483.51	286.95	553.03	472.83
	c. Other Current liabilities	X	14.65	6.00	116.28	110.09
	d. Short Term Provisions	XI	31.40	15.68	5.78	9.00
	<b>TOTAL</b>		<b>1,023.92</b>	<b>801.43</b>	<b>1,154.18</b>	<b>1,031.10</b>
	<b>ASSETS</b>					
1)	<b>Non Current Assets</b>					
	a. Property, Plant & Equipment and Intangible Assets	XII				
	- Property, Plant & Equipment		2.95	2.93	4.05	6.89
	- Intangible Assets		0.06	0.10	0.26	0.70
	b. Deferred Tax Assets (net)	XIII	0.34	0.49	0.63	0.50
	c. Other Non-Current Assets	XIV	11.66	11.06	25.88	1.35
2)	<b>Current Assets</b>					
	a. Inventories	XV	692.40	505.92	430.57	339.04
	b. Trade Receivables	XVI	33.70	92.45	105.65	290.00
	c. Cash and Cash Equivalents	XVII	55.60	5.14	9.93	12.22
	d. Short term loan and advances	XVIII	227.21	183.34	577.21	380.40
	<b>TOTAL</b>		<b>1,023.92</b>	<b>801.43</b>	<b>1,154.18</b>	<b>1,031.10</b>

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

For Piyush Kothari & Associates  
Chartered Accountants  
FRN - 140711W

CA Piyush Kothari  
Partner  
Mem No- 158407  
UDIN - 22158407AKGMLT4245

Place : Ahmedabad  
Date : 11/05/2022

For and on behalf of the Board of Directors of  
Mafia Trends Limited

Rajendra Singh Rajpurohit  
(Director)  
DIN: 07684092

Nikundra Desai  
(CFO)  
Place : Ahmedabad  
Date : 11/05/2022

Mahendra Singh  
(Director)  
DIN: 07684132

Shashank Poddar  
(CS)

## STANDALONE STATEMENT OF PROFIT AND LOSS AS RESTATED

ANNEXURE - II  
(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A</b>	<b>INCOME</b>					
	Revenue from Operations	XIX	620.16	365.65	1,147.86	1,282.33
	Other income	XX	-	35.15	-	-
	<b>Total Income (A)</b>		<b>620.16</b>	<b>400.80</b>	<b>1,147.86</b>	<b>1,282.33</b>
<b>B</b>	<b>EXPENDITURE</b>					
	Purchase of stock in trade	XXI	596.56	349.79	1,066.25	1,207.69
	Changes in inventories of stock-in-trade	XXII	(186.48)	(75.35)	(91.53)	(234.89)
	Employee benefits expense	XXIII	71.09	16.32	72.02	141.95
	Finance costs	XXIV	22.49	21.69	49.33	30.13
	Depreciation and Amortization	XXV	0.49	1.28	3.28	6.57
	Other expenses	XXVI	60.03	50.58	47.91	100.80
	<b>Total Expenses (B)</b>		<b>564.18</b>	<b>364.31</b>	<b>1,147.26</b>	<b>1,252.25</b>
<b>C</b>	<b>Profit before tax</b>		<b>55.98</b>	<b>36.49</b>	<b>0.60</b>	<b>30.08</b>
<b>D</b>	<b>Tax Expense</b>					
	(i) Current tax	XXXIII	14.41	9.35	0.28	8.69
	(ii) Deferred tax	XIII	0.15	0.14	(0.13)	(0.63)
	<b>Total Expenses (D)</b>		<b>14.56</b>	<b>9.49</b>	<b>0.15</b>	<b>8.06</b>
<b>E</b>	<b>Profit for the year (C-D)</b>		<b>41.42</b>	<b>27.00</b>	<b>0.45</b>	<b>22.02</b>
<b>F</b>	<b>Earnings per share (Face value of ₹ 10/- each):</b>	XXXII				
	i. Basic		<b>6.63</b>	<b>4.32</b>	<b>0.07</b>	<b>21.11</b>
	ii. Diluted		<b>6.63</b>	<b>4.32</b>	<b>0.07</b>	<b>21.11</b>

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

For Piyush Kothari & Associates  
Chartered Accountants  
FRN - 140711WFor and on behalf of the Board of Directors of  
Mafia Trends LimitedCA Piyush Kothari  
Partner  
Mem No- 158407  
UDIN - 22158407AKGMLT4245Rajendra Singh Rajpurohit  
(Director)  
DIN: 07684092Mahendra Singh  
(Director)  
DIN: 07684132Place : Ahmedabad  
Date : 11/05/2022Nikundra Desai  
(CFO)  
Place : Ahmedabad  
Date : 11/05/2022Shashank Poddar  
(CS)

## STANDALONE STATEMENT OF CASH FLOW AS RESTATED

## ANNEXURE - III

(₹ In Lakhs)

Particulars	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash Flow From Operating Activities:</b>				
Net Profit before tax as per Profit And Loss A/c	55.98	36.49	0.60	30.08
<b>Adjustments for:</b>				
Depreciation	0.49	1.28	3.28	6.57
Finance Cost	22.49	21.69	49.33	30.13
<b>Operating Profit Before Working Capital Changes</b>	<b>78.96</b>	<b>59.46</b>	<b>53.21</b>	<b>66.78</b>
Adjusted for (Increase)/Decrease in operating assets				
Long-Term Loans and advances	(0.60)	14.82	(24.53)	(1.35)
Inventories	(186.48)	(75.35)	(91.53)	(234.89)
Trade Receivables	58.75	13.20	184.35	8.78
Short Term Loans and advances	(43.87)	393.87	(196.81)	(380.20)
Adjusted for Increase/(Decrease) in operating liabilities:				
Trade Payables	196.56	(266.08)	80.20	399.34
Other Current Liabilities	8.65	(110.28)	6.19	110.09
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>111.97</b>	<b>29.64</b>	<b>11.08</b>	<b>(31.45)</b>
Net Income Tax paid/ refunded	1.31	0.55	(3.50)	(17.92)
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>113.28</b>	<b>30.19</b>	<b>7.58</b>	<b>(49.37)</b>
Purchase of Property, Plant & Equipment and Intangible Assets	(0.47)	-	-	(4.20)
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(0.47)</b>	<b>-</b>	<b>-</b>	<b>(4.20)</b>
<b>Cash Flow from Financing Activities:</b>				
Proceeds from Issue of Equity Shares	-	-	-	157.32
Proceeds/(Repayment) of Borrowings	(39.86)	(13.29)	39.46	(73.81)
Finance Cost paid	(22.49)	(21.69)	(49.33)	(30.13)
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>(62.35)</b>	<b>(34.98)</b>	<b>(9.87)</b>	<b>53.38</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	50.46	(4.79)	(2.29)	(0.19)
Cash & Cash Equivalents As At Beginning of the Year	5.14	9.93	12.22	12.41
Cash & Cash Equivalents As At End of the Year	<b>55.60</b>	<b>5.14</b>	<b>9.93</b>	<b>12.22</b>

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

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 Piyush Kothari & Associates  
Chartered Accountants  
FRN - 140711W

CA Piyush Kothari  
Partner  
Mem No- 158407  
UDIN - 22158407AKGMLT4245

Place : Ahmedabad  
Date : 11/05/2022

For and on behalf of the Board of Directors of  
Mafia Trends Limited

Rajendra Singh Rajpurohit  
(Director)  
DIN: 07684092

Mahendra Singh  
(Director)  
DIN: 07684132

Nikundra Desai  
(CFO)  
Place : Ahmedabad  
Date : 11/05/2022

Shashank Poddar  
(CS)



## GENERAL INFORMATION

Our Company was incorporated as ‘*Mafia Trends Private Limited*’ on February 07, 2017 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Gujarat at Ahmedabad. Pursuant to a special resolution of our Shareholders passed in the extra-ordinary general meeting held on December 22, 2021, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to ‘*Mafia Trends Limited*’, and a fresh certificate of incorporation dated January 12, 2022 was issued to our Company by the Registrar of Companies, Gujarat at Ahmedabad. The corporate identification number of our Company is U51909GJ2017PLC095649.

### Registered Office of our Company

#### Mafia Trends Limited

1, Prabhu Kutir Complex,  
Sandesh Press Road, Vastrapur,  
Ahmedabad – 380 015,  
Gujarat, India.

**Telephone:** +91 877 756 4648

**E-mail:** grievance@mafiastores.com

**Investor grievance id:** grievance@mafiastores.com

**Website:** www.mafiastores.com

**CIN:** U51909GJ2017PLC095649

### 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:

S. No.	Name	Designation	DIN	Address
1.	Rajendra Singh Rajpurohit	Chairman and Managing Director	07684092	C-203, Shagun Clasic, Near Sujal Bungalows, Thaltej, Behind Mann Property Plot, Ahmedabad – 380 054, Gujarat, India.
2.	Mahendra Singh Rajpurohit	Whole-time Director	07684132	C-204, Shagun Clasic, Sindhu Bhavan Road, Near Sujal Bungalows, Thaltej, Behind Mann Property Plot, Ahmedabad – 380 054, Gujarat, India.
3.	Divya Savjibhai Thakor	Non-Executive Director	08845886	4, Ranchhodrai Nagar Part-1, Chandlodiya, Daskroi, Ahmedabad – 382 481, Gujarat, India
4.	Pankaj Baid	Independent Director	07462097	Shanti Kunj Appartments, Block-A1 Flat 20, In front of Mullik Fatak Telephone Exchange, Howrah, West Bengal-711101
5.	Harsh Singrodia	Independent Director	09118132	Near Aloka Cinema, Ganges Garden, GA4, 3 <sup>rd</sup> Floor, A, 106 Kiran Chandra Singha Road, Shibpur, Hoara – 711 102, West Bengal, India

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 128 of the Draft Prospectus.

#### **Chief Financial Officer**

Nikundra Harjibhai Desai, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

1, Prabhu Kutir Complex,  
Sandesh Press Road, Vastrapur,  
Ahmedabad – 380 015,  
Gujarat, India.  
**Telephone:** +91 760 064 7604  
**E-mail:** grievance@mafiastores.com

#### **Company Secretary and Compliance Officer**

Shashank Poddar, is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

1, Prabhu Kutir Complex,  
Sandesh Press Road, Vastrapur,  
Ahmedabad – 380 015,  
Gujarat, India.  
**Telephone:** +91 947 000 2323  
**E-mail:** grievance@mafiastores.com

#### **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 Capital Advisors Private Limited**

428, Gala Empire, Near JB Tower,  
Drive in Road, Thaltej,  
Ahemdabad-380 054,  
Gujarat, India.  
**Telephone:** +91 877 756 4648  
**Facsimile:** N.A.  
**Email ID:** info@gyrcapitaladvisors.com  
**Website:** www.gyrcapitaladvisors.com  
**Investor Grievance ID:** investors@gyrcapitaladvisors.com  
**Contact Person:** Mohit Baid  
**SEBI Registration Number:** INM000012810

## **Registrar to the Issue**

### **Link Intime India Private Limited**

C-101, 247 Park, 1st Floor, L.B.S. Marg,  
Vikhroli West, Mumbai – 400 083  
Maharashtra, India

**Contact Person :** Shanti Gopalkrishnan

**Tel:** +91 22 4918 6200

**Email:** mafia.ipo@linkintime.co.in

**Investor grievance e-mail:** mafia.ipo@linkintime.co.in

**URL of SEBI website:**

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>

**Website:** www.linkintime.co.in

**SEBI Registration No.:** INR000004058

**CIN:** U67190MH1999PTC118368

## **Legal Advisor to the Issue**

### **T&S Law**

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

**Telephone:** +91 959 922 9770

**Facsimile:** N.A.

**Email:** info.tandslaw@gmail.com

## **Statutory and Peer Review Auditor of our Company**

**M/s. Piyush Kothari & Associates,**

**Chartered Accountants**

**Telephone:** + 91 884 939 8150

**Email:** piyushkothari9999@gmail.com

**Contact Person:** Piyush Kothari

**Membership No.:** 158407

**Firm Registration No.:** 140711W

**Peer Review Certificate No.:** 013450

## **Bankers to our Company**

### **Union Bank of India**

C U Shah Chambers,  
Near Gujarat Vidhyapeeth,  
Ashram Road, Ahmedabad - 380 014  
Gujarat, India

**Telephone:** + 91 079-27542613

**Email:** ashramroad@unionbankofindia.com

**Website:** www.unionbankofindia.co.in.

**CIN:** U99999MH1919PTC000615

## **Banker to the Issue**

The Banker(s) to the Issue shall be appointed prior to filing of the Prospectus.

## **Refund Bank**

The Refund Bank(s) shall be appointed prior to filing of the Prospectus.

## **Sponsor Bank**

The Sponsor Bank(s) shall be appointed prior to filing of the Prospectus.

## **Syndicate Member**

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

## **Designated Intermediaries**

### *Self-Certified Syndicate Banks*

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

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors 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*

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of BSE and NSE at [www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?) and on the website of NSE at [www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), respectively as updated from time to time.

### *Registrar and Share Transfer Agent*

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the website of BSE Limited at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?) as updated from time to time.

### *Collecting Depository Participants*

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of BSE at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?) as updated from time to time.

## **IPO Grading**

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

## **Credit Rating**

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

## **Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

### **Brokers to the Issue**

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

### **Debenture Trustees**

As this is an Issue is 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 May 24, 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 May 11, 2022 on our restated consolidated financial information; and (ii) its report dated May 11, 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 SME Platform of Bombay Stock Exchange 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 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**

Except as stated below, there has been no change in the Auditors of our Company during the last three years:

<b>Name of Auditor</b>	<b>Date of Change</b>	<b>Reason for change</b>
Abhishek Kumar & Associates Chartered Accountants	March 18, 2019	Casual vacancy due to resignation of the auditor.

Name of Auditor	Date of Change	Reason for change
401, Silicon Tower, Near Samartheshwar Mahadev Temple, Law Garden, Navrangpura, Ahmedabad-380 009, Gujarat, India		
<b>Piyush J Shah &amp; Co.</b>	September 30, 2019	Appointment as a statutory auditor
Chartered Accountants	December 12, 2020	Casual vacancy due to resignation of the auditor.
404, Shikhar Complex, Near Vadilal House, Mithakhali Cross Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India		
<b>Abhishek Kumar &amp; Associates</b>	December 31, 2020	Appointment as a statutory auditor
Chartered Accountants	September 15, 2021	Casual vacancy due to resignation of the auditor.
401, Silicon Tower, Near Samartheshwar Mahadev Temple, Law Garden, Navrangpura, Ahmedabad-380 009, Gujarat, India		
<b>Piyush Kothari &amp; Associates</b>	November 30, 2021	Appointment
Chartered Accountants		
208, Hemkoot Building, Nr. Gandhigram Railway Station, Ashram Road, Ahmedabad-380009		

## 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 and circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022, 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 183 and 186, 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:

<i>(₹ in lacs)</i>			
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 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 BSE 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 SME Platform of BSE 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 BSE 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 SME Platform of BSE 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 SME Platform of BSE Limited and market maker will remain present as per the guidelines mentioned under BSE 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:** SME Platform of BSE Limited will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
10. **Punitive Action in case of default by Market Maker:** SME Platform of BSE 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:

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue size)</b>
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 ₹, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A.	<b>Authorised Share Capital out of which :</b> 43,00,000 Equity Shares having face value of ₹ 10/- each	4,30,00,000	-
B.	<b>Issued, Subscribed and Paid-up Share Capital before the Issue out of which</b> 31,49,550 Equity Shares having face value of ₹ 10/- each	3,14,95,500	-
C.	<b>Present Issue in terms of this Draft Prospectus<sup>(1)</sup></b> Issue of upto 13,00,000 Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share	[●]	[●]
	<b>Which comprises:</b>		
	[●] Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
	Net Issue to Public of [●] Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share to the Public	[●]	[●]
	<b>Of which<sup>(2)</sup>:</b>		
	Up to [●] Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs	[●]	[●]
	Up to [●] Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	[●]	[●]
D.	<b>Paid-up Share Capital after the Issue</b> [●] Equity Shares of ₹ 10/- each	[●]	
E.	<b>Securities Premium Account</b>		
	Before the Issue	1,04,88,000	
	After the Issue	[●]	

<sup>(1)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated April 05, 2022 and a special resolution of our Shareholders at an Extra-Ordinary General Meeting dated April 11, 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 ₹ 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 was ₹ 1,00,00,000 (Rupees one crore only) divided into 10,00,000 Equity Shares of ₹ 10/- each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Meeting	Shareholder's	Particulars of Change		AGM/EGM
		From	To	
January 27, 2022		₹ 1,00,00,000 divided in to 10,00,000 Equity Shares of ₹ 10 each	₹ 38,50,000 divided into 38,50,000 Equity Shares of ₹ 10 each	EGM
March 10, 2022		₹ 38,50,000 divided into 38,50,000 Equity Shares of ₹ 10 each	₹ 4,30,00,000 divided into 43,00,000 Equity Shares of ₹ 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	of Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	of Cumulative number of Equity Shares	Cumulative paid-up Capital (₹)	
January 2017	16,	1,00,000	10	Cash	Subscription Memorandum of Association <sup>(1)</sup>	to 1,00,000	10,00,000	
March 2019	29,	5,24,400	10	30	Cash	Preferential Allotment <sup>(2)</sup>	6,24,400	62,44,000
March 2022	30,	75,500	10	40	Cash	Preferential Allotment <sup>(3)</sup>	6,99,900	69,99,000
May 12, 2022	24,49,650	10	10	N.A.	Bonus Issue <sup>(4)</sup>	31,49,550	3,14,95,500	

<sup>(1)</sup> Subscription of to the MOA for the total of 1,00,000 Equity Shares by Rajendra Singh Rajpurohit (50,000 Equity Shares) and Mahendra Singh Rajpurohit (50,000 Equity Shares).

<sup>(2)</sup> Preferential Allotment of a total of 5,24,400 Equity Shares to Mahendra Singh Rajpurohit.

<sup>(3)</sup> Preferential Allotment of a total of 75,500 Equity Shares to Yogesh Prajapati.

<sup>(4)</sup> Bonus Issue of a total of 24,49,650 Equity Shares in the ratio of 7 Equity Share for every 2 Equity Shares held to Rajendra Singh Rajpurohit (1,75,000 Equity Shares), Mahendra Singh Rajpurohit (19,01,130 Equity Shares), Abita Kanwar (21,854 Equity Shares), Punam Rajpurohit (21,854 Equity Shares), Shashank Rajpurohit (21,854 Equity Shares), Navratan Rajpurohit (21,854 Equity Shares), Mukesh Singh (21,854 Equity Shares) and Yogesh Prajapati (2,64,250 Equity Shares).

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

Date of allotment	Number of Equity Shares allotted	of Face value (₹)	Issue Price	Nature of allotment	Benefit accrued to our Company	Source out of which Bonus Shares Issued
May 2022	12,	24,49,650	10	N.A.	Bonus issue in the ratio of 7 Equity Shares issued for every 2 Equity Shares held by the existing Equity Shareholders authorised by our Board, pursuant to a resolution passed at its meeting held on April 05, 2022 and by our Shareholders pursuant to a resolution passed at the EGM held on April 11, 2022. <sup>(1)</sup>	- Bonus Issued out of General Reserves

<sup>(1)</sup> For list of allottees see note (4) of paragraph titled "History of Share capital of our Company" mentioned above.

- As of date of this Draft Prospectus, our Company has not undertaken a bonus issue by capitalizing its revaluation reserves.
- 4) 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.

- 5) Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
- 6) Except as stated below, 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:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price	Nature of allotment	Benefit accrued to our Company	Source out of which Bonus Shares Issued
March 30, 2022	75,500	10	40	Preferential Allotment <sup>(1)</sup>	-	N.A.
May 12, 2022	24,49,650	10	N.A.	Bonus issue in the ratio of 7 Equity Shares issued for every 2 Equity Shares held by the existing Equity Shareholders authorised by our Board, pursuant to a resolution passed at its meeting held on April 05, 2022 and by our Shareholders pursuant to a resolution passed at the EGM held on April 11, 2022. <sup>(2)</sup>	Equity Shares issued to Promoters and Promoter Group.	Bonus Issued out of General Reserves

(1) For list of allottees see note (3) of paragraph titled "History of Share capital of our Company" mentioned above.

(2) For list of allottees see note (4) of paragraph titled "History of Share capital of our Company" mentioned above.

#### 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 Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	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)	
(A)	Promoters and Promoter Group	05	27,53,604	00	00	27,53,604	87.43	00	00	00	00	00	00	00	00	00	27,53,604
(B)	Public	01	3,39,750	00	00	3,39,750	10.78	00	00	00	00	00	00	00	00	00	3,39,750
(C)	Non Promoter- Non Public	02	56,196	00	00	56,196	1.78	00	00	00	00	00	00	00	00	00	56,196
(C1)	Shares underlying depository receipt	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
(C2)	Shares held by employee trusts	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00	00
<b>Total</b>		<b>08</b>	<b>31,49,550</b>	<b>00</b>	<b>00</b>	<b>31,49,550</b>	<b>100</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>31,49,550</b>

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 80% or more of the paid-up share capital and the number of shares held by them as on the date of filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Rajendra Singh Rajpurohit	2,25,000	7.14
2.	Mahendra Singh Rajpurohit	24,44,310	77.61
3.	Yogesh Prajapati	3,39,750	10.79
	<b>Total</b>	<b>26,69,310</b>	<b>95.54</b>

- 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.	Rajendra Singh Rajpurohit	2,25,000	7.14
2.	Mahendra Singh Rajpurohit	24,44,310	77.61
3.	Yogesh Prajapati	3,39,750	10.79
	<b>Total</b>	<b>26,69,310</b>	<b>95.54</b>

- 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.	Rajendra Singh Rajpurohit	50,000	8.01
2.	Mahendra Singh Rajpurohit	5,74,400	91.99
	<b>Total</b>	<b>6,24,400</b>	<b>100</b>

- d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them 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.	Rajendra Singh Rajpurohit	50,000	50
2.	Mahendra Singh Rajpurohit	50,000	50
	<b>Total</b>	<b>1,00,000</b>	<b>100</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	Nature of Transaction	Consideration	No. of Equity Shares	F.V (in Rs.)	Issue / Transfer Price (in Rs.)	Cumulative no. of Equity Shares	% of Pre-Issue Equity Paid Up Capital	% of Post-Issue Equity Paid Up Capital
<b><i>Rajendra Singh Rajpurohit</i></b>								
January 16, 2017	Subscription to Memorandum of Association	Cash	50,000	10	10	50,000	1.59	[•]
May 12, 2022	Bonus Issue	N.A.	1,75,000	10	N.A.	2,25,000	7.14	[•]
<b>Total</b>			<b>2,25,000</b>			<b>2,25,000</b>		[•]
<b><i>Mahendra Singh Rajpurohit</i></b>								
January 16, 2017	Subscription to Memorandum of Association	Cash	50,000	10	10	50,000	1.59	[•]
March 29, 2019	Preferential Allotment	Cash	5,24,400	10	30	5,74,400	18.24	[•]
November 25, 2021	Transfer to Abita Kanwar	Cash	(6,244)	10	160	5,68,156	18.04	[•]
November 25, 2021	Transfer to Punam Rajpurohit	Cash	(6,244)	10	160	5,61,912	17.84	[•]
November 25, 2021	Transfer to Shashank Rajpurohit	Cash	(6,244)	10	160	5,55,668	17.64	[•]
November 29, 2021	Transfer to Navratan Rajpurohit	Cash	(6,244)	10	160	5,49,424	17.44	[•]
November 25, 2021	Transfer to Mukesh Singh	Cash	(6,244)	10	160	5,43,180	17.25	[•]
May 12, 2022	Bonus Issue	N.A.	19,01,130	10	N.A.	24,44,310	77.61	[•]
<b>Total</b>			<b>24,44,310</b>			<b>24,44,310</b>		[•]

11) As on the date of the Draft Prospectus, the Company has 08 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	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital
<b><i>Promoters</i></b>			
1.	Rajendra Singh Rajpurohit	2,25,000	7.14
2.	Mahendra Singh	24,44,310	77.61
<b><i>Promoter Group</i></b>			
3.	Abita Kanwar	28,098	0.89
4.	Punam Rajpurohit	28,098	0.89
5.	Navratan Rajpuohit	28,098	0.89
<b>Total</b>		<b>27,53,604</b>	<b>87.42</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 ₹)	Issue / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post-Issue paid-up capital	Period of lock-in
<b>Rajendra Singh Rajpurohit</b>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	3 years
<b>SUB-TOTAL</b>						[•]	
<b>Mahendra Singh Rajpurohit</b>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	3 years
<b>SUB-TOTAL</b>						[•]	
<b>TOTAL</b>						[•]	3 years

\* Subject to finalisation of Basis of Allotment.

(1) For a period of three years from the date of allotment.

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

(3) 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 “*Details of the Build-up of our Promoters’ shareholding*” on page 53.

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' 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.	Rajendra Singh Rajpurohit	2,25,000	7.14
2.	Mahendra Singh Rajpurohit	24,44,310	77.61

- 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 186 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	Upto 340.00
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 340.00	[●]
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. 22 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 Standalone Financial Statements for Fiscal 2022 are as stated below:

(₹ in lakhs)

Particulars	For year ended on 31 <sup>st</sup> March, 2019	For year ended on 31 <sup>st</sup> March, 2020	For year ended on 31 <sup>st</sup> March, 2021	For the period ended on 31 <sup>st</sup> January, 2022	Fiscal 2022 (Provisional)	Fiscal 2022 (Estimated)
<b>Current Assets</b>						
Inventories						
- Raw Materials	-	-	-	-	-	-
- Finished Goods	339.04	430.57	505.92	692.40	685.80	-
- Semi-Finished Goods	-	-	-	-	-	-
Trade Receivables	290.00	105.65	92.45	33.70	32.80	494.33
Cash and Bank Balance	12.22	9.93	5.14	55.60	30.09	163.77
Short term loans & advances	380.40	577.21	183.34	227.21	95.58	150.35
<b>Total (A)</b>	<b>1021.66</b>	<b>1123.36</b>	<b>786.85</b>	<b>1008.91</b>	<b>844.27</b>	<b>970.21</b>
<b>Current Liabilities</b>						
Trade Payables	472.83	553.03	286.95	483.51	466.37	309.90
Other Current Liabilities & Short-Term Provision	110.09	116.28	6.00	14.65	37.22	29.14
<b>Total (B)</b>	<b>582.92</b>	<b>669.31</b>	<b>292.95</b>	<b>498.16</b>	<b>503.59</b>	<b>339.04</b>
<b>Total Working Capital (A)-(B)</b>	<b>438.74</b>	<b>454.05</b>	<b>493.90</b>	<b>510.74</b>	<b>340.68</b>	<b>631.17</b>
<b>Funding Pattern</b>						
Short-term borrowings from banks	122.34	204.90	231.63	201.43	166.89	140.36
Long-term borrowings (Term loans taken for working capital requirement)	114.65	71.55	31.53	21.87	17.98	-
Networth / Internal Accruals	201.75	177.60	230.74	287.44	155.81	150.81

Proceeds from IPO	-	-	-	-	-	340.00
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#### 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 May 09, 2022 has approved the business plan for the Fiscal 2022. The estimated and projected working capital requirements for Fiscal 2022 is stated below:

Particulars	Fiscal 2022 (Provisional)	Fiscal 2023 (Estimated)
<b>Current Assets</b>		
Inventories		
- Raw Materials	-	-
- Finished Goods	685.80	784.82
- Semi-Finished Goods	-	-
Trade Receivables	32.80	79.11
Cash and Bank Balance	30.09	45.69
Short term loans & advances	95.58	60.59
<b>Total (A)</b>	<b>844.27</b>	<b>970.21</b>
<b>Current Liabilities</b>		
Trade Payables	466.37	309.90
Other Current Liabilities & Short Term Provision	37.22	29.14
<b>Total (B)</b>	<b>503.59</b>	<b>339.04</b>
<b>Total Working Capital (A)-(B)</b>	340.68	631.17
<b>Funding Pattern</b>		
Short-term borrowings from banks	166.89	140.36
Long-term borrowings from banks	17.98	-
Internal Accrual/Networth and Unsecured Loans from Related Parties	155.81	150.81
Proceeds from IPO	-	340.00

#### Assumption for working capital requirements:

(In months)

Particulars	For the year ended on 31 <sup>st</sup> March, 2019	For the year ended on 31 <sup>st</sup> March, 2020	For the year ended on 31 <sup>st</sup> March, 2021	For the year ended on 31 <sup>st</sup> period, 2022	Fiscal 2022 (Provisional)	Holding Level for Fiscal 2023 (Projected)
<b>Current Assets</b>						
Inventories						
- Raw Materials	-	-	-	-	-	-
- Semi Finished Goods	-	-	-	-	-	-
- Finished Goods	3	3	4	3	3	3
Trade Receivables	1	1	1	1	1	1
<b>Current Liabilities</b>						
Trade Payables	3	3	3	4	2	2

#### Justification for "Holding Period" levels

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

<b>Current Assets</b>	
Inventories	Our company is engaged in trading of readymade garments. Hence, there is high inventory holding period due to external factors like seasonal sale, prevailing fashion sense, customers etc.
Trade receivables	Our company has mostly B2C Sales in which majority of customers pay upfront for the sales. However, we have taken one month credit holding period considering wholesale customer who are very few in our case.
<b>Current Liabilities</b>	
Trade Payables	As mentioned above our company has high inventory holding period as total stock purchased from one vendor doesn't get sold fully over a period. Hence, the company generally pays to their vendors within a cycle of 2 months after considering returns as required to be done before payments.

Our Company proposes to utilize upto ₹ 340.00 lakhs of the Net Proceeds in Fiscal 2022 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2022 will be arranged from existing bank 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>	[●]	[●]	[●]

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue Size
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 2022, 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. 22, 147 and 91 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 – Our competitive strengths” beginning on Page No. 91 of this Draft Prospectus.

### Quantitative Factors

The information presented in this section for the audited financial statements of the Company for the 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 “Restated Financial Information” beginning on Page No. 147 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	21.11	1
March 31, 2020	0.07	2
March 31, 2021	4.32	3
<b>Weighted Average</b>	<b>5.70</b>	

#### 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. 147 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.*

*Our Company provides an option to our customer for Augmented and Virtual reality service on particular assignments. Since our Company has no industry segment which is strictly comparable to us, the Industry P/E is not available.*

**3) Return on Net worth (RONW)**

Period / Year ended	RoNW (%)	Weight
March 31, 2019	10.89	1
March 31, 2020	0.22	2
March 31, 2021	11.76	3
<b>Weighted Average</b>	<b>7.77</b>	

*\* Not Annualised*

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

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

**4) Net Asset Value (NAV)**

Financial Year	NAV (in Rs.)
NAV as at March 31, 2021	36.78
NAV after Issue – at Issue Price	[●]
Issue Price (in Rs.)	[●]

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

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

**5) Comparison with Industry Peers**

We believe that there is no listed company which is specifically comparable to us w.r.t. to our business model, size and financials.

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 TAX BENEFITS

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,  
**The Board of Directors**  
**Mafia Trends Limited**  
**(Formerly known as “Mafia Trends Private Limited”)**

1, Prabhu Kutir Complex,  
Sandesh Press Road, Vastrapur,  
Ahmedabad – 380 015,  
Gujarat, India.

Dear Sirs,

**Sub: Statement of possible special tax benefits available to Mafia Trends Limited (“the Company”) and its shareholders under direct and indirect tax laws**

We refer to the proposed initial public offering of equity shares (the “Offer”) of 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 Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the “GST Act”), the Customs Act, 1962 and the Customs Tariff Act, 1975, (collectively the “Taxation Laws”) including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2023-2024 relevant to the financial year 2022-23 for inclusion in the Draft Prospectus (“DP”) for the proposed 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 taxation laws. Hence, the ability of the Company or its shareholders to derive these 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 Piyush Kothari & Associates  
Chartered Accountants  
FRN – 140711W**

**CA Piyush Kothari  
(Partner)  
Membership No. - 158407**

**Place: Ahmedabad  
Date: 11/05/2022**

**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, 2022 i.e., applicable for Financial Year 2022-23 relevant to the Assessment Year 2023-24, 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 applied section 115BAA for the assessment year 2021-22.

**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 IV – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

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

#### Global Economic Overview

The war in Ukraine has triggered a costly humanitarian crisis that, without a swift and peaceful resolution, could become overwhelming. Global growth is expected to slow significantly in 2022, largely as a consequence of the war. A severe double-digit drop in GDP is expected in Ukraine due to fighting. A deep contraction is projected for Russia due to sanctions and European countries' decisions to scale back energy imports. The economic costs of war are expected to spread farther afield through commodity markets, trade, and—to a lesser extent—financial interlinkages. Fuel and food price rises are already having a global impact, with vulnerable populations—particularly in low-income countries—most affected.

The war in Ukraine will amplify economic forces already shaping the global recovery from the pandemic.

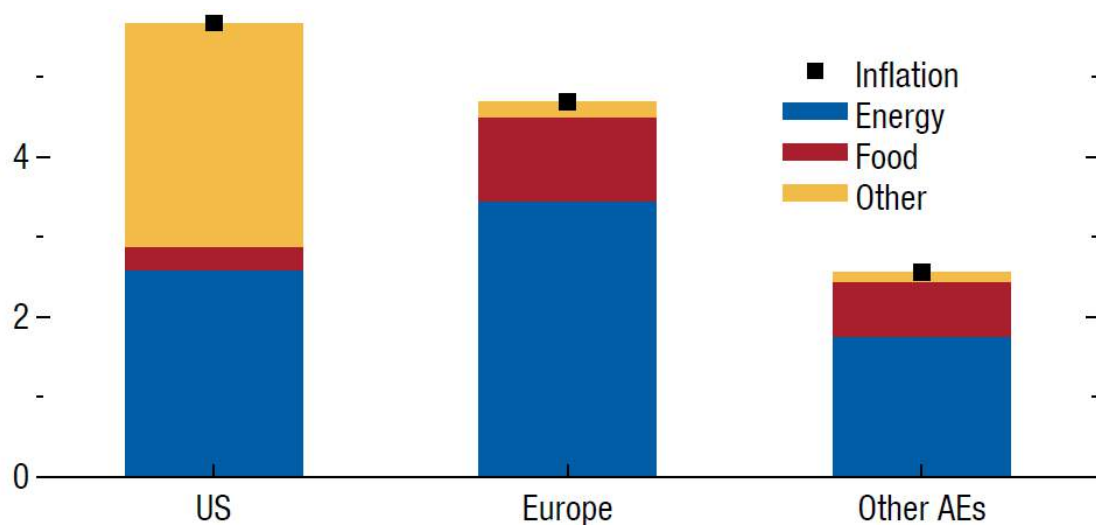
The war has further increased commodity prices and intensified supply disruptions, adding to inflation. Even before Russia invaded Ukraine, broad price pressures had led central banks to tighten monetary policy and indicate increasingly hawkish future stances. As a result, interest rates had risen sharply and asset price volatility had increased since the start of 2022—hitting household and corporate balance sheets, consumption, and investment.

The prospect of higher borrowing costs has also increased the cost of extended fiscal support. These changes are occurring faster than previously expected even as many parts of the global economy—particularly countries with low vaccination rates—must contend with continued strain on health care systems because of the pandemic.

The war has also added to already high uncertainty about the global outlook. Although many countries appear to be moving past the acute phase of the pandemic, new variants could again lead to waves of infection and further disruption. Inflation pressure could strengthen more than anticipated and demand more aggressive policy responses. Tighter financial conditions will shine a harsh spotlight on debt vulnerabilities among sovereign and corporate borrowers, risking widespread debt distress. Moreover, with continued tight policies toward the real estate sector and the possibility of more widespread lockdowns as part of the strict zero-COVID strategy, China's economy could slow more than currently projected—with consequences for Asia and beyond. This could further set back the recovery, particularly in emerging market and developing economies. More limited policy space could compound scarring effects, particularly in emerging market and developing economies, where medium-term baseline output is expected to be close to 6 percent below pre-pandemic projections.

More fundamentally, geopolitical tensions threaten the rules-based frameworks that have governed international economic relations since World War II. Current sanctions imposed with the aim of pressing Russia to end the war are already cutting financial and trade linkages between Russia and other countries, with far-reaching repercussions. Increased global polarization also impedes the cooperation essential for long-term prosperity. This could include derailing the urgent climate change agenda and undermining multilateral efforts to improve debt resolution frameworks, trade integration, and initiatives to avoid future pandemics.

The following graph shows the changes in inflation drivers across the globe due to varying factors from December 2020-21.



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>)

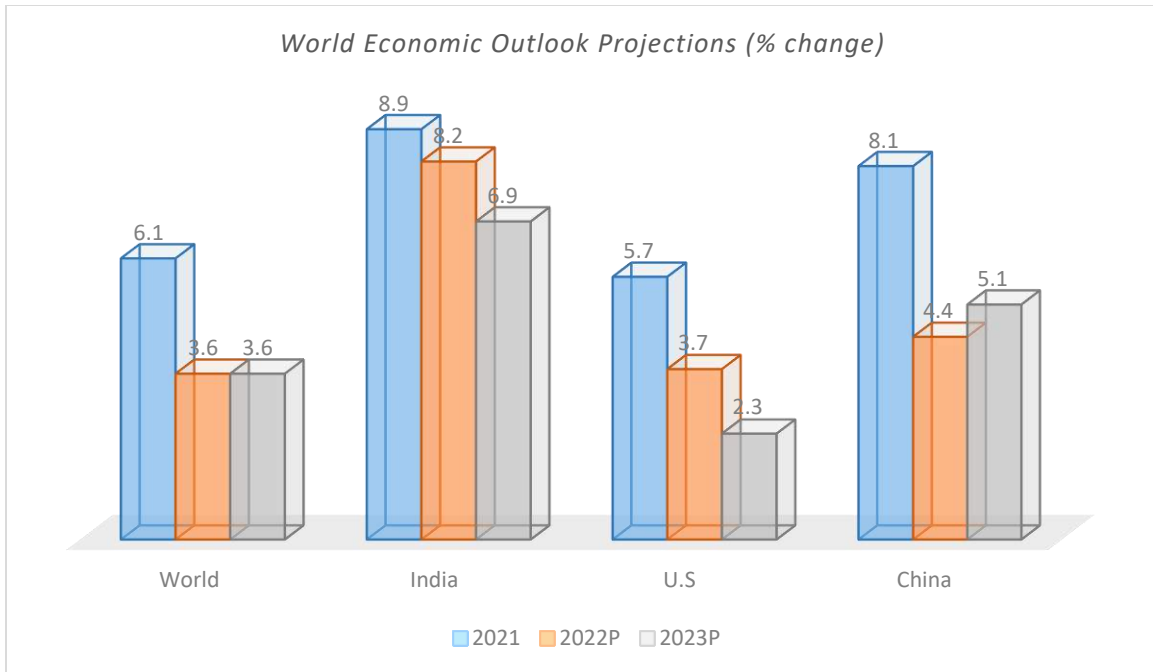
Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January.

Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

*World Economic Outlook Projections (% change)*

	<b>2021</b>	<b>2022P</b>	<b>2023P</b>
<b>World Output</b>	<b>6.1</b>	<b>3.6</b>	<b>3.6</b>
<b>Advanced Economies</b>	<b>5.2</b>	<b>3.3</b>	<b>2.4</b>
India	8.9	8.2	6.9
U.S	5.7	3.7	2.3
France	7.0	2.9	1.4
Brazil	4.6	0.8	1.4
Russia	4.7	-8.5	-2.3
Japan	1.6	2.4	2.3
U.K	7.4	3.7	1.2
Germany	2.8	2.1	2.7
China	8.1	4.4	5.1
<b>Emerging Market &amp; Developing Economies</b>	<b>6.8</b>	<b>3.8</b>	<b>4.4</b>





(Source: <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>)

### **Indian Economic Overview**

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY2021-22.

India is the third-largest unicorn base in the world with over 83 unicorns collectively valued at US\$ 277.77 billion, as per the Economic Survey. By 2025, India is expected to have 100 unicorns, which 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 January 28, 2022, foreign exchange reserves in India reached the US\$ 634.287 billion mark.

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

### **GDP and Inflation rate in India**

SELECT AN INDICATOR

IMF DataMapper, April 2022

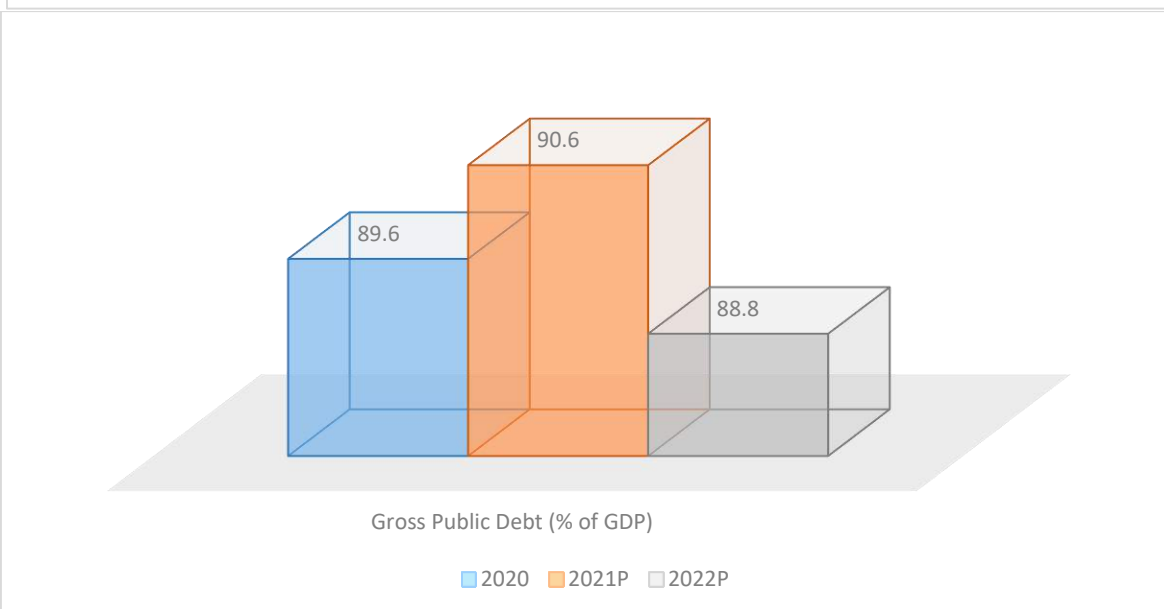
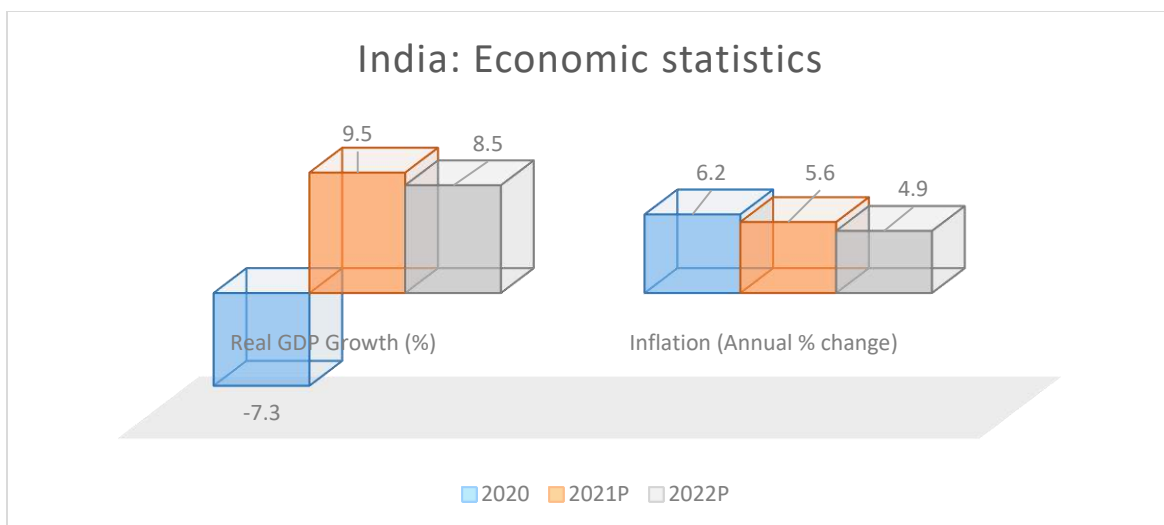
— Real GDP growth (Annual percent change) ..... 8.2

— Inflation rate, average consumer prices (Annual percent change) ... 6.1



(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>)

(Source: <https://www.imf.org/en/Publications/CR/Issues/2021/10/14/India-2021-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-492841>)

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>)

In 2022-23, India's GDP is expected to rise by 8.0-8.5%, owing to broad vaccine coverage, gains from supply-side reforms and regulatory ease, healthy export growth, and the availability of fiscal space to ramp up capital spending. The trajectory set for India's economy by the previous year's budget has been reinforced in Budget 2022-23. A lot of private investments taking place and consumption levels are rising as a result of increased employment. Capex generated by the government will also encourage private investment. The Production Linked Incentive (PLI) schemes in 14 sectors will further encourage private investment in order to boost export growth and allow for feasible import substitution in the country. The growth forecast for 2022-23 is based on the premise that there will be no further devastating pandemic-related economic disruption, that the monsoon will be expected, and that major central banks will withdraw global money in a relatively orderly manner.

Despite the third wave of COVID-19, overall economic activity remained stable, indicating that India has learned to cope with virus-related restrictions. Several high frequency indicators, such as electricity consumption, PMI manufacturing, exports, and e-way bill creation, reflect this. The economy's confidence has been bolstered even more by the rapid pace of immunisation. In addition, the Union Budget commitment to asset creation (public infrastructure development) in 2022-23 will re-energize the virtuous cycle of investment and crowd in private investment with huge multiplier effects, boosting inclusive and sustainable growth. Consumption will rise up once the uncertainty and worry caused by the Covid-19 virus has passed, and the demand rebound will allow the private sector to step in with investments to boost production to satisfy the rising demand. This scenario should play out for the Indian economy in 2022-23, barring geopolitical and economic surprises.

The geo-political tension triggered by the conflict between Russia and Ukraine since 24<sup>th</sup> February, 2022 has not ceased. The economic fallout of the crisis is only gradually unfolding. It may be accentuating some of the trends already underway such as global food shortages. The dated Brent Crude oil price, which forms the bulk of Indian crude oil basket has hovered around USD 105-106 / bbl since 1st of April, after having risen above USD 135 in the first/second week of March from around USD 95 just before the crisis. The Government is exploring all viable options, including import diversification, to procure crude at an affordable price. Affordability is desired as even the present level of international crude price, should it persist for a long time, may come in the way of India achieving a real economic growth rate north of 8 per cent in FY23. Be that as it may, India's economy, having swiftly recovered in 2021-22, after the pandemic induced contraction, may prove resilient owing to government's thrust on capital expenditure and improved corporate sector's financial health.

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.

Industry has also been showing robust growth, particularly in the second -half of 2021-22. The combined Index of Eight Core Industries registered a YoY growth of 5.8 per cent in February 2022, highest in the last four months following an increase in output of natural gas, coal, refinery products among others. PMI manufacturing has stayed in the expansionary zone continuously for nine months contributing much to the recovery in 2021-22. Credit to industry has also seen a boisterous growth with loan growth to large corporates finally turning positive towards end of 2021-22.

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

### **Action against Covid-19 – India**

India has been successfully running world's second largest vaccination programme administering, as on 31st March 2022, more than 184 crore doses of vaccine. Around 91 crores of adults have received at least one dose, of which 79 crores are now fully vaccinated. The coverage of adolescents aged between 15-18 years stands at 76 per cent. In numbers, 5.7 crore adolescents have received at least one dose of which 3.8 crore are fully vaccinated, equivalent to 51 per cent of their population.

From 16th March 2022, vaccination drive has been extended to cover the adolescent population in the age group of 12-14 years as of 31st March 2022, 1.7 crore doses have been administered to this age group. Additionally, India has also expanded its booster dose programme by removing a restriction related to comorbidities. About 2.3 crore precautionary doses have been administered to healthcare, front line workers and people aged above 60 years.

Steady fall in new COVID-19 cases and the consequent withdrawal of restrictions across states continue to strengthen the economic activity. Daily cases further abated to less than 1400 in March, reaching about one-eighth of what it was in February. The daily recoveries continue to outnumber daily new cases pushing up the recovery rate to 98.7 per cent. As on 31st March, 2022 India had less than 26 thousand active cases – down from a peak of 22.0 lakh cases on 27th Jan 2022. Delhi and Maharashtra have now made masks optional to wear reflecting their belief that the pandemic is under control. The hope is that any new variant such as Omicron XE would not pose a serious threat to the economic recovery.

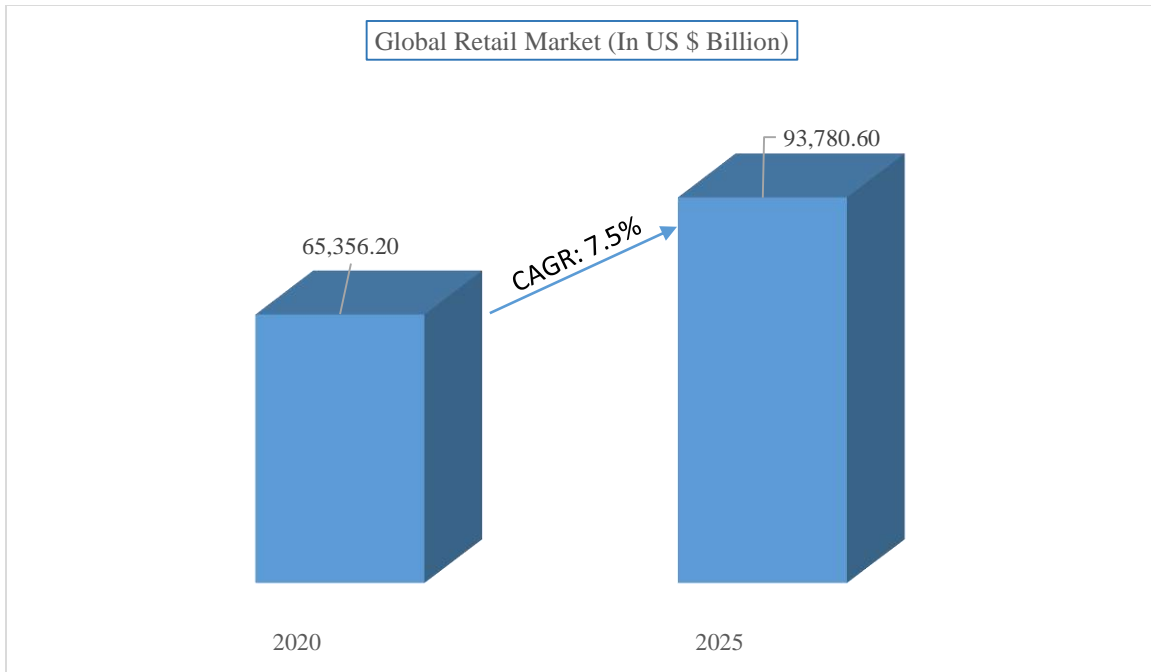
In view of the controlled pandemic situation, mobility continues to expand above pre-pandemic levels by 7.5 per cent in March compared to 3.3 per cent in February. Average daily E-toll count increased to 87.2 lakh in March 2022 registering a growth of 40 per cent on year on year (y-o-y) basis. While average E-toll collection expanded by 32.8 per cent on y-o-y basis to ₹132.0 crore in March 2022. During 2021-22, average daily E-toll collection increased by 64 per cent while average daily E-toll count higher by 81 per cent compared to previous year.

### **Retail Industry – Global**

Retail refers to the process of selling consumer goods or services through various channels of distribution to satisfy the demand of the consumers. A retail transaction mostly handles small quantities of goods or services.

The Retail Industry is segmented by Products (Food and Beverages, Personal and Household Care, Apparel, Footwear and Accessories, Furniture, Toys and Hobby, Electronic and Household Appliances, and Other Products), Distribution Channel (Supermarkets/Hypermarkets, Convenience Stores, and Department Stores, Specialty Stores, Online, and Other Distribution Channels), and Geography (North America, Europe, Asia-Pacific, Latin America, and Middle-East and Africa).

### **Market Snapshot**



The global retail and wholesale market, of which the retail market is a segment, reached a value of nearly \$65,356.2 billion in 2020, growing at a compound annual growth rate (CAGR) of 2.9% since 2015. It is expected to grow at a CAGR of 7.5% and reach nearly \$93,780.6 billion by 2025. The retail market was the smallest segment in the global retail and wholesale market accounting for 31.1% of the total in 2020. The wholesale market was the largest segment in the global retail and wholesale market accounting for 68.9% of the total in 2020.

The retail market is segmented by type into motor vehicle and parts dealers, supermarkets and hypermarkets, ecommerce & other non-store retailer, food and beverage stores, gasoline stations, department stores & other general merchandise stores, clothing and clothing accessories stores, building material and garden equipment and supplies dealers, pharmacies and healthcare stores, electronics and appliance stores, convenience, mom and pop stores, sporting goods, hobby, musical instrument, and book stores, furniture and home furnishings stores, cosmetics and personal care stores, and miscellaneous store retailers. The motor vehicle and parts dealers market was the largest segment of the retail market segmented by type, accounting for 19.3% of the total in 2020. Going forward, the ecommerce & other non-store retailers segment is expected to be the fastest growing segment in the retail market segmented by type, at a CAGR of 13.8% during 2020-2025.

(Source: <https://www.globenewswire.com/Global-Retail-Market-Opportunities-and-Strategies-to-2030-COVID-19-Impact-and-Recovery.html>)

### Key Market Trends

*E-commerce is the Fastest-growing Segment in the Retail Industry.*

Internet retailing is the modern way of shopping. With the growing penetration of smartphones and mobile devices and internet services, e-commerce has emerged as a major shopping platform in the world. The retail e-commerce market is driven by an increasing set of suppliers selling online and a change in consumers' buying behavior, among others. The rise of online fresh groceries sales along with growing numbers of prepared food delivery companies entering this space could propel category growth by several-fold times in the next five years. Mobile-first sites, dedicated apps, emerging payment methods, and other tools are making shopping on smartphones much easier. Many retailers operate an omnichannel model, which aims to integrate offline and online channels. Asia has some of the

biggest retail markets in the world in China, Japan, and India. E-commerce sales in Q2 2020 accounted for 16.1% of total sales in the US market.

#### *Asia-Pacific is expected to Witness the Fastest Growth Rate in the Retail Industry*

As rural and urban households witnessed a steady growth of disposable incomes, the spending power of the Chinese population has also increased dramatically, and the retail market has matured into one of the largest and still growing consumer markets worldwide. It is highly competitive and diversified, and the market shares of the leading Chinese retail chains were receding over the past few years. In India, government policies, like FDI up to 100% allowed in single-brand retail and FDI up to 51% in multi-brand retail, are further expected to fuel up the competition in the country's retail market. The growth of the tourism sector in Asia-Pacific countries, including Thailand and Indonesia, is expected to increase the demand for imported products, especially in the HORECA (hotel/restaurant/café) sector. The region's tourism sector is currently benefitting from an expanding luxury hotel sector and greater international air connectivity. Additionally, supporting growth in the tourism sector and widespread country-level government-led investments in transport infrastructure are driving the region's growth.

Retail Industry - Growth Rate by Region (2020-2026)



(Source: <https://www.mordorintelligence.com/industry-reports/retail-industry>)

### **Competitive Landscape**

The retail market is highly competitive, with few key players occupying the major market share. The organized retail market has been growing significantly with companies expanding stores and considering the business potential in new areas. Most of the unorganized retail outlets are increasingly being replaced with big retail hypermarkets, supermarkets, and other retail chains. This is expected to continue on a large scale during the forecast period, which will significantly lead to market growth

### **Major Players**

- Walmart
- Amazon
- Costco
- Schwarz Group
- Kroger

### **Recent Developments**

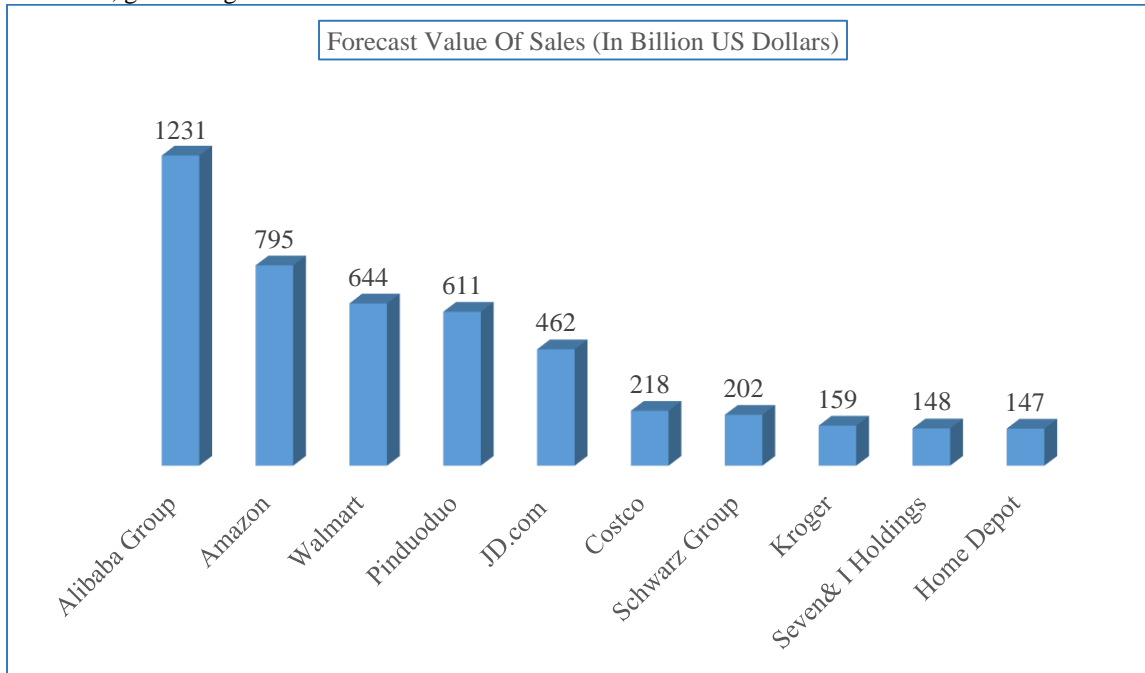
- March 2021, Walmart announced that it would be closing six locations in Canada. The company said that in addition to closing these stores, it plans to spend over USD 500 million upgrading its other stores.

- March 2021, Disney announced that it is going to close at least 60 stores in North America, amounting to about 35% of its locations in the region. Going forward, Disney is placing a larger emphasis on its e-commerce business rather than its brick-and-mortar footprint.

The top opportunities in the retail market segmented by type will arise in the ecommerce & other non-store retailers' segment, which will gain \$2,065.9 billion of global annual sales by 2025. The top opportunities in the retail market segmented by ownership will arise in the chained segment, which will gain \$8,624.7 billion of global annual sales by 2025. The retail market size will gain the most in The USA at \$1,858.5 billion.

### Leading global retailers by forecast sales revenue in 2025

By 2025, the e-commerce retailer Alibaba is forecast to be the leading retailer worldwide, outdoing other online marketplaces and store-based retailers. Projections for 2025 show that the sales revenue of Alibaba is going to reach a value of 1,231 billion U.S. dollars. Amazon is forecast to follow with 795 billion U.S. dollars, while Walmart would rank third, generating 644 billion U.S. dollars in sales revenue.



### Covid 19 Impact

The outbreak of Coronavirus disease (COVID-19) has acted as a massive restraint on the retail market in 2020 as supply chains were disrupted due to trade restrictions and consumption declined due to lockdowns imposed by governments globally. COVID 19 is an infectious disease with flu-like symptoms including fever, cough, and difficulty in Breathing. Steps by national governments to contain the transmission have resulted in decline in manufacture and trade of non-essential goods and an overall decline in economic activity with countries entering a state of lockdown and the outbreak is expected to continue to have a negative impact on businesses throughout 2020 and into 2021. However, it is expected that the retail market will recover from the shock across the forecast period as it is a `black swan` event and not related to ongoing or fundamental weaknesses in the market or the global economy.

Many retailers are adopting a robust and cohesive strategy for data analytics in management. This technology is being deployed to enhance supply chain efficiency, streamline operations to engage customers and building loyalty, data has become critical for most retail operations. With the rapid growth in retail data and the availability of technologies to analyse data it will become easier for retails to identify and meet the needs and expectations of their customers, thus it is expected to drive the market going forward.



## Indian Retail Market

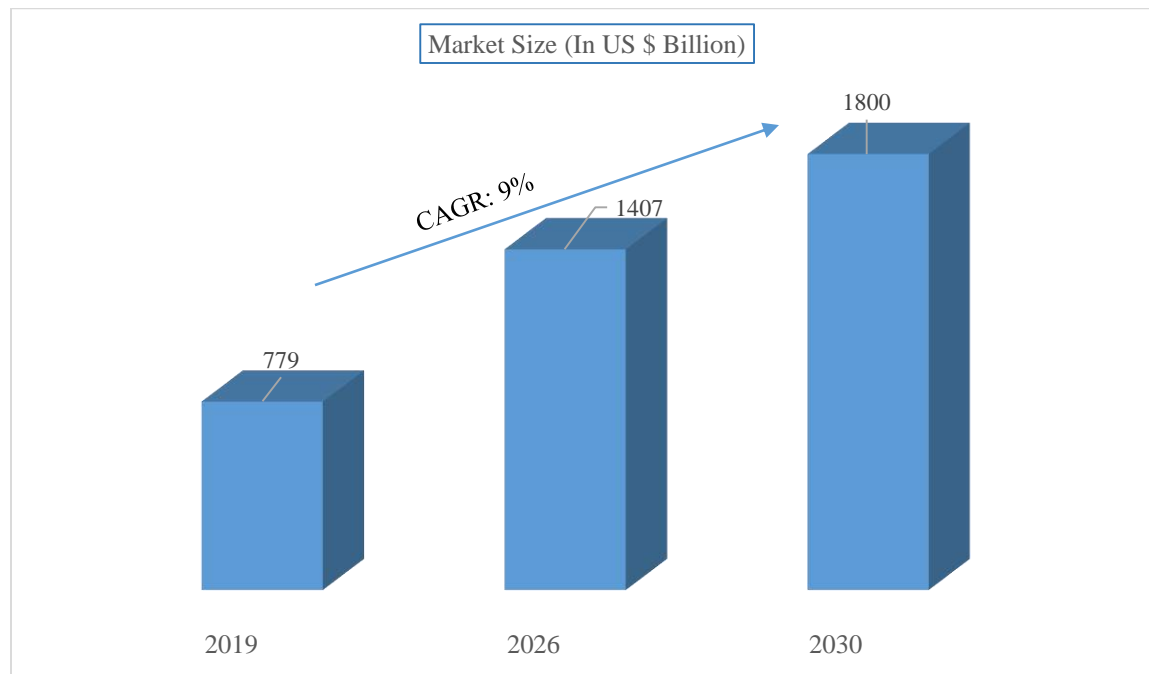
Indian retail industry is one of the fastest growing in the world. As per Kearney Research, India's retail industry is projected to grow at a slower pace of 9% over 2019-2030, from US\$ 779 billion in 2019 to US\$ 1,407 billion by 2026 and more than US\$ 1.8 trillion by 2030. India ranked 63 in the World Bank's Doing Business 2020 publication. India ranked 73 in the United Nations Conference on Trade and Development's Business-to-Consumer (B2C) E-commerce Index 2019. India's direct selling industry would be valued at US\$ 2.14 billion by the end of 2021. Consumer spending in India increased to US\$ 245.16 billion in the third quarter of 2020 from US\$ 192.94 billion in the second quarter of 2020.

India is the fifth-largest and preferred retail destination globally. The country is among the highest in the world in terms of per capita retail store availability. India's retail sector is experiencing exponential growth with retail development taking place not just in major cities and metros, but also in tier II and III cities. Healthy economic growth, changing demographic profile, increasing disposable income, urbanisation, changing consumer tastes and preferences are some of the factors driving growth in the organised retail market in India.

### Market Size

As per Kearney Research, India's retail industry is projected to grow at a slower pace of 9% over 2019-2030, from US\$ 779 billion in 2019 to US\$ 1,407 billion by 2026 and more than US\$ 1.8 trillion by 2030.

Revenue of India's offline retailers, also known as brick and mortar (B&M) retailers, is expected to increase by Rs. 10,000-12,000 crore (US\$ 1.39-2.77 billion) in FY20. India's direct selling industry would be valued at US\$ 2.14 billion by the end of 2021.



According to the Retailers Association of India (RAI), the retail industry achieved 93% of pre-COVID sales in February 2021; consumer durables and quick service restaurants (QSR) increased by 15% and 18% respectively. After an unprecedented decline of 19% in the January-March 2020 quarter, the FMCG industry displayed signs of recovery in the July-September 2020 quarter with a y-o-y growth of 1.6%. The growth witnessed in the fast-moving consumer goods (FMCG) sector was also a reflection of positivity recorded in the overall macroeconomic scenario amid opening of the economy and easing of lockdown restrictions.

E-Retail has been a boon during the pandemic and according to a report by Bain & Company in association with Flipkart 'How India Shops Online 2021' the e-retail market is expected to grow to US\$ 120-140 billion by FY26, increasing at approximately 25-30% p.a. over the next 5 years. India has the third-highest number of e-retail shoppers

(only behind China, the US). The new-age logistics players are expected to deliver 2.5 billion Direct-to-Consumer (D2C) shipments by 2030. Online used car transaction penetration is expected to grow by 9x in the next 10 years. During the festival period in 2020, Amazon, Flipkart and various vertical players sold goods worth US\$ 9 billion despite the pandemic onslaught.

The Indian retail market is largely unorganized. However, the organised Indian retail market has increased by ~50% between 2012-2020 to its current value of nearly 12% of total retail. The modern Indian retail industry is expected to grow at a 15% CAGR to reach 18% by 2025. Major retail categories (by % organised retail penetration) such as apparel & accessories (18%), consumer electronics (6%) and home & living (6%) will drive the increase in organised retail this decade.

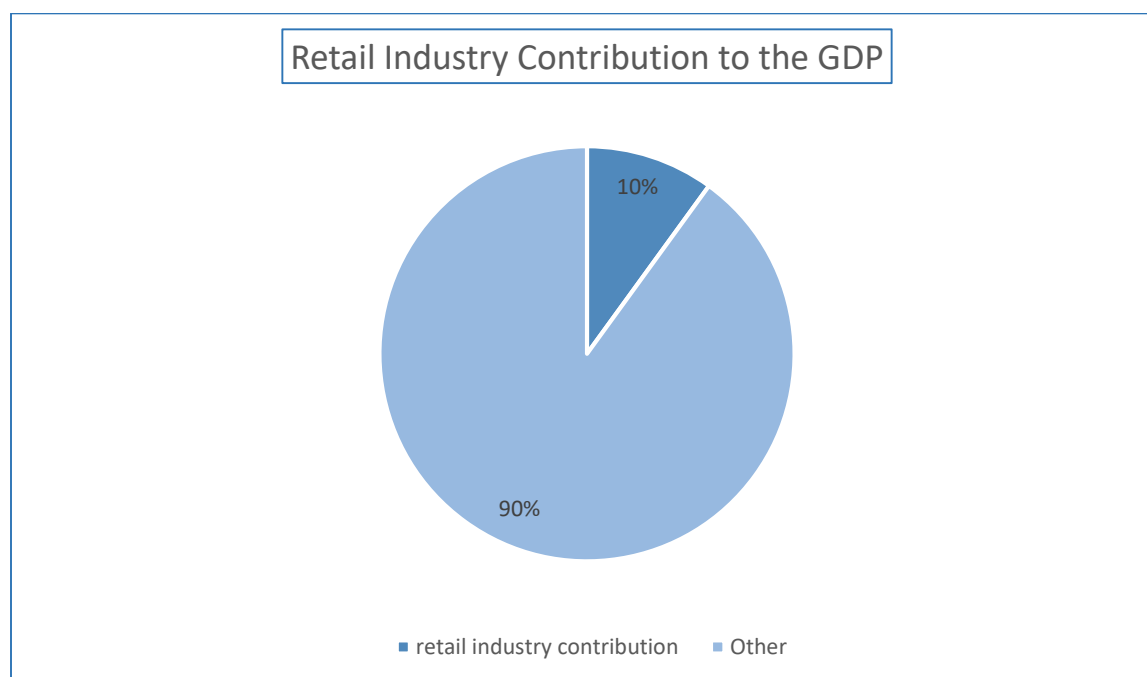
(Source: <https://www.ibef.org/industry/retail-india.aspx>)

### Growth of retail sector in India

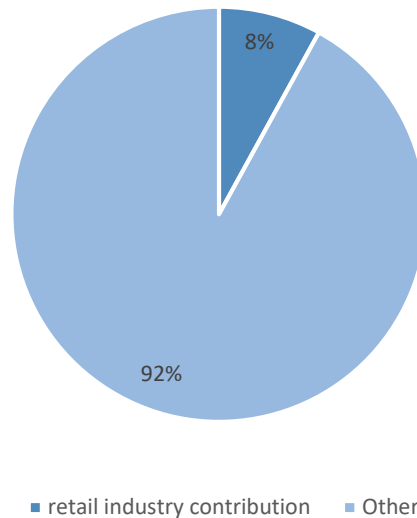
Retail and real estate are the two booming sectors of India in the present times. And if industry experts are to be believed, the prospects of both the sectors are mutually dependent on each other. Retail, one of India's largest industries, has presently emerged as one of the most dynamic and fast paced industries of our times with several players entering the market. Accounting for over 10 per cent of the country's GDP and around eight per cent of the employment retailing in India is gradually inching its way toward becoming the next boom industry.

As the contemporary retail sector in India is reflected in sprawling shopping centres, multiplex- malls and huge complexes offer shopping, entertainment and food all under one roof, the concept of shopping has altered in terms of format and consumer buying behaviour, ushering in a revolution in shopping in India. This has also contributed to large-scale investments in the real estate sector with major national and global players investing in developing the infrastructure and construction of the retailing business.

(Source: <https://www.equitymaster.com/research-it/sector-info/retail/Retailing-Sector-Analysis-Report.asp>)



## Retail Industry Contribution to the employment



### Segments of Retailing and scope of opportunities

#### *Food and Grocery retail*

The food market in India is largely unorganized. The expenditure on food products by Indian households is the highest in the world. With rapid urbanization and consumerism, there exists huge untapped potential which needs to be explored

#### *Apparel*

Demand for stitched garments and western outfits is increasing at the rate of 40% to 45%. Factors critical to the success of this segment are easy availability and affordability of fashionable garments along with value-added benefits.

#### *Beauty and Wellness*

Pharmacy retailing in India is largely occupied by a local pharmacist. However new chemist stores like 98.3 are emerging which offer drugs, health and beauty care products.

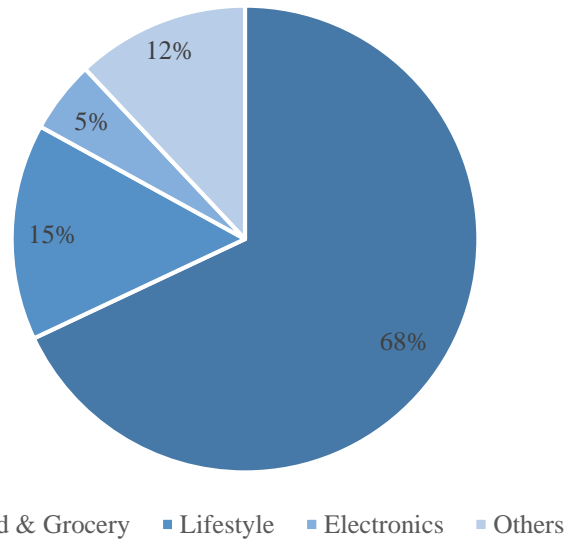
#### *Consumer durable*

The market for consumer durable is the US \$6.5 billion and is expected to grow at the rate of 18%.

#### *Furniture and furnishings*

There has been a new trend evident in the market wherein the modern retailers are setting up home furnishings sections in hypermarkets and speciality stores. This segment faces tough competition from local retailers.

Category Wise Breakup Of Total Retail Market in FY20 (%)



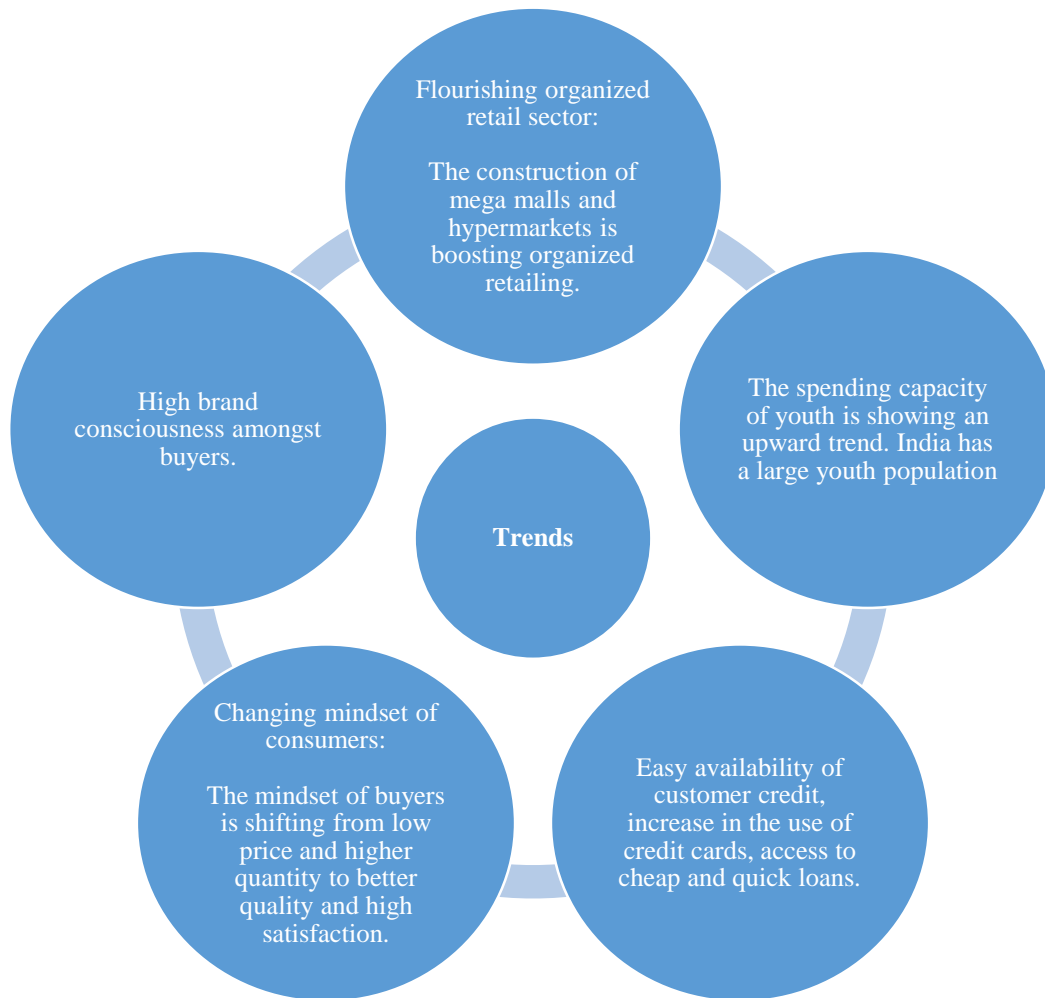
Some of the key players in the organized retail sector

- Pantaloons Retail Ltd, a future group venture
- Shoppers Stop Ltd
- Spencer Retail, RPG enterprises
- Lifestyle, Landmark Group Venture
- Other major indigenous players in retailing are Reliance Retail, Bharti Retail, Globus, Aditya Birla "More" etc.

Many Foreign players have entered India through Joint Venture with domestic firms like:

- Carrefour in New Delhi, which launched its first cash and carry store here.
- Walmart, a joint venture with Bharti Retail, owns Easy Day
- British retailer TESCO Plc entered into a JV with Trent, retail segment of TATA group.
- Marks & Spencer joint venture with Reliance Retail

### **Trends in Retail Industry**



### Foreign Direct Investment in Retail

Under the government approval route, 100% FDI has been permitted, in single-brand product retailing as per DIPP guidelines. For projects involving FDI beyond 51% it is mandatory to source at least 30% material from indigenous small and cottage industries, having a maximum investment of about 5 crores in plant and machinery.

In multi-brand retail, the Central government has permitted 51% FDI. However, the final decision rests with the state government. States that are led by Congress parties like Delhi, Assam, Haryana, Rajasthan foreign supermarkets will be allowed to set up their ventures. However, states led by BJP like Gujarat, West Bengal Kerala etc. will not permit 51% FDI in multi-brand retail.

### Development Scenario

- Retail tech companies supporting the retail sector with services such as digital ledgers, inventory management, payments solutions, and tools for logistics and fulfilment are taking off in India. In the first nine months of 2021, investors pumped in US\$ 843 million into 200 small and mid-sized retail technology companies, which is an additional 260% of capital compared to the entire 2020.
- In November 2021, Department for Promotion of Industry and Internal Trade announced that it is working on a regulatory compliance portal to minimise burdensome compliance processes between industries and the government.
- In October 2021, retailers in India increased by 14% compared with last year

- In September 2021, New Delhi-based e-commerce enablement start-up Go Kwik raised US\$ 5.5 million through Matrix Partners India. Durkan, another start-up that helps businesses digitise operations, received a US\$ 11 million investment led by 640 Oxford Ventures.
- The Indian retail trading has received Foreign Direct Investment (FDI) equity inflow totalling US\$ 3.61 billion during April 2000-June 2021, according to Department for Promotion of Industry and Internal Trade (DPIIT).
- With the rising need for consumer goods in different sectors including consumer electronics and home appliances, many companies have invested in the Indian retail space in the past few months.
- India's retail sector attracted US\$ 6.2 billion from various private equity and venture capital funds in 2020.
- According to a report by PGA Labs and Knowledge Capital, investors had put in US\$ 1.4 billion into D2C companies between 2014 and 2020. The sector recorded an investment of ~US\$ 417 million in 2020.
- In October 2021, Reliance announced plan to launch 7-Eleven Inc.'s convenience stores in India.
- In October 2021, Realme launched 100 new exclusive stores across India to expand and strengthen its footprint in the country.
- In October 2021, Reliance Retail introduced Freshpik, a new experiential gourmet food store in India, to expand its grocery segment in the ultra-premium category.
- In October 2021, Plum, the direct-to-consumer beauty & personal care brand, announced plan to launch >50 offline stores across India (by 2023) to expand its customer base.
- In July 2021, Dyson announced to increase its retail presence to 12 stores.
- Tanishq, Shoppers Stop and Bestseller India (sells fashion brands Vero Moda, ONLY and Jack & Jones) plan to add 10-35 stores in FY22.
- In 2021, Lenskart received US\$ 315 million funding from Falcon Edge Capital, Temasek Holdings, KKR. The company plans to use the proceeds to expand its retail footprint in Southern India.
- Flipkart hired 23,000 individuals in India between March and May 2021 in various capacities across its supply chain, including delivery executives, to strengthen the supply chain.
- In May 2021, Big Bazaar rolled out its two-hour delivery service in small cities, such as Bhopal, Mangalore, Raipur, Ranchi, Guwahati, Kanpur, Lucknow, and Varanasi, and recorded a boost in orders over the past weeks.
- In April 2021, Flipkart expanded its hyperlocal delivery service Quick to six new cities including Delhi, Gurugram, Ghaziabad, Noida, Hyderabad, and Pune as the demand for essential goods on e-commerce platforms surges amid the second wave of the pandemic.

(Source: <https://www.investindia.gov.in/>)

### Government Initiatives

- The Government of India has taken various initiatives to improve the retail industry in India. Some of them are listed below:
- In October 2021, the RBI announced plans for a new framework for retail digital payments in offline mode to accelerate digital payment adoption in the country.
- In July 2021, the Andhra Pradesh government announced retail parks policy 2021-26, anticipating targeted retail investment of Rs. 5,000 crore (US\$ 674.89 million) in the next five years.
- Government may change Foreign Direct Investment (FDI) rules in food processing in a bid to permit E-commerce companies and foreign retailers to sell Made in India consumer products.
- Government of India has allowed 100% FDI in online retail of goods and services through the automatic route, thereby providing clarity on the existing businesses of E-commerce companies operating in India.
- The government's focus to improve digital infrastructure in Tier 2 and Tier 3 markets would be favourable to the sector.
- The Minister of MSME announced inclusion of retail and wholesale trades as MSMEs. Retail and wholesale trade will now get the benefit of priority sector lending under the RBI guidelines.

### Challenges & Opportunities

Retailing has seen such a transformation over the past decade that its very definition has undergone a sea change. No longer can a manufacturer rely on sales to take place by ensuring mere availability of his product. Today, retailing is

about so much more than mere merchandising. It's about casting customers in a story, reflecting their desires and aspirations, and forging long-lasting relationships. As the Indian consumer evolves they expect more and more at each and every time when they step into a store. Retail today has changed from selling a product or a service to selling a hope, an aspiration and above all an experience that a consumer would like to repeat.

For manufacturers and service providers the emerging opportunities in urban markets seem to lie in capturing and delivering better value to the customers through retail. For instance, in Chennai Cavin Kare's LimeLite, Marico's Kaya Skin Clinic and Apollo Hospital's Apollo Pharmacies are examples, to name a few, where manufacturers/service providers combine their own manufactured products and services with those of others to generate value hitherto unknown. The last mile connect seems to be increasingly lively and experiential. Also, manufacturers and service providers face an exploding rural market yet only marginally tapped due to difficulties in rural retailing. Only innovative concepts and models may survive the test of time and investments. However, manufacturers and service providers will also increasingly face a host of specialist retailers, who are characterized by use of modern management techniques, backed with seemingly unlimited financial resources. Organized retail appears inevitable.

### **Road Ahead**

E-commerce is expanding steadily in the country. Customers have the ever-increasing choice of products at the lowest rates. E-commerce is probably creating the biggest revolution in retail industry, and this trend is likely to continue in the years to come. Retailers should leverage digital retail channels (E-commerce), which would enable them to spend less money on real estate while reaching out to more customers in tier II and tier III cities.

Online retail market in India is projected to reach US\$ 350 billion by 2030 from an estimated US\$ 55 billion in 2021, due to rising online shoppers in the country. In 2020, the most common payment methods online were digital wallets (40%), followed by credit cards (15%) and debit cards (15%). Online penetration of retail is expected to reach 10.7% by 2024 versus 4.7% in 2019.

Nevertheless, long-term outlook for the industry looks positive, supported by rising income, favourable demographics, entry of foreign players, and increasing urbanisation.

(Source: <https://www.ibef.org/industry/retail-india.aspx>)

## 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. 15 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 conditions 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. 22 and 147 respectively.*

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

### **BUSINESS OVERVIEW**

Our Company was incorporated as ‘Mafia Trends Private Limited’ on February 07, 2017 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Gujarat at Ahmedabad. Pursuant to a special resolution of our Shareholders passed in the extra-ordinary general meeting held on December 22, 2021, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to ‘Mafia Trends Limited’, and a fresh certificate of incorporation dated January 12, 2022 was issued to our Company by the Registrar of Companies, Gujarat at Ahmedabad.

The corporate identification number of our Company is U51909GJ2017PLC095649.

We are one of the pioneers in setting up stores across various small Indian towns and cities including Kalol, Vadodara, alongwith Ahmedabad. We primarily operate in Tier-II and Tier-III cities, with a chain of ‘Value Retail’ departmental stores offering clothings, apparels, general merchandise catering to the men.

Based in Ahmedabad, our operations are spread across small cities and some parts in Gujarat. In 2011, we started our operations. Our first store was named ‘Mafia Western Outfit’ at Ahmedabad, Gujarat, and currently operate 8 stores spread across 3 cities in Gujarat. Our stores are located in Ahmedabad, Kalol and Vadodara.

Our Company follows the concept of ‘Value Retailing’ to target the strata of the population belonging to the expanding aspiring class and middle class based on our customer’s socio-economic conditions, purchasing power, demographic details and customer trends. We believe our offerings in untapped markets, provide our customers with a different shopping experience, comprising of a vast range of value retail products under a modern ambience and feel of a large retail mall.

### **Our Business Verticals**

Our business revolves around the marketing and selling of Men’s fashion which includes Apparels such as Jeans, T-shirts, Shirts, Chinos, Formal trousers and Formal shirts.

Our business is based on the primary concept of ‘Value Retailing’ following which we aim to provide the latest fashion trends in apparels and non-apparels for men with an added focus on demands of the youth and young generation.

We source our products, including private labels, directly from the regions where such products are widely available or manufactured, to minimize our procurement costs and offer quality products at such costs. Our strong sourcing capability is backed by an efficient logistics network, which is supported by strong IT infrastructure, systems and processes, thus enabling us in achieving our goal of ‘Value Retailing.’



In future, we aim to expand our business verticals to Women and Kids apparel fashion, E-Commerce stores, Footwear, Bags with market basis availability and direct retailing by producing raw materials with the name of our own label and removing the third party vendor procurement for raw materials.

Our top management is actively involved in the day-to-day business which ensures that we can make decisions quickly and efficiently. Our Promoters, Mr. Rajendra Singh Rajpurohit, aged 39 years, Managing Director and Mr. Mahendra Singh Rajpurohit, aged 35 years, as the Whole-time Director leads our Company to the right ventures into value creation and sustained growth. They started the business in this industry in 2011.

Our total revenue for 2020-21 is ₹ 400.80 lacs with a healthy EBITDA margin of 9.77%. Profit after tax margin is 6.74%.

Our total revenue from April 01, 2021 to January 31, 2022 is ₹ 620.16 lacs with a healthy EBITDA margin of 9.11%. Profit after tax margin is 6.68%.

Profit before Tax from FY19 to FY21 grew by 10.14% Y-o-Y.

#### **OUR LOCATIONAL PRESENCE:**

**Corporate Office:** Mafia Trends Limited, 1, Prabhu Kutir Complex, Sandesh Press Road, Vastrapur, Ahmedabad, Gujarat, India, 380015;

Email: [grievance@mafiastores.com](mailto:grievance@mafiastores.com); Website: [www.mafiastores.com](http://www.mafiastores.com)

#### **OUR COMPETITIVE STRENGTH**

*First mover advantage in Tier-II and Tier-III cities and to target the expanding, aspiring class and middle class customer group*

We are the pioneers in opening stores in smaller Indian towns and Tier-II and Tier-III cities in Gujarat and hence we have enjoyed a first mover advantage. We believe our penetration into these Tier-II and Tier-III cities has resulted in a niche market for ourselves. Our focus of operating in Tier-II and Tier-III cities as well as towns is one of our key strengths. Our Company's core competency lies in understanding the aspirations and demands of our customers and meeting their demand with our concept of value retailing. We cater to the requirements of the aspiring class and the middle-class group of the population with an added focus on demands of the youth and Young generation, which forms the bulk of purchasing power of the Indian population. We believe that the spending habits and patterns of the aspiring class and middle-class segment of cities and towns is changing and we offer products at competitive prices to cater to such changed consumer spending patterns.

#### *Competitive lease rentals*

Most of our premises are owned by the promoter groups leaving behind very less lease rentals options.

We believe, identifying and determining the location and optimal size of a store is a critical factor in ensuring visibility among the target customers and sustainability of store operations. Our ability to find, manage and operate our stores, through optimal sizing, in suitable locations on high-street areas and main shopping hubs at the low lease rentals per Sq. Ft. has resulted in reduced operational costs. We have set internal parameters in relation to property identification including location, rental costs and proximity to the catchment area which has led to establishment of our brand identity amongst our customers.

#### *Strong and diversified procurement network*

We source our products and raw materials directly from the regions where such products are widely available or manufactured, to minimize our procurement costs and endeavor to offer the best product quality possible at such costs. Our procurement team conducts detailed research to locate the best sources for procurement of products at minimum costs and best possible quality. We source apparels from Ahmedabad, Delhi and Mumbai amongst other places

throughout India. We have a standardized procurement system that enables us to source quality products at attractive rates and avail the schemes of manufacturers and vendors.

### ***Efficient supply chain management***

Our comprehensive Enterprise Resource Planning ('ERP') backed supply chain management system comprises of collecting customer data, Invoicing, Products Management, Stocks Management, Store Expenses Management, Suppliers Data Management, Payments Management, Biller's Management, Returns Management, Store Tracking Analytics, Key Performance Indicators Analysis, Stock transfers, Re-marketing and Campaigns. We believe an efficient supply chain system is the backbone of retail operations and it is very essential to strike an optimum balance between the adequate level of inventory whilst ensuring availability of products at all stores as per customer needs, as well as reducing our operational costs.

Our Company adopts an integrated '*Proactive*' and '*Reactive*' approach to managing our supply chain in which we plan our supply schedule based on the forecasted demand. This also helps us in understanding as well as adapting to the changing patterns in customer behaviour. Our merchandise and procurement planning, supply chain management and distribution network enables us to have shorter business cycles, thereby resulting in efficient working capital management.

We centrally procure apparel and non-apparel products and then distribute the same to all locations through our transport fleet and third party transporters, which helps us in transporting and delivering products in a cost and time efficient manner to our stores.

Further, we believe we have established strong relationships with our vendors, suppliers and manufacturers to ensure a smooth, efficient and uninterrupted supply of products.

### ***Value Addition to our products***

After procuring our products from various locations domestically and internationally, we undergo some designing based on the tastes and preferences of our customer segment before delivering them to the retail stores for sales.

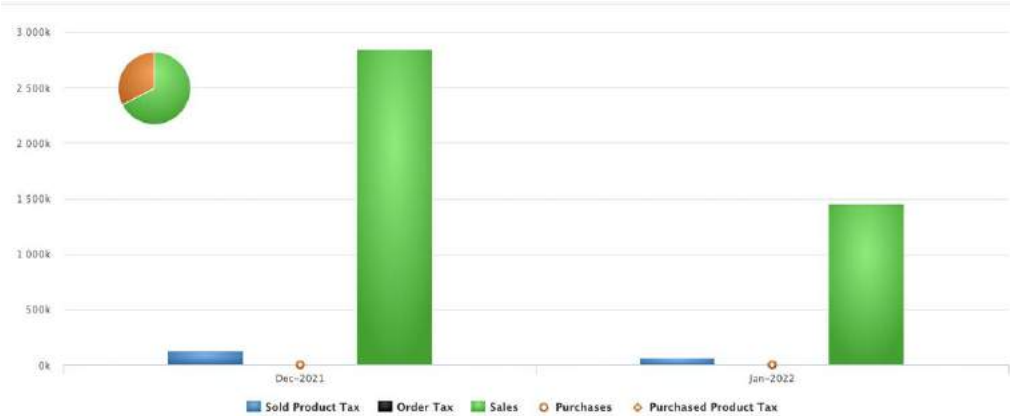
### ***Strong IT infrastructure, systems and processes***

Our Company has a strong focus on systems and processes. We believe our well defined systems and processes backed by our end to end Enterprise Resource Planning ('ERP') software forms a vital element of our business operations. Our ERP software addresses multiple aspects from procurement to sales based on our business model and requirements.

Our Company uses ERP software, from planning and setting up of new stores to managing day-to-day operations, formulation of replenishment plans, including analyzing information from all aspects of the business operations and tools for financial management and other management decisions.

Our Company, through a continuous review of processes at regular intervals and commitment towards introducing the use of strict monitoring processes alongside undertaking continuous inventory count cycle for each of our stores, has managed to reduce the shrinkage (being the loss in inventory through a combination of shoplifting by customer, pilferage by employee, damage, obsolescence, expiry and error in documents and transaction) at levels which are lower than usual industry standards.

The Company's ERP Software system uses real time data about the available stocks, purchases and sales which helps them to take timely effective decisions for the overall growth and success of the business.



***Pleasant ambience and a modern shopping environment***

We provide a modern shopping experience to our target customers. All our stores are air conditioned and special attention is given to provide an appealing store layout, ambience, visual merchandising and visual appeal aspect of our stores which, we believe, enhances the shopping experience for our customers. We have appointed trained sales personnel at all our departmental stores to assist our customers in order to help them in making an informed decision. Further, in the untapped markets the concept of being able to handle and inspect the products themselves at their own will and leisure, provides a different experience to our customers. We have installed computerized billing points with an intention to reduce customer fatigue while shopping as we feel the last three feet at the store is the moment of buying decisions. This coupled with convenient payment options including, UPI, credit card, debit card, gift vouchers, coupon provides more convenience to the customers. We have noted that the shopping experience is of utmost importance to our consumers and it is considered as a family time. We believe, in a departmental store shopping is a complete family activity, wherein every member of the family is engaged and has an opportunity to purchase something for himself.

***One stop shop with a large variety of products, adopting store Concept Classification, customised for the local populace***

We are a “One Stop Shop” with a comprehensive portfolio of product offerings and a large assortment of products catering to the entire needs of Men & Kids’ fashion. Our product range specifically caters to the demands and aspirations of aspiring class and the middle class & upper middle class group of the population with an added focus

on demands of the youth and Young generation especially in the Tier-II and Tier-III cities and towns. We constantly monitor the latest fashion trends, preferences and tastes of our customers to provide a wide range of fashion products, general merchandise. We offer our customers a wide product range such as formals, casuals and ethnic wear.

***Strong background and experience in the core fashion industry of our Individual Promoters and our key managerial team***

Our Individual Promoters have a cumulative experience of more than 30 man years in the core fashion industry. Our key management team, comprising of experienced and dedicated professionals with a strong background and vast experience with various companies including the organized retail players, play a key role in complementing the vision of our Individual Promoters and successfully managing our business operations. They have been instrumental in growing our Company from 1 stores in the year 2011 to 8 stores as on the date of the Draft Prospectus and have a great expertise about the industry and the local tastes and preferences of our targeted customer segment.

***Strong Infrastructure***

We do the products monitoring based on Key performance indicators, we have installed customer KPI and Vendor KPI to monitor and measure the representations graphically. With the help of Digital Data Analytics and AI we analyze and arrive at the decisions accordingly.

***Strong and diverse project execution expertise***

Our Company has substantial experience in expanding and managing new projects i.e. simultaneously identifying and launching new stores within a very short time span. As a result, we have gained very useful experience in terms of selecting potential locations for our stores, training our existing staff along with hiring new people, undertaking the marketing and advertising required to establish and support our newly launched stores. We believe this experience will enable us to achieve our planned expansion of stores on time and within our budget.

***Inverted hierarchy model***

We have adopted the ‘inverted hierarchy’ business model, which puts our customer sales representatives, at the top of the hierarchy. We believe a helpful and knowledgeable sales personnel impacts the buying decision of the customer. We believe, our innovative approach enables smooth project execution, effective inventory management and enhances operation capabilities of our customer sales representatives. This reversal of the traditional hierarchy model enables our customer sales representative, the people who are in direct contact with our customers to understand their needs and preferences, to drive our business forward. Besides, they also provide, in a structured manner, the customer feedbacks of our products, helping us to improve our existing products as well as to introduce new products. As the customer representative is a key link between the customer and our Company, we invest in providing training and grooming to the customer representative through regular training via our radio system and other training modules. This approach of inverted hierarchy adopted by our Company leverages the understanding of our staff’s capabilities.

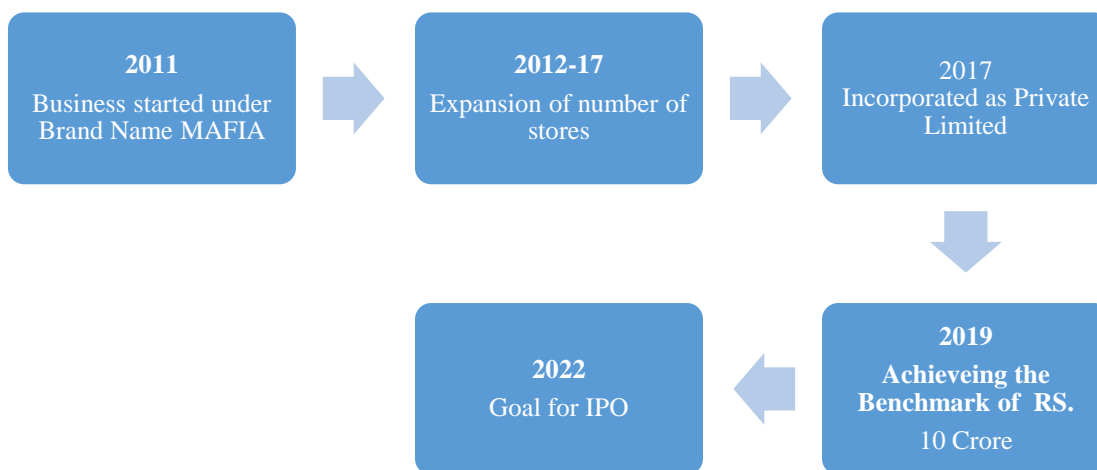
***Strong Team***

<b><i>Sr No</i></b>	<b><i>Designation</i></b>	<b><i>Name</i></b>	<b><i>Responsibilities</i></b>
1	Whole-time Director	Mahendra Singh Rajpurohit	Managing all the activities of procurement & inventory
2	Managing Director	Rajendra Singh Rajpurohit	Managing all the activities of Marketing & Administration
3	Purchase Manager	Sudarshan Bhai	Stock purchaser
4	Inventory Manager	Vishnu Desai	Inventory manager
5	IT head	Chandan Bhai	IT handler
6	Accounting head	Jeetu Solanki	Accounting head & office management

7	Marketing & PR	Ravi Singh	Managing all the activities of Marketing & PR
8	HR	Harish Singh	HR & Staff management
9	Store Managers	One manager per outlet	Overseeing store operation & management
10	Store Staffs	Multiple staff per outlet	Customer interactions and miscellaneous

The team is built upon trust and reliability that we are known for in the industry. We have hired the optimum talent and workforce to ensure efficient and continuous operations of our organisation.

## MILESTONES



## OUR STRATEGY

### *Regional cluster-based expansion and penetration*

We endeavour to capitalise and strengthen our presence in a particular region by opening new departmental stores within a radius of 100 – 150 kms between cities, and 7-10 kms within a city. This ensures our creation of a cluster of stores within a region and this strategy provides us the following benefits:

#### **(a) Enhancing brand visibility**

Our aim is to set up stores in close vicinity of our existing stores which provides better recognition amongst the population of those districts and therefore, creates a better visibility of the brand.

#### **(b) Understanding customer preferences**

We believe the demographics of the Indian population and the culture varies every 100 – 150 kms which leads to varied customer preferences, tastes and physical attributes of individuals. Such deep understanding of the regions helps us to provide the right product to the target customers.

#### **(c) Cost efficient logistics and better SCM**

It ensures a cost efficient logistics support availability to our stores, whereby with a limited fleet of transport vehicles we provide services to a large number of stores. Further, this cluster based approach will facilitate inter-store stock movements and allow us the flexibility of maximising benefits from capitalising on factors such as easy stock rotation from our stores, distribution of transportation cost and operational convenience of reporting and supervision.

#### **(d) Better utilization of human resources**

A common pool of employees can oversee the operations in the areas thereby improving the employee

productivity and reducing the overheads. This will enhance administrative control over multiple stores located in a region by our regional managers.

#### **(e) Effective implementation of marketing activities**

A common channel for marketing activity can be effectively used to cover a wider area with minimum cost. For example, a single edition of print media in a region caters to multiple districts where our stores are located thereby reducing the average advertising cost per store.

#### ***Dedicated focus towards increasing same store sales growth***

In order to ensure sustained growth, we intend to focus on increasing sales from our existing stores. Though, new stores lead to overall growth of the Company and widen our reach across new geographies, it is also imperative to focus on the existing customer base. We will continue to provide attractive offers and promotions to increase the transaction size per customer. Separate 'Above The Line' (ATL) and 'Below The Line' (BTL) activities are conducted simultaneously to create a pull towards the brand and store. As part of our retention strategy, we target to create more occasions for consumers to shop for apparel like, organize events like annual days (men's day / father's day), drawing, dancing and painting competitions, treasure hunts and talent hunts to increase the number of footfalls and the footfall conversion rate.

#### ***Cross promotion through "Intelligent Marketing"***

We also engage in "Intelligent Marketing" wherein we inform our registered customers of the new schemes or offers for specific products based on such customer's previous purchases. For customers who have a history of purchasing from our stores will receive an SMS in relation to promotional schemes. We also intend to promote cross promotional schemes across different verticals whereby a customer's buying behaviour leads us to anticipate the potential sale from another vertical. We also engage in regular SMS marketing to target our registered customers who are also a part of our loyalty program.

#### ***Increase in customer loyalty***

We have various loyalty programs to retain and add more customers to our existing customer base. The loyalty programs help build relationships by giving the organization an understanding of the customer profile, important dates such as birthdays, anniversaries, buying habits and preferences. We intend to extend benefits like regular customized communications, advance intimation of events and promotions at stores. We have initiated various programs to encourage movement of customers across our formats and to retain and add more customers to the existing base by awarding points, discounts, exclusive schemes and benefits, extended shopping hours and promotional offers. Further, we plan to continue increasing our marketing and advertising activities and organize events and promotions to increase the number of footfalls and the footfall conversion rate. To retain customer loyalty, we intend to provide the right product mix to our existing customers based on their preferences and offer them the option to buy products online as well as from our stores. We believe that as we grow in size, retaining our existing customers and increasing the average spends per customer becomes an integral element.

#### ***Continue to invest in IT infrastructure***

Our well defined systems and processes backed by our end to end Enterprise Resource Planning ("ERP") software forms a vital element of our business operations. We believe that our technology platform is highly scalable and has the potential for growth of our operations with limited incremental costs. Our strategy is to address multiple aspects like secured connectivity and infrastructure, real time information and tools for financial management and other management information systems. In view of the anticipated growth in our operations, stores and locations, we plan to upgrade our IT infrastructure to ensure adequate support to the growth in our operations. We believe further improvement in systems and processes would help us further analyze our customer taste and preferences which would enable us to understand the customer trends.

#### ***Further strengthening our procurement network and increasing our share of private labels***

We intend to strengthen our sourcing capability by identifying new and more efficient suppliers to reduce costs, increase speed of delivery and reduce lead times, including by identifying large manufacturers both in India and overseas. We intend to develop new products and further strengthen our product offering under our private labels, as we have noted that our target customers normally do not shop for apparel with a pre decided brand in mind, but looks for good quality, trendy and affordable merchandise thereby providing us an opportunity to manufacture our private labels which we already have registered. We aim to achieve this by setting up an in-house design team and developing stronger relationships with our existing and new third party manufacturers. We believe our private label initiative will offer us a differentiating factor as compared to our competition and at the same time helps us improve margins and strengthen our merchandise mix.

Our Company intends to adopt an integrated 'Product-centric' and 'Customer-centric' approach in developing our business. Our customer centric strategy aims at acquiring in-depth customer preferences and securing customer loyalty. We intend to continuously improve the product mix offered to the customers as well as strive to understand and anticipate the future customer requirements, and cater to such needs.

#### ***Reduce shrinkage and pilferage and increasing security to improvise on the inventory management***

We categorically intend to further strengthen our internal systems and controls regarding our inventory management to monitor and reduce shrinkage and pilferage. We have already setup an in-house 'Loss Prevention Management' team headed by Supervisor in our Procurement vertical, with the primary objective of continuously identifying and plugging, loops and gaps in the system. They are further aided by external consultants working on a regular basis. We aim to adopt systems and processes to further control and mitigate losses on account of shrinkage and pilferage at our stores and distribution centres. We intend to further supplement our current security system, consisting of manual checks and electronic surveillance, CCTVs by adding security tags to our products and improving our alarm systems to minimize our losses on account of pilferage.

#### ***Foray into e-commerce and start our online retail portal***

We intend to complement our cluster based capabilities in retailing with retailing through e-channels like the internet. We aim to establish an online portal under our website to tap the growing online shopping market. We intend to develop the e-commerce and online retail business to provide us with additional channels of reaching out to the customers. We believe that the growing internet penetration in Indian cities, especially Tier-II and Tier-III cities has increased the potential of growth in the e-commerce and online shopping markets. We intend to adopt a brick and click model, by leveraging on our existing back-end logistics infrastructure and sourcing capabilities, for a quick start to our online venture without any additional substantial investment. We believe developing and expanding the online space may further attract the attention of our targeted customers which can be converted into footfalls in our stores. We believe that foraying into online retail business will assist us to increase and diversify our customer base.

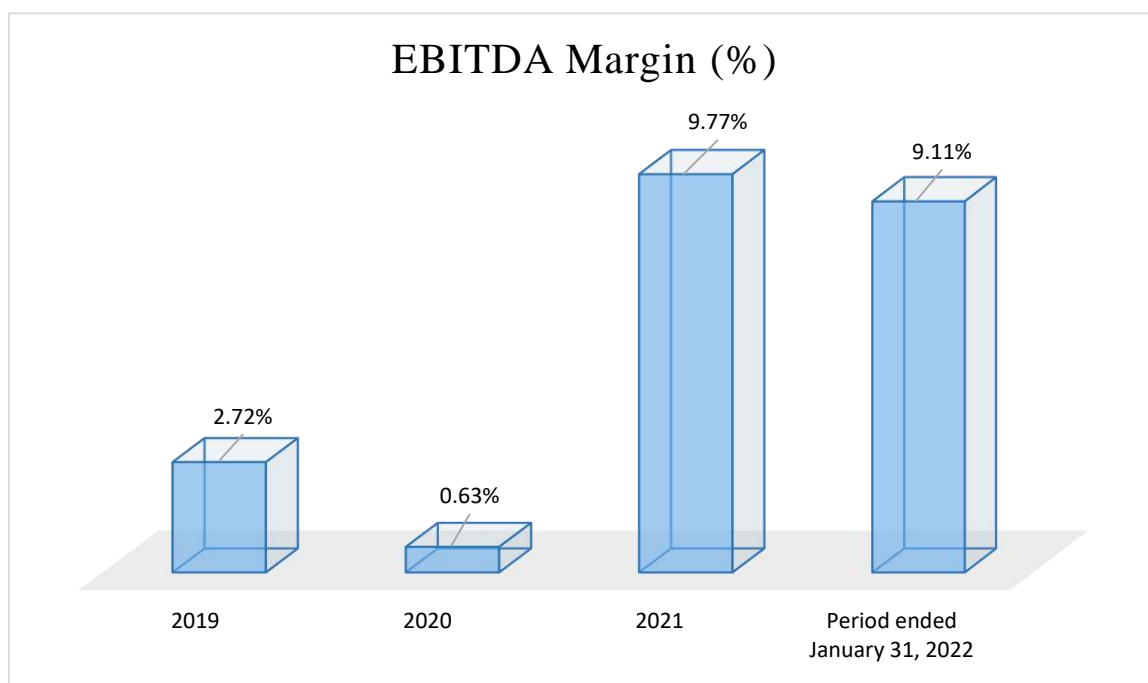
#### ***Continue to provide training to our employees and invest in human capital***

We believe that our success in the future will depend on our ability to continue to maintain a pool of experienced professionals. We aim at identifying fresh talent, training, grooming them and providing opportunities for growth. We have been successful in building a team of talented professionals and intend to continue placing special emphasis on managing attrition and attracting and retaining our employees. We provide continuous behavioural and functional training to our employees, both at our stores and at the back-end via our radio and third party human resource consultants. We intend to further improve our training programmes to ensure that our employees have the skills to meet our customers' demands and provide quality customer service. We have also adopted an organization-wide human resource policy which lays emphasis on providing continuous training to our employees and establish definite career growth paths for them. We intend to continue to encourage our employees to be enterprising and help them to learn on the job and grow within our organization.

### **FINANCIAL SNAPSHOT**

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

Particulars (in ₹ lacs)	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<i>Total Revenue</i>	620.16	400.80	1,147.86	1,282.33
<i>Purchase of stock in trade</i>	596.56	349.79	1,066.25	1,207.69
<i>EBITDA</i>	56.47	39.16	7.25	34.94
<i>EBITDA Margin (%)</i>	9.11%	9.77%	0.63%	2.72%
<i>Finance Costs</i>	22.49	21.69	49.33	30.13
<i>Depreciation and Amortization Expense</i>	0.49	1.28	3.28	6.57
<i>PBT</i>	55.98	36.49	0.60	30.08
<i>PAT</i>	41.42	27.00	0.45	22.02
<i>PAT Margin (%)</i>	6.68%	6.74%	0.04%	1.72%
<i>EPS ( Basic &amp; Diluted)</i>	6.63	4.32	0.07	21.11

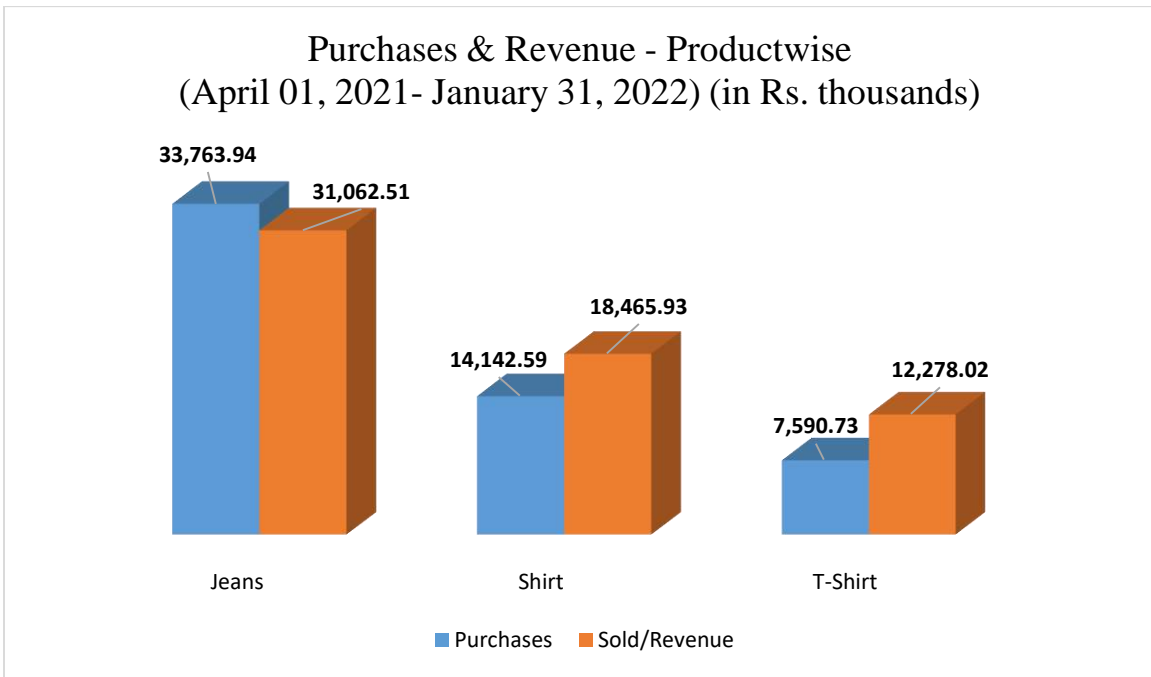
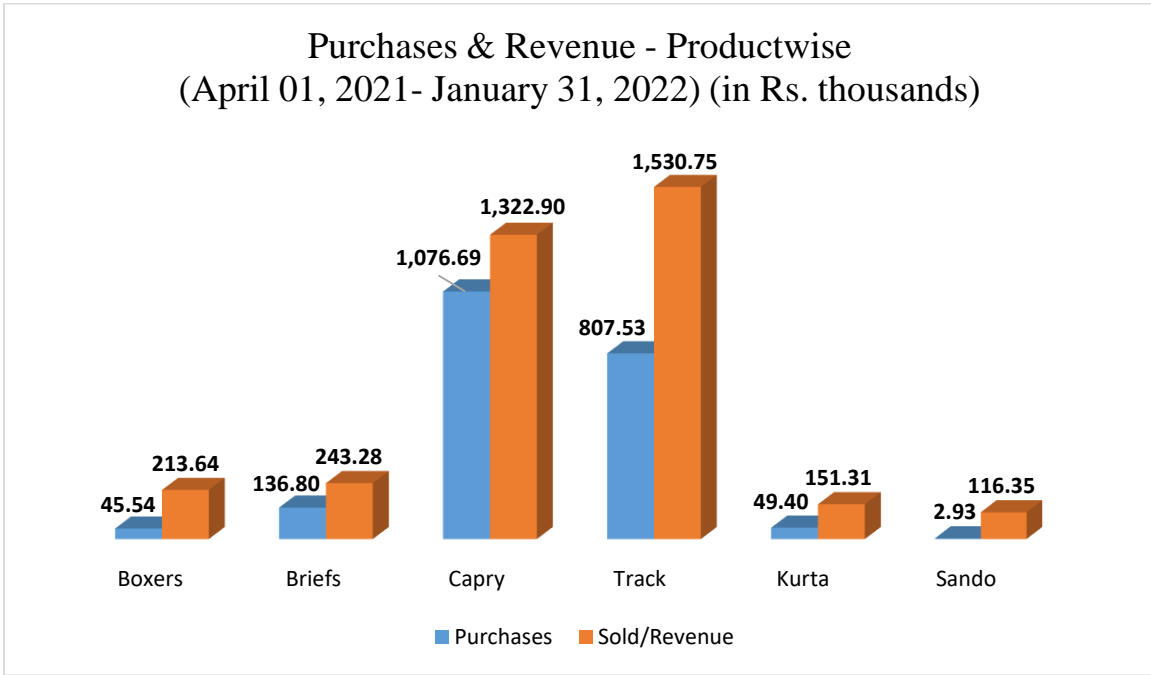


Note:

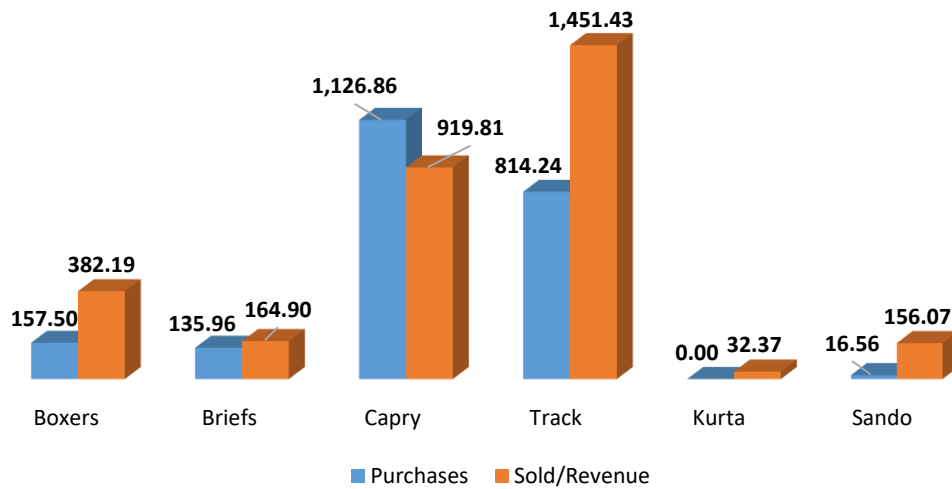
1. EBITDA Margin = (Restated profit before tax + Finance Cost + Depreciation and amortization expense)/ Total Revenue;
2. PAT Margin = PAT/ Total Revenue



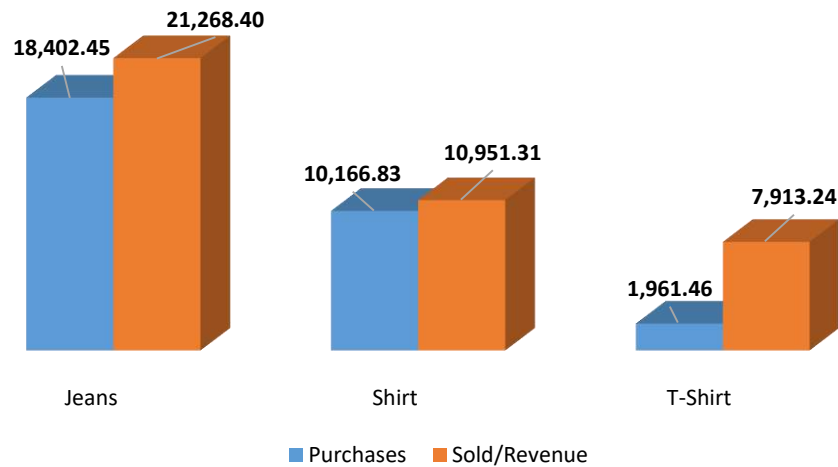
**Revenue & Purchases Breakdown**



**Purchases & Revenue - Productwise**  
(April 01, 2020- March 31, 2021) (in Rs. thousands)



**Purchases & Revenue - Productwise**  
(April 01, 2020- March 31, 2021) (in Rs. thousands)



**Top Five and Ten Purchases**

The following table shows the top five purchases,

Time period	As a % of Total Revenue	As a % of total purchases of Stock in Trade
-------------	-------------------------	---

April 01, 2021 to January 31, 2022	23.99%	24.93%
April 01, 2020 to March 31, 2021	32.16%	36.84%
April 01, 2019 to March 31, 2020	86.98%	93.65%
April 01, 2018 to March 31, 2019	7.22%	7.67%

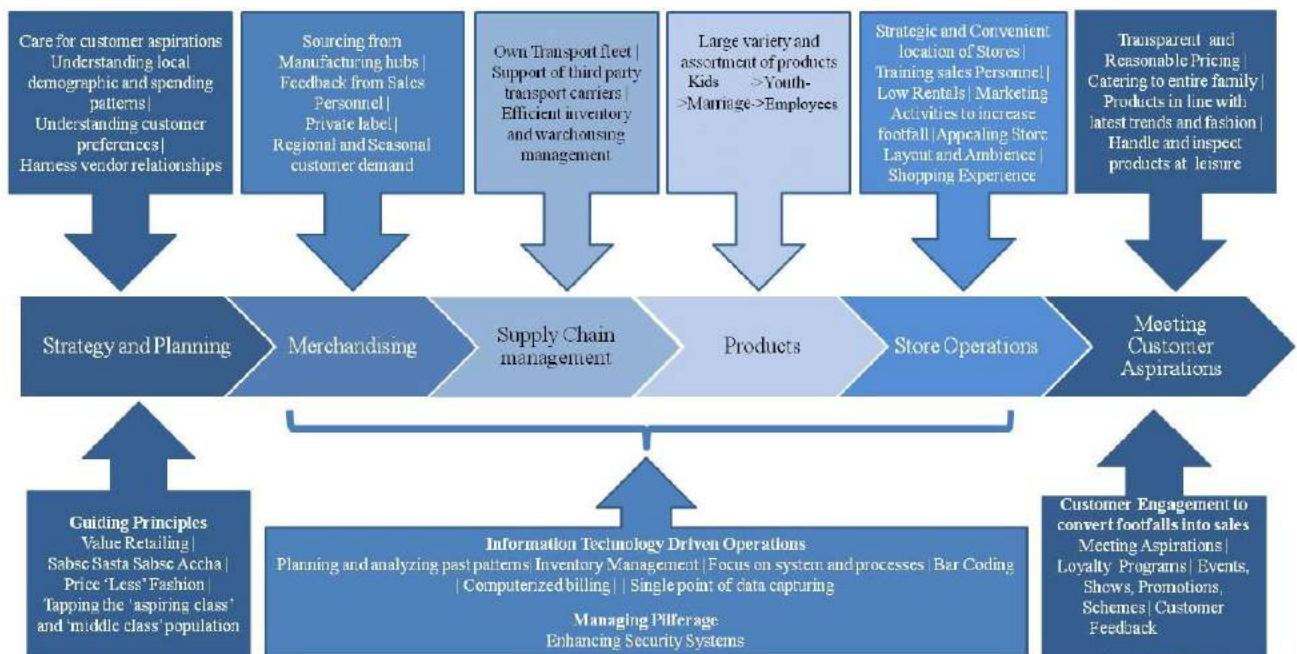
The following table shows the top ten purchases,

Time period	As a % of Total Revenue	As a % of total purchases of Stock in Trade
April 01, 2021 to January 31, 2022	36.59%	38.03%
April 01, 2020 to March 31, 2021	42.00%	48.11%
April 01, 2019 to March 31, 2020	88.01%	94.75%
April 01, 2018 to March 31, 2019	10.45%	11.09%

## BUSINESS PROCESS

### Our Business Model

Our business model is based on the concept of 'value retailing'. We have a standardised procurement system that enables us to source quality products from the regions where such products are widely available or manufactured. Our business model is supported by an efficient logistics network and a strong IT infrastructure, systems and processes. The business process of our Company can be summarized and illustrated in the following diagram:



## Apparel shopping behaviour across our customer segments

We believe that the factors which drive core fashion industry vertical are as follows:



The following is a brief description of our various business processes:

### 1. *Strategy and Planning*

A detailed assessment is conducted, of several internal and external factors that may have an effect specifically on our Company. Based on such assessments we determine our goals and objectives. Subsequently, a detailed annual business plan is prepared containing a road-map of the steps intended to be taken for achieving our goals and objectives.

### 2. *Merchandising*

Our merchandising and procurement plans are based on our sales projection which is prepared by taking into account the previous sales trends. We prepare a consolidated as well as a store-wise stock requirement estimation. Our merchandising team then prepares a merchandising procurement plan, taking into account existing inventory and forecasted demand. Our merchandising budget plan is prepared for catering to factors such as regional and seasonal customer tastes and preferences, number of stores (in operation as well as upcoming), likely fashion and trends, and price. Our procurement plan contains all the necessary details regarding the sourcing hub of a particular product, the quantity of the products to be procured and the supply schedule.

We have adopted the Collaborative Planning Forecasting Replenishment Model (**‘CPFR Model’**) which enables us to work closely with our vendors and suppliers to develop a synchronized forecast. We believe that the CPFR Model has enabled our Company to reduce the lead time for replenishment of goods and improve customer service through better forecasting. We have adopted a standardized pricing policy across our stores in respect of our private labels and non-branded products sold by us. We believe that following a standardized pricing policy has resulted in operational convenience, while enhancing brand loyalty and encouraging customer confidence in the products offered by us.

### 3. *Identification & selection of Vendors*

Once we have finalized our procurement plan, we identify various vendors across the manufacturing hubs for quality products at competitive prices in line with the latest fashion trends. Based on the shortlisted samples, we place purchase orders with them in accordance with our procurement plans. Details of our supply schedule are shared with our vendors to determine the quantity and intervals in which the vendor is required to make the supply of the desired goods.

Our procurement requirements for our apparels and general merchandise products are met by sourcing our products from third party suppliers and also engaging third party manufacturers to manufacture the products sold under our private labels. For identifying the vendors, we take into account several factors such as experience, capacity, quality of products offered and credibility. We undertake several steps to ensure the quality of the products supplied to us, such as by way of random sampling at the time of receipt of the products.

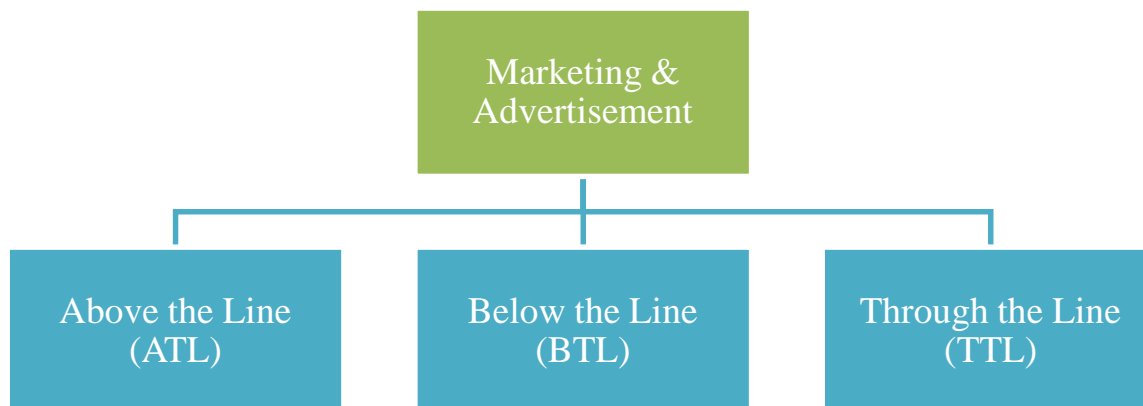
#### **4. Supply Chain Management**

We formulate a plan of dispatch and requirements after taking into account factors like average daily sales of all our stores, projected sales, festivals and seasons, lead-time for replenishment, buffer stock and re-order levels. All our products, which are to be transported to our stores, are packed and segregated location-wise and in accordance with our Concept Classification to ensure delivery of our products as per the requirements of our stores.

Our distribution centres and stores are connected through a company-wide network by using our ERP software, which we believe helps to efficiently manage our network of stores and distribution centres. Our merchandising team regularly co-ordinates with and receives updates from our stores to identify the slow-moving products and explore the options to expeditiously dispose them off. We also have an ad-hoc replenishment system which helps us in prevention of shortfall of certain products which we believe will generate substantial demand due to the change in trends.

In addition to our own transport fleet, we also engage third party logistic solution providers, who specialise in providing transportation services on certain specific routes, in order to deliver products on time to our stores and optimise the transportation costs of our products. We believe that using a combination of in-house and third party transport services helps us to transport and deliver our products in a cost and time efficient manner.

#### **5. Marketing, Advertising and Sales Promotion**



Our advertising strategy aims at promoting brand awareness, creating a bond with our customers and enhancing their trust in us. We engage third party advertising agencies to provide us advertising and communication services such as communication planning and development in all areas of press and point of sale advertising. We use services of models for advertising purposes and creating brand awareness amongst our target customers. We have entered into inter-promotional and cross-promotional advertising, influencer marketing activities with some of the film production houses for promoting our brand.

Our mode and media of advertisement is determined on the basis of the most widely accepted and used source of mass media by our target customers. As a part of our marketing strategy, we plan a calendar for the year's marketing activities, encompassing mega sales, schemes, discounts and events, annual days, festivals and new collections (summer collections, winter collections etc.). We engage in extensive below the line and above the line marketing activities to attract the attention of our target customers with a strong focus and attention to influencer marketing for the promotion of our products and brand.

Our sales strategy is focused on understanding the key drivers of customer behaviour and associating the product offering with such customer behaviour. We offer promotional schemes on a regional and store level during region specific festivals and store level and Company level milestones such as store opening anniversaries and upon the Company crossing number of stores respectively. We regularly greet our customers on all special occasions, festivals and regularly inform them about important events happening in the Company via e-mail, print advertisements, SMS, radio and cable. We also engage in cross-promotional arrangements with third parties, by providing additional discounts and special offers on the vouchers issued by such third parties. We arrange for lucky-draws at regular intervals where the winners are given special prizes by us.

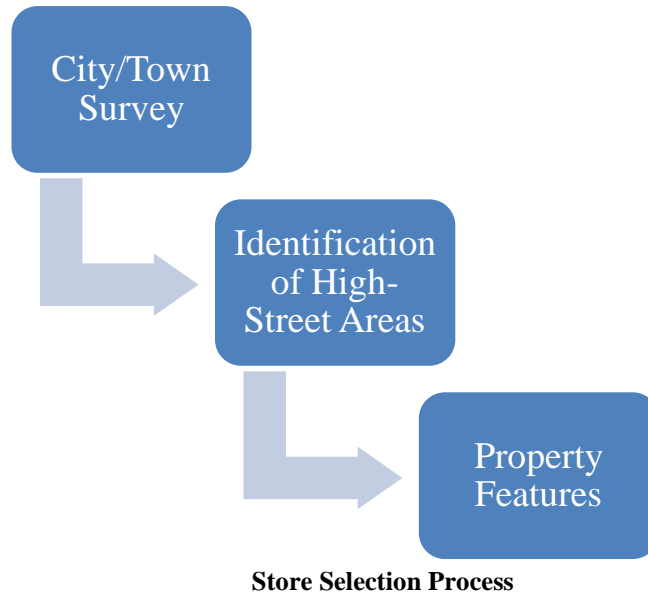
## ***6. Modern Shopping Experience***

We provide a pleasant shopping experience to our customers. Our endeavour is to locate our stores in high-street areas that are in proximity to residential areas, schools and colleges where most of our targeted customers are located. We give special emphasis to the visual merchandising and visual appeal of our stores which, we believe increases the attractiveness of our stores.

To provide a pleasant ambience, all our stores are air-conditioned. All our products are bar coded and the MRPs are centrally controlled and the schemes and promotions are also controlled through our IT infrastructure. We also provide exchange policy, guarantees and warranty for the products at our store. We have installed computerised point of sales with an intention to reduce customer fatigue while shopping. In our effort to further increase the customer convenience, we have installed signage and customer care help desks at our stores attend to and quickly resolve customer grievances. Our customer sales representatives also provide us the customer feedback, in a structured manner, which enable us to improve our existing products as well as introduce new products.

## ***7. Information Technology***

All our stores and distribution centres are connected to our Registered Office by a network of servers, which helps us in efficiently managing our stores. We use ERP software which provides us with seamless flow of information from the point of procurement, multi-store distribution and sale. It also assists us in mapping inventory levels at regular intervals, tracking and measuring sales, generating merchandise and replenishment plans as well as in financial and accounting activities comprising of collecting customer data, Invoicing, Products Management, Stocks Management, Store Expenses Management, Suppliers Data Management, Payments Management, Biller's Management, Returns Management, Store Tracking Analytics, Key Performance Indicators Analysis, Stock transfers, Re-marketing and Campaigns. Our ERP software is also used for bar coding of our products, store management, tracking and measuring customer loyalty, sales and distribution and production control. It further enables us to efficiently manage and store data and information that we utilise for business analysis and forecast, to generate detailed daily status reports of our stores.



### **8. City / Town Survey**

In identifying the location for a new store, we start by identifying the city/town, which is preferably within 100 - 150 km between cities and 7-10 km within a city. We initiate the identification process by conducting a market survey to assess the competition level and an analysis of the demographic data on parameters such as age group, literacy levels, nature of occupation and income levels to determine the demand for products. Adopting the cluster-based expansion model helps us to ensure that proper logistics support is available to our new stores, while facilitating us in inter- store sharing of resources, thereby reducing our operational costs.

### **9. Identification of location and site**

We primarily target aspiring class and the middle income class group of the population with an added focus on demands of the youth and Young generation. We believe that the aspiring class and middle class group of the population, represents the bulk of the purchasing power of the Indian population. Accordingly, we plan our strategy to search for and identify locations in highly populated district preferably district headquarters where such customers are domiciled in large numbers and make efforts to establish our stores at high-street areas and main shopping hubs of cities and towns thereby targeting the populace of the entire district. We also take into account factors such as proximity to markets, shopping areas, schools and colleges to increase our visibility amongst our customers. We target locations with good infrastructural facilities such as easy accessibility, water, electricity and internet availability and other basic amenities. We aim to locate our stores in such areas where retail space is available at reasonable prices.

While selecting a property to establish our store, we aim to minimise our operational costs per Sq. Ft. and strive to obtain such properties at reasonable costs. While determining the suitability of a premise for the establishment of a store we also consider factors such as ceiling height of the property, power load availability and property elevation.

### **Store Planning, Layout and Operations**

Our focus, while planning the establishment of a new store, in determining the optimal size of the store is based on the demographic analysis conducted by us, the product mix being offered by us, Concept Classification and operational costs. We try to ensure our store to be of an optimal size in order to minimize our operating costs per Sq. Ft. and increase our sales per Sq. Ft.

With an aim to have uniformity across stores, we have standardised formats and parameters for our stores and in doing so, we consider various factors such as ambience, internal and external décor based on the tastes and preferences of the local customers of the area, colour schemes, pricing, marketing schemes and promotions which, we believe, has

led to our brand establishment and identification amongst our customers. We have defined processes for all our day-to-day operations and to ensure consistency in customer experience across our stores. Non-core functions such as security and housekeeping, are generally outsourced, are also covered under our process manuals. Our processes are designed to ensure that each aspect of our store's functioning ensures a pleasant and complete shopping experience for our customers. Each of our stores is managed by a store manager, reporting to the regional manager who looks after a group of stores. In addition to our front-end employees, we have a back-office retail team, which is responsible for providing smooth support functions and coordination required at the storefront.







### ***Visual Merchandising***

We also focus on the visual appeal of our stores in a manner that would appeal to our customers. While planning the visual look of our store, we consider the layout planning, space allocation, product positioning, assortment display and the colour theme according to the local needs of our target customer segment. We also emphasise on the mannequin dressings and show window displays.

We draw up an annual visual merchandising calendar, based on the planned merchandise seasons. A detailed action plan is then drawn, which allows us to ensure a common visual merchandising theme across all our stores. Although we strive to ensure a common visual merchandising theme across all our stores, we also alter and modify the visual

appeal of our stores on account of regional festivals. Our in-house visual merchandising team has the responsibility of deciding the themes as well as the manner in which the merchandise is planned to be displayed across all our stores in India.

### ***Internal Controls and Cost Reduction Measures***

As a retailer offering value for money products, we lay emphasis on reduction of costs at various stages, processes and levels. In addition to adopting measures for reduction of costs of procurement and optimisation of inventory, we employ pilferage mitigation measures to increase efficiencies and reduce operational and administrative costs.

#### ***Pilferage Mitigation Measures***

We follow a two-tier security system, one consisting of manual checks and the second consisting of electronic surveillance, to control and mitigate losses on account of pilferage at our stores. Manual checks are conducted by our employees by screening the goods being carried out of our stores by our customers or our employees. We also station trained security guards at our stores to oversee the screening process. The electronic surveillance at our stores is conducted by employing a closed circuit television monitoring system.

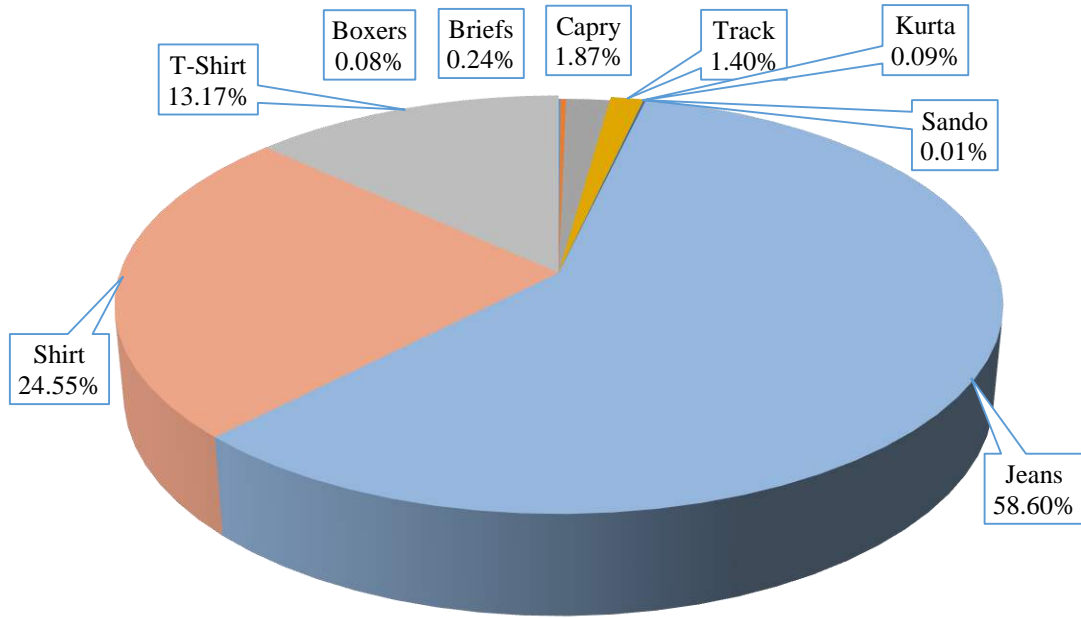
Our distribution centres also follow a two-two tier security system similar to our stores. All our employees are manually checked by security guards upon exit in order to control pilferage. In addition, all our distribution centres are also monitored by using closed circuit television systems.

In addition to the above we also undertake internal stock audits at regular intervals at all our stores.

## **OUR PRODUCTS**

Our product portfolio is deep and diverse to cater to different needs and different aspirations of the customers. The pie chart below describes the proportion of purchases made across the categories during the period starting from April 01, 2021 to January 31, 2022:

PORTFOLIO - Purchases  
 (April 01, 2021 - January 31, 2022)





## COMPETITION

The industry in which 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, brand & quality. We compete against our competitors by establishing ourselves as an aspiring brand of fashion, which enables us to provide our customers with innovative products suitable to their needs, with latest fashion trends and affordability.

We face competition from other retailers of similar products and services such as Metro Brands, Trent, Vmart. As we primarily operate in Tier-II and Tier-III cities, we also face competition for each of our divisions from established standalone stores in the organized and unorganized sector, as well as local stores. In our endeavour to stay ahead of our competition, we focus on offering our customers a vast variety of products catering to their diverse requirements and needs, at competitive prices.

## Impact of Covid-19

Since the onset of the COVID-19 pandemic in March 2020, our Company's operations have been affected as our employees as well as the customers faced the threat of getting infected. In 2020, cases of the novel corona virus started rapidly increasing in India, which led the government of India to impose a nationwide lockdown. The spread of Covid-19 and its recent developments have had and might continue to have repercussions across local, national and global economies. To prevent the spread of Covid-19 and to comply with the restrictions, we had to temporarily suspend our outlets operations. We continuously monitored the economic conditions and have outlined sufficient measures to combat the pandemic situation at our business premises.

## HUMAN RESOURCE

Our human resource policies are aimed towards creating a skilled and motivated work force. We believe in recognizing talent and potential in our employees and encouraging them to take additional responsibilities. Based on performance, we calibrate our employees and reward performance and loyalty by preferring in-house promotions to lateral hiring. We conduct functional and behavioural training for various levels of employees both at our stores and at our distribution centres to develop skill sets in our employees, which complements their key responsibility areas, and helping them perform with improved efficiency. We also train our employees to assume cross-functional responsibilities. Further, we have been able to control our employee expenses at our stores.

We have appointed customer sales representatives at each of our stores and provide them continuous training to ensure that our employees have the skills to meet our customers' demands and provide quality customer service. To ensure all our customers are well serviced, our Company has engaged a third party consultant for regularly training on soft skills to our employees, particularly on product knowledge as well as selling and inter-personal skills. Further, regular training is provided to our employees by way of our centralized in house communication system.

Further, to provide motivation to our employees, we follow a system of performance-linked incentives, linking individual performances to targets for employees both at the front and at the backend. To ensure quality work, we also motivate our employees with non-monetary reward schemes such as 'employee of the month' and 'employee of the year' at our stores.

As of the date of the Draft Prospectus, We have 8 employees per store in the sales department who look after the majority of the direct customer interaction and each store has one store manager who oversees the operations of that particular store.

<i>Sr No</i>	<i>Designation</i>	<i>Name</i>	<i>Number of personnel</i>
1	Whole-time Director	Mahendra Singh Rajpurohit	1
2	Managing Director	Rajendra Singh Rajpurohit	1
3	Purchase Manager	Sudarshan Bhai	1
4	Inventory Manager	Vishnu Desai	1
5	IT head	Chandan Bhai	1
6	Accounting head	Jeetu Solanki	1
7	Marketing & PR	Ravi Singh	1
8	HR	Harish Singh	1
9	Store Managers	One manager per outlet	8
10	Store Staffs	Multiple staff per outlet	20
	Total		36

## UTILITIES & INFRASTRUCTURE FACILITIES

### Infrastructure Facilities

Our store outlets are mostly low rise, with wider ground coverage, simple layout, with glass entry points so that the products are visible from outside.

### Utilities

Our store outlets have optimum utilities like air conditioning and drinking water facilities.

## **Power**

Our Company has the necessary electric connection under Torrent power, Ahmedabad & Madhya Gujarat Vjj Company, Baroda.

## **Technology**

Our Company has adequate computer systems, printers and other communication equipments, Internet connectivity, ERP systems & security and other facilities, which are required for our business operations to function smoothly.

## **MARKETING**



Our marketing strategies involves around building a brand that our target customer base would aspire to associate with. In order to align our brand values with them, we put efforts to partner in sporting event, in cultural events like associating with music & entertainment industry.

We have also sponsored a couple of local songs to support the industry and culture and channelize the power of music into our brand. Our brand has also been associated with dance competitions alongside with one of the leading global footwear brands as well, strengthening our brand recall. These marketing strategies which touch the local target customer has allowed our brand to be synonymous with the '*King of Western Outfit*'.

## **COLLABORATIONS, STRATEGIC ALLANCES & JOINT VENTURES**

As on date of Draft Prospectus, we do not have any technical, financial and performance guarantee collaborations with any parties & no subsidiary, joint ventures or any strategic alliances

## **CAPACITY AND CAPACITY UTILIZATION**

Our Company is purely in trading, so installed capacity and capacity utilization is not applicable to us.

## **END USERS**

Our products are primarily targeted to customers with aspirational buying habits but have limited budget to dispose on clothing. College going students, employed youth, family members in middle class and upper middle class segment makes our target customer segment. The target age group is 7-17 for Kids segment, then 17-34 for Youth category.

## **RAW MATERIAL**

Our company is not involved in manufacturing business. As we are currently are purely in trading business, we are not concerned with procurement of raw materials. But we procure our products from trusted manufacturers in the industry who are known for using quality raw materials.

## **INVENTORY & LOGISTICS**

Our Company makes continuous procurement of products to keep the inventory stocked. The fundamental behind this is to stay in line with the current and upcoming market trends in fashion industry. The products are delivered through third party transport to our warehouse in Ahmedabad, where the store managers oversee the unpacking and recounting of inventory and starts the distribution process of the new inventory to different outlets.

## RESEARCH & DEVELOPMENT

Our company is involved in trading business of clothing, apparels, general merchandise catering to the men. So we do not have the necessity for any kind of Research & Development for the products we offer. However, we perform extensive research exercise in selecting a location to set up an outlet and to study the trends in the markets and procure products accordingly.

## EXPORT AND EXPORT OBLIGATIONS

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

## CORPORATE SOCIAL RESPONSIBILITY

We are currently not engaged in CSR activities since it is not applicable to our Company.

## INSURANCE







Our Company maintains insurance policies against various risks inherent in our business activities, including our stocks and fixed assets, for various fire, riots, third party liability claims, loss-in-transit for our products, accidents and natural disasters. Presently, we have availed a bharat sookshma udyam suraksha policy for five of our outlets, which insures *inter alia* building including plinth and foundation, contents and stocks from risks such as earthquake, *etc.* While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business.

## QUALITY MANAGEMENT

Mafia maintains the highest standards of quality in the products we sell. The important quality check is done by the procurement team while selecting and procuring products from our sellers. We rely on these checks based on our industry experience and our understanding of clothing materials and once the procurement team is satisfied with the quality of the sample, we place a bulk order from the vendor as per the expected market demand.

## INTELLECTUAL PROPERTY RIGHTS

Our business and operations are significantly dependent on our intellectual property rights. As at the date of this Draft Prospectus, our Company has the following Trademarks:

Sr. No.	Description	Registration Number	Valid up to
1.		2621537	October 30, 2023
2.		3170746	January 28, 2026
3.		2159236	June 13, 2031
4.		2621540	October 30, 2023
5.		2621538	October 30, 2023
6.		3616091	August 19, 2027

Sr. No.	Description	Registration Number	Valid up to
7.	<b>FRACTURE</b>	3108902	November 25, 2025
8.	MAFIOSO	3493269	February 24, 2027
9.	MAFIOSO	3493268	February 24, 2027

## LAND AND PROPERTY

As of the date of this Draft Prospectus, the properties which we rent and operate from, the following:

Shop Name	Rent/Own	Address
Mafia Shahibaug	Rent	16 Vrundavan Colony Camp Tolnaka Shahibaugh, Ahmedabad
Mafia Warehouse	Rent	G-8 Goyal Complex, Opp. Ashima Towers, Bodakdev road, Vastrapur, Ahmedabad
Mafia Vastrapur	Rent	Shop No. 03, Ground Floor, Prabhu Kutir Complex, (Prabhuvan Bodakdev Association, Sandesh Press Road, Vastrapur, Bodakdev, Ahmedabad
Mafia Sabarmati-Costume House	Rent	Shop No. 1,2, Ground Floor, Samarpan Complex, Achar Sabarmati, Ahmedabad. ,
Mafia Memnagar-Lootere	Rent	Shop No. 22, First Floor, Green Villa Complex, Vaibhav Laxmi Co. Op. Hou. Ltd. Memnagar, Ahmedabad
Mafia Akhbarnagar	Rent	A/UI/8, Suryarani Complex, Nr. Octroi Naka, New Vadaj, Ahmedabad.
Mafia Kalol	Rent	G-72, Platinum Plaza, Nav Jivan Mill Comp., Kalol.
Angrez	Rent	3-G/F, Prabhu-Kutir Complex, opp. Ashima Tower, Vastrapur, Ahmedabad.
Mafia Vastrapur	Rent	Shop number LL1, shop number S.B.2, shop number 4, basement and shop number 5 Prabhu Kutir Complex, Opp. Ashima Tower, Vastrapur, Ahmedabad.
Mafia Baroda	Rent	Shop No. 1. Sanjay Chamber, Shubahnपुरa, Vadodara.



## **KEY INDUSTRIAL REGULATIONS AND POLICIES**

*The following is an overview of certain sector specific laws and regulations in India which are applicable to the business and operations of our Company. The information of laws and regulations available in this section has been obtained from publications available in public domain and is based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative actions, regulatory, administrative or judicial decisions. The description of laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.*

The following is an overview of some of the important laws and regulations, which are relevant to the business of our Company.

### **Key Legislations Applicable to our Business**

#### **The Textiles Committee Act, 1963**

The Textile Committee Act, 1963 (the “Act”) was enacted in 1963 to provide for the establishment of a committee for ensuring the quality of textiles and textile machinery and for matters connected therewith. The Act prescribes for establishment of a textile committee (hereinafter referred to as the “**Textile Committee**”) with the general objective of ensuring a standard quality of textiles both for internal marketing and export purposes as well as standardisation of the type of textile machinery used for manufacture. In addition to the general objection as mentioned above, the function of the Textile Committee inter alia include, to undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery, promotion of export of textile and textile machinery, establishing or adopting or recognising standard specifications for textile and packing materials used in the packing of textiles or textile machinery for purpose of export and internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials, specify the type of quality control or inspection which will be applied to textile or textile machinery, provide for training in the techniques of quality control to be applied to textiles or textile machinery, provide for inspection and examination of textiles, textile machinery and packing material used in the packing of textile and textile machinery, establishing laboratories and text houses for testing of textiles and data collection and such other matters related to the textile industry.

#### **Textile Development and Regulation Order, 2001 (“Textile Order”)**

The Central Government in exercise of the powers conferred upon it under section 3 of the Essential Commodities Act, 1955 and in supersession of the Textile (Development and Regulation) Order, 1993 brought in force the Textile Order. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles is required to maintain books of accounts, data and other records relating to the business in the matter of production, processing, import, export, supply, distribution, sale, consumption etc. and shall furnish such returns or information in respect to the business as and when required by the Textile Commissioner. The Textile Order confers upon the Textile Commissioner powers to issue directions by notification with the prior approval of Central Government to any manufacturer regarding the specification or class of textiles which shall not be manufactured, dyes and chemicals which shall not be used in the manufacture of textile, maximum and minimum quantity of textiles which shall be manufactured, maximum ex-factory or wholesale or retail price at which textiles shall be sold, markings to be made on textiles by manufacturers and the time and manner of such markings and direct the officer in charge of any laboratory to carry out or cause to be carried out such tests relating to any textiles as may be specified by the Textile Commissioner.

#### ***Amended Technology Up-Gradation Fund Scheme (ATUFS)***

Ministry of Textiles, Government of India has notified ATUFS vide resolution dated January 13, 2016. In accordance to the said regulation the guidelines of ATUFS i.e. financial and operational parameters and implementation of ATUFS during its implementation period from January 13, 2016 to March 31, 2022 has been provided under the revised

resolution dated August 2, 2018. In order to promote ease of doing business, promote make in India and increase the employment, government will be providing credit linked Capital Investment Subsidy (CIS) under the ATUFS. The scheme would facilitate augmenting of investment, productivity, quality, employment and exports. It will also increase investment in textile industry (using benchmarked technology). Entities registered as companies which have acknowledgement of Industrial Entrepreneur Memorandum (IEM) with DIPP except MSMEs units which will be as per Ministry of MSME or units registered with the concerned Directorates of the State Government showing clearly the activity for which the unit is registered, will only be eligible to get benefits under the scheme. Only benchmarked machinery as specified will be eligible for the subsidy under the scheme. The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted to Rs. 300 million.

### ***Export Promotion Capital Goods Scheme (“EPCG Scheme”)***

To facilitate import of capital goods for producing quality goods and services to enhance India’s export competitiveness. EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers. Also covers a service provide who is designated/certified as a Common Service Provider (CSP) by the DGFT.

The EPCG Scheme allows import of capital goods for pre-production, production, and post-production at 5% customs duty subject to and export obligation equivalent to 8 times of the duty saved on capital goods imported under the EPCG Scheme to be fulfilled over a period of 8 years reckoned from the date of issuance of license. Capital Goods would be allowed at 0% duty for exports of agricultural products and their value-added variants. However, in respect of EPCG licenses with a duty saved of Rs. 1,000 million or more, the same export obligation shall be required to be fulfilled over a period of 12 years.

### ***National Textile Policy, 2000***

The National Textile Policy, 2000 (“NTP”) aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The objective is sought to be achieved by liberalising controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. In furtherance of its objectives, the strategic thrust of the NTP is on technological upgradation, enhancement of productivity, quality consciousness, product diversification, maximising employment opportunities, and so on. The NTP also envisages certain sector specific initiatives, including the sector of raw materials, spinning, weaving, powerloom, handloom, jute and textile. The Policy also lays down certain delivery mechanisms for the implementation of the policy and to enable the Indian textile industry to realise its full potential and achieve global excellence.

Salient objective of NTP is as follows –

- Equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market;
- Develop a strong multi-fiber base with thrust on product up-gradation and diversification;
- Sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople;
- Enrich human resource skills and capabilities, with special emphasis on those working in the decentralized sectors of the textile industry; and for this purpose to revitalize the institutional structure;
- Make Information Technology (IT), an integral part of the entire value chain of textile;
- Production and thereby facilitate the textile industry to achieve international standards in terms of quality, design and marketing; and
- Involve and ensure the active co-operation and partnership of the State Governments, Financial Institutions, Entrepreneurs, Farmers and Non-Governmental Organizations in the fulfilment of these objectives, vide the NTP, the Government has conveyed it’s commitment towards providing a conducive environment to enable the Indian textile industry to realise its full potential, achieve global excellence, and fulfil its obligation to different sections of society.

### ***Production-Linked Incentive Scheme in Textiles Products***

In November 2020, the Union Cabinet approved the introduction of the Production-Linked Incentive Scheme in Textiles Products to enhance India's Manufacturing Capabilities as well as Exports. An amount of ₹ 10,683 crore has been approved as an outlay for a period of 5 years. This initiative will be implemented by the Ministry of Textile and is expected to cover forty product categories under man-made fibre.

### ***Legal Metrology Act, 2009 (“LM Act”)***

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate, *inter alia*, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing with instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in, *inter alia*, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

### ***Bureau of Indian Standards Act, 2016 (“BIS Act”)***

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) to take all necessary steps for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services as may be necessary, to protect the interests of consumers and various stake holders. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, plant health, safety of the environment, or prevention of unfair trade practices, or national security. Further, the BIS Act also provides for, among other things, repairing or replacement or reprocessing. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

### ***The Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder***

The IT Act seeks to: (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. 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. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and damaging computer systems, and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto, among others.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, (“DoIT”) Ministry of Electronics and Information Technology, Government of India, in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“IT Security Rules”) which prescribe directions for the collection, disclosure, transfer and protection of

sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 (“**IT Intermediary Rules**”) requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediary Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries. The IT Intermediary Rules further requires the intermediaries to provide for a grievance redressal mechanism and also appoint a nodal officer and a resident grievance officer.

### ***Personal Data Protection Bill, 2019 (“PDP Bill”)***

The PDP Bill was introduced to propose a legal framework governing the processing of personal data, where such data has been collected, disclosed, shared or otherwise processed within India, as well as any processing of personal data by the Indian Government, Indian companies, Indian citizens or any person or body of persons incorporated or created under Indian law. The PDP Bill defines personal data and sensitive personal data, prescribes rules for collecting, storing and processing of such data and creates rights and obligations of data-subjects and processors.

The Indian Government has also been mooting legislation governing non-personal data. In September 2019, the Ministry of Electronics and Information Technology, Government of India (“**MoEIT**”) formed a committee of experts (“**NPD Committee**”) to recommend a regulatory regime to govern non-personal data (“**NPD**”). The NPD Committee has released two reports till date, which recommend, among other items, a framework to govern NPD (defined as any data other than personal data), access and sharing of NPD with government and corporations alike and a registration regime and for “data businesses”, being business that collect, process or store data, both personal and non-personal.

Recently, the joint parliamentary committee (“**JPC**”) tabled a report on the PDP Bill before the Parliament of India on December 16, 2021 to submit its general and clause-by-clause recommendation, including a revised version of the PDP Bill (“**2021 Bill**”). While PDP Bill was focused on personal data with limited reference to sharing of NPD, the 2021 Bill has expanded the scope to cover NPD as well, because of which it is now proposed to be called the “Data Protection Bill”, rather than the “Personal Data Protection Bill”. The MoEIT is yet to submit the revised version of the data protection bill before the Parliament.

### ***Consumer Protection Act, 2019 (the “Consumer Protection Act”) and the rules made thereunder***

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. One of the substantial changes introduced by Consumer Protection Act is inclusion of the e-commerce industry under Consumer Protection Act with “e-commerce” defined to refer to the buying and selling of goods or services over digital or electronic network. Therefore, the Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakh. In cases of manufacturing for sale or storing, selling or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between one lakh to ten lakh depending upon the nature of injury to the consumer.

### ***Shops and establishments legislations***

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exists, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments acts, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

### ***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.

### ***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.

### **Environmental Legislations**

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are required to be periodically renewed. These consent orders are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms.

#### ***Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)***

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board (“State PCB”). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

#### ***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 centers, either on its own or through the authorized waste collection agency. The waste generator shall also take steps to minimize generation of plastic waste. The Plastic Waste Management Rules, 2016 also requires the producers, importers and brand owners to collect back the plastic waste generated due to their products.

#### ***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016***

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, requires that every occupier of a facility who is engaged in handling of ‘hazardous waste’ and other wastes is required to obtain an authorization from State PCB. It places an obligation on the occupier to prevent, minimize, reuse, recycle, recover, utilize including co-processing, and safe disposal of the waste. It also makes the occupier responsible for safe and environmentally sound management of hazardous and other wastes. It makes the occupier liable for damages caused to environment or third parties. It also prescribes financial penalties for violation of provisions of the rules.

### **Labour law legislations**

The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers’ rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- (i) Contract Labour (Regulation and Abolition) Act, 1970.
- (ii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- (iii) Employees' State Insurance Act, 1948.
- (iv) State wise labour welfare fund legislations.
- (v) Tax on Professions, Trades, Callings and Employments Act, 1976
- (vi) Minimum Wages Act, 1948.
- (vii) Payment of Bonus Act, 1965.
- (viii) Payment of Gratuity Act, 1972.
- (ix) Payment of Wages Act, 1936.
- (x) Maternity Benefit Act, 1961.
- (xi) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (xii) The Child Labour (Prohibition and Regulation) Act, 1986.
- (xiii) The Equal Remuneration Act, 1976.
- (xiv) Rights of Persons with Disabilities Act, 2016.

**In addition to the aforementioned, the following labour codes have received the assent of the President of India, and will come into force as and when notified in the Gazette, pursuant to which the abovementioned Labour Legislations will be subsumed by the following labour codes:**

***The Code on Wages, 2019 (the "Wage Code")***

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 Ministry of Labour and Employment vide notification dated December 18, 2020 notified certain provisions of the Wage Code. The provisions of this code will be brought into force on a date to be notified by the Central Government.

***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 code proposes to provide for *inter alia* standards for health, safety and working conditions for employees of the establishments. 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 ("Social Security Code")***

The Social Security Code 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 new code proposes to set up a National Social Security Board and State Unorganized Workers Board to administer schemes for unorganized workers. The Social Security Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employee-employee work-arrangements (including in online and digital platforms such as ours), such as 'gig workers' and 'platform workers' and provides for the mandatory registration of such workers in

order to enable these workers to avail benefits of, among others, life and disability cover, health and maternity benefits, old age protection, under schemes framed under the Social Security Code from time to time. Further, the Social Security Code provides that such schemes may *inter alia*, be partly funded by contributions from platforms such as ours. The provisions of this code will be brought into force on a date to be notified by the Central Government.

## **Intellectual Property Laws**

Intellectual property in India enjoys protection under both common law and statutes. Under statutes, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is party to several international intellectual property related instruments including the Patent Cooperation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the Berne Convention for the Protection of Literary and Artistic Works, 1886, the Universal Copyright Convention adopted at Geneva in 1952, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, 1961, and as a member of the World Trade Organisation, India also is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights (“**TRIPS**”).

### ***The Trademarks Act, 1999 (“Trademarks Act”)***

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also governs the statutory protection of trademarks and also prohibits any registration of deceptively similar trademarks or chemical compounds, among others. Indian law permits the registration of trademarks for both goods and services. It also provides for infringement, falsifying and falsely applying for trademarks. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration are required to be restored. Further, pursuant to the notification of the Trademark (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark (Amendment) Act, 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

## **Laws governing foreign investments**

Foreign investment in India is governed by the provisions of The Foreign Exchange Management Act, 1999 (“**FEMA**”), the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“**FEMA NDI Rules**”) along with the Consolidated FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

### **The consolidated Foreign Direct Investment Policy of 2020 (the “Consolidated FDI Policy”)**

The Department for Promotion of Industry and Internal Trade (“**DPIIT**”), Ministry of Commerce and Industry on October 28, 2020 issued Consolidated FDI Policy. In terms of the FEMA NDI Rules and the Consolidated FDI Policy, up to 100% foreign investment is currently permitted in a company engaged in manufacturing activities in India (including contract manufacturing in India).



## **Laws relating to taxation**

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
- The Customs Act, 1962;
- Central Goods and Service Tax Act, 2017, the Integrated Goods and Service Tax Rules, 2017 and various state-specific legislations made thereunder;
- The Integrated Goods and Service Tax Act, 2017;
- State-specific legislations in relation to professional tax; and
- Indian Stamp Act, 1899 and various state-specific legislations made thereunder.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as ‘*Mafia Trends Private Limited*’ on February 07, 2017 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Gujarat at Ahmedabad. Pursuant to a special resolution of our Shareholders passed in the extra-ordinary general meeting held on December 22, 2021, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to ‘*Mafia Trends Limited*’, and a fresh certificate of incorporation dated January 12, 2022 was issued to our Company by the Registrar of Companies, Gujarat at Ahmedabad. The corporate identification number of our Company is U51909GJ2017PLC095649.

### Change in registered office of our Company

The registered office of our Company is located at 1, Prabhu Kutir Complex, Sandesh Press Road, Vastrapur, Ahmedabad – 380 015, Gujarat, India and there has not been any change our registered office since incorporation.

### Main Objects of our Company

The main objects of our Company are as follows:

*To carry on the business of representatives, consignors, consignees, exporters, importers, factors, agents, packers, distributors, stockists and suppliers of all classes, kinds, types and description of ready made garments for ladies, gents and children including but without limiting the generality of the foregoing, shirts, bus-shirts, ties, cravats, collars, scarves, hats, caps, shawls, cardigans, boilers, suits, swim wears, bath robes, gowns, jackets, slacks, pyjamas, night dresses, underwears, socks, handkerchiefs, hand gloves, khamis, servals made of whatever substances such as cotton silk, art silk, nylon, rayon, manmade synthetics, wool, jute, canvass, plastic and other fabrics and mixtures of any of above.*

The main objects 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 in the last ten (10) years:

Date of shareholder's resolution	Nature of amendments
March 10, 2022	Clause V of the MoA was amended to reflect the increase in authorised share capital of our Company from ₹ 3,85,00,000 divided into 38,50,000 Equity Shares of ₹ 10 each to ₹ 4,30,00,000 divided into 43,00,000 equity shares of ₹ 10 each.
January 27, 2022	Clause V of the MoA was amended to reflect the increase in authorised share capital of our Company from ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each to ₹ 3,85,00,000 divided into 38,50,000 equity shares of ₹ 10 each.
December 22, 2021	Clause I of the MoA was amended to reflect the conversion of our Company from a private limited company into a public limited company and the consequent change in name of our Company from “ <i>Mafia Trends Private Limited</i> ” to “ <i>Mafia Trends Limited</i> ”.

### 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 91, 128 and 148 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
2017	Our Company was incorporated as a private limited company.
2022	Our Company was converted into a public limited company.

## Awards and Accreditations

As on date of this Draft Prospectus, our Company has not received any awards or 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

Except as stated in “*Litigation Involving our Company- Litigation against our Company- Criminal Proceedings*” in the chapter titled “*Outstanding Litigation and Material Developments*” on page 161 of this Draft Prospectus, there are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

## Details regarding material acquisition or disinvestments of business / undertakings, mergers, amalgamation

Our Company has not made any business acquisition, merger and amalgamation or disinvestment of business in the last ten years.

## Revaluation of assets

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

## Holding Company

As on the date of this Draft 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 (05) Directors on our Board, which includes, one (01) Managing Director, one (01) Whole-time Director, one (01) Non-Executive Director, who is also the woman director and two (02) Independent Directors.

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>Rajendra Singh Rajpurohit</b> <b>DIN:</b> 07684092 <b>Date of Birth:</b> March 25, 1983 <b>Designation:</b> Chairman and Managing Director <b>Address:</b> C-203, Shagun Clasic, Near Sujal Bungalows, Thaltej, Behind Mann Property Plot, Ahmedabad – 380 054, Gujarat, India. <b>Occupation:</b> Business <b>Term:</b> For a period of five (05) years with effect from March 15, 2022 <b>Nationality:</b> Indian	39	Nil
<b>Mahendra Singh Rajpurohit</b> <b>DIN:</b> 07684132 <b>Date of Birth:</b> November 5, 1986 <b>Designation:</b> Whole-time Director <b>Address:</b> C-204, Shagun Clasic, Sindhu Bhavan Road, Near Sujal Bungalows, Thaltej, Behind Mann Property Plot, Ahmedabad – 380 054, Gujarat, India. <b>Occupation:</b> Business <b>Term:</b> For a period of five (05) years with effect from March 15, 2022 <b>Nationality:</b> Indian	35	Nil
<b>Divya Savjibhai Thakor</b> <b>DIN:</b> 08845886 <b>Date of Birth:</b> November 3, 1993 <b>Designation:</b> Non-Executive Director	28	1. Spextra Multibiz Private Limited 2. Farmistrex Ventures Private Limited 3. Foodphenom Trades Private Limited

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
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**Address:** 4, Ranchhodrai Nagar Part-1, Chandlodiya, Daskroi, Ahmedabad – 382 481, Gujarat, India.

**Occupation:** Business

**Term:** Liable to retire by rotation

**Nationality:** Indian

<b>Pankaj Baid</b>	31	1. Get Simpl Technologies Private Limited; and
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**DIN:** 07462097

2. Roopyaa Finbizz Limited.

**Date of Birth:** May 12, 1990

**Designation:** Independent Director

**Address:** Shanti Kunj Apartment, Block-A1 20, In front of Mullick Fatak Telephone Exchange, Howrah-711101

**Occupation:** Business

**Term:** For a period of 05 (five) years with effect from March 17, 2022

**Nationality:** Indian

<b>Harsh Singrodia</b>	33	1. Pawanjay Sponge Iron Limited
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**DIN:** 09118132

2. Mangalam Metals & Ores Limited
3. Garbi Finvest Limited
4. Ocean Capital Market Limited

**Date of Birth:** July 27, 1988

**Designation:** Independent Director

**Address:** Near Aloka Cinema, Ganges Garden, GA4, 3rd Floor, A, 106 Kiran Chandra Singha Road, Shibpur, Hoara – 711 102, West Bengal, India

**Occupation:** Professional

**Term:** For a period of 05 (five) years with effect from March 17, 2022

**Nationality:** Indian

### Brief Biographies of our Directors

**Rajendra Singh Rajpurohit**, aged 39 years, is the Chairman and Managing Director and one of the promoters of our Company. He holds bachelor's degree in physiotherapy from Allahabad Agricultural Institute and a master's degree in business administration from Amity University. He has 12 years of experience in the garment industry.

**Mahendra Singh Rajpurohit**, aged 35 years, is the Whole-time Director and one of the promoters of our Company. He has passed the supplemental final examination in law held by Jai Narain Vyas University. He has 12 years of experience in the garment industry.

**Divya Savjibhai Thakor**, aged 28 years, is a Non-Executive Director of our Company. She has cleared the master of arts examination held by Gujarat University. She has 01 year of experience in the finance industry.

**Pankaj Baid**, aged 31 years, is an Independent Director of our Company. He holds bachelor's degree in commerce from Kolkata University. He has passed the final examination held by the Institute of Cost Accountants of India and the professional programme examination held by the Institute of Company Secretaries of India. He is an associate of the Institute of Chartered Accountants of India. He has more than 7 years of experience in the Finance and Taxation industry.

**Harsh Singrodia**, aged 33 years, is an Independent Director of our Company. He holds bachelor's degree in commerce from Delhi University. He has more than 6 years of experience in the Legal industry.

### **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**

Except as stated below, none of our Directors are related to each other:

<b>Name of Director</b>	<b>Relationship</b>
Rajendra Singh Rajpurohit	Brother of Mahendra Singh Rajpurohit
Mahendra Singh Rajpurohit	Brother of Rajendra Singh Rajpurohit

### **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 17, 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 ₹ 5,000 lakhs.

### Terms of appointment and remuneration of our Managing Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on March 15, 2022 and approved by the Shareholders of our Company at the EGM held on March 17, 2022, Rajendra Singh Rajpurohit was appointed as the Managing Director of our Company for a period of five (05) years with effect from March 15, 2022 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.

<b>Basic Salary</b>	Upto ₹ 1.00 lakhs per month.
<b>Perquisites</b>	<ul style="list-style-type: none"> <li>• Reimbursement of the actual travelling expenses in or about the business of our Company;</li> <li>• Increments from time to time as the Board of Directors may determine.</li> </ul>
<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year, Rajendra Singh Rajpurohit shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits under Section II of Schedule V of the Companies Act, 2013 including any statutory modification or re-enactment thereof from time to time as prescribed by the Company.

### Terms of appointment and remuneration of our Whole-time Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on March 15, 2022 and approved by the Shareholders of our Company at the EGM held on March 17, 2022, Mahendra Singh Rajpurohit was appointed as the Whole-time Director of our Company for a period of five (05) years with effect from March 15, 2022 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.

<b>Basic Salary</b>	Upto ₹ 1.00 lakhs per month.
<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year, Mahendra Singh Rajpurohit shall be entitled to receive a total remuneration including perquisites, etc., not exceeding the ceiling limits under Section II of Schedule V of the Companies Act, 2013 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 2022 is as follows:

S. No.	Name of the Director	Remuneration (₹ in lacs)
1.	Rajendra Singh Rajpurohit	N.A.
2.	Mahendra Singh Rajpurohit	N.A.

#### (ii) Sitting fee details of our Independent Directors

Our Independent Directors were not paid sitting fees in Fiscal 2022 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.	Rajendra Singh Rajpurohit	2,25,000	7.14
2.	Mahendra Singh Rajpurohit	24,44,310	77.61

### 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.

Rajendra Singh Rajpurohit and Mahendra Singh Rajpurohit are the Promoters of our Company and may be deemed to be interested in the promotion of our Company to the extent that they have 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 147 and 140, respectively of this Draft Prospectus, our Directors are not interested in any other company, entity or firm.

Except as stated in “*Restated Financial Information*” on page 147 of this Draft Prospectus, our Directors do not have any other interest in the business of our Company.

### Interest as to property

Our Promoter, Mahendra Singh Rajpurohit has entered into a leave and license agreement dated February 19, 2022 with our Company for certain properties located at Shop number LL1, shop number S.B.2, shop number 4, basement and shop number 5, situated at Prabhu Kutir, Complex, Sandesh Press Road, Vastrapur, Bodakdev, Ahmedabad, Gujarat for a license fee of ₹ 1.50 lakhs per month. Except as disclosed above and 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.

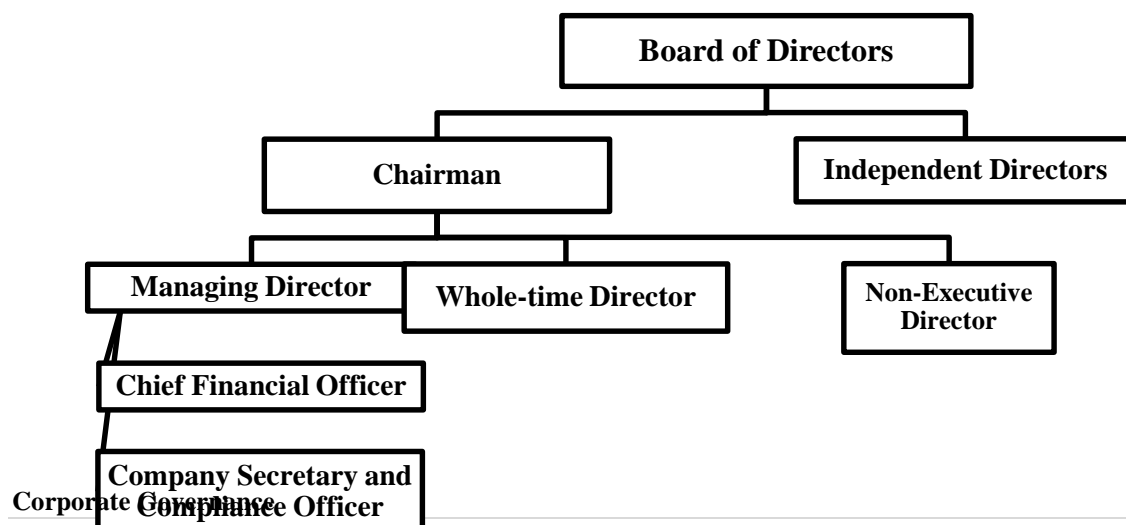
### Changes in our Board during the Last Three Years

Except as disclosed below, there have been no changes in our Board during the last three years. [

Name of Director	Date of Appointment	Date of Cessation	Reason
Divya Savjibhai Thakor	April 5, 2022	-	Appointed as a Non-Executive Director
Abita Kanwar	-	April 4, 2022	Resignation as an Independent Director
Abita Kanwar	March 17, 2022	-	Appointed as an Independent Director
Pankaj Baid	March 17, 2022	-	Appointed as an Independent Director
Shalini Somani	-	March 15, 2022	Resignation as an Independent Director
Rajendra Singh Purohit	-	March 15, 2022	Resignation as an Executive Director
Mahendra Singh Purohit	-	March 15, 2022	Resignation as an Executive Director
Rajendra Singh Purohit	-	March 15, 2022	Appointed as the Managing Director
Mahendra Singh Purohit	-	March 15, 2022	Appointed as q Whole-time Director
Puja Kasera	-	February 11, 2022	Resignation as an Independent Director
Puja Kasera	January 01, 2022	-	Appointment as an Additional Director
Shalini Somani	November 10, 2021	-	Appointment as an Additional Director

### Management Organization Structure

Set forth is the management organization structure of our Company



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:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee; and
- c) Nomination and Remuneration Committee.

Details of each of these committees are as follows:

#### ***a. Audit Committee***

Our Audit Committee was constituted on May 09, 2022 with the following members forming a part of the said Committee:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1.	Pankaj Baid	Chairman
2.	Harsh Singrodia	Member
3.	Divya Savjibhai Thakor	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 May 09, 2022. The members of the said Committee are as follows:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1.	Divya Savjibhai Thakor	Chairman
2.	Rajendra Singh Rajpurohit	Member
3.	Mahendra Singh Rajpurohit	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 May 09, 2022 with the following members:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1.	Pankaj Baid	Chairman
2.	Harsh Singrodia	Member
3.	Divya Savjibhai Thakor	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 Whole-time Director, 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:

**Nikundra Harjibhai Desai**, aged 26 years, is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from Gujarat University. He has in the past served as CA article in the office of V J Desai & Co, Chartered Accountants. He is responsible for handling account related matters of our Company and was appointed with effect from April 05, 2022. He has not received remuneration during the Fiscal 2022.

**Shashank Poddar**, aged 31 years, is the Company Secretary of our Company. He holds a bachelor's degree in commerce from Bangalore University. He is responsible for handling secretarial related matters of our Company and was appointed with effect from March 15, 2022. He 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>
Nikundra Harjibhai Desai	Chief Financial Officer	April 05, 2022	Appointment
Shalini Somani	Chief Financial Officer	March 16, 2022	Resignation
Shalini Somani	Chief Financial Officer	March 15, 2022	Appointment
Shashank Poddar	Company Secretary	March 15, 2022	Appointment

The attrition of the key management personnel is as per the industry standards.

### **Employees' Stock Option Plan**

As on date of this Draft Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

### **Loans taken by Directors / Key Management Personnel**

Our Company has not granted any loans to the Directors and/or Key Management Personnel as on the date of this Draft Prospectus.



## OUR PROMOTERS AND PROMOTER GROUP

As on the date of this Draft Prospectus, our Promoters hold, in aggregate of 26,69,310 Equity Shares, constituting 84.75% of our pre – Issue issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, see “*Capital Structure –Details of Build-up of our Promoters' shareholding*” on page 53 of this Draft Prospectus.

### Details of our Promoters

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#### RAJENDRA SINGH RAJPUROHIT



Rajendra Singh Rajpurohit, aged 39 years, is the Promoter, Chairman 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 128 of this Draft Prospectus.

**Date of birth:** March 25, 1983

**Passport number:** Z4287483

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#### MAHENDRA SINGH RAJPUROHIT



Mahendra Singh Rajpurohit, aged 35 years, is the Promoter and Whole-time 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 128 of this Draft Prospectus.

**Date of birth:** November 5, 1986

**Passport number:** H3443198

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### Other Ventures of our Promoters

The ventures in which our Promoters are involved in are as follows:

**a) Rajendra Singh Rajpurohit**

<b>Name of the Venture</b>	<b>Nature of Interest</b>
M/s. Abhiraj Trends	Partner
A.M Enterprises	Partner
Lootere Western Outfit	Partner
Mafia Western Outfits	Partner

**b) Mahendra Singh Rajpurohit**

<b>Name of the Venture</b>	<b>Nature of Interest</b>
M/s. Abhiraj Trends	Partner
A.M Enterprises	Partner
Lootere Western Outfit	Partner

Our Company confirms that the permanent account number, passport number, aadhaar card number, driving license number and bank account number of our Promoters shall be submitted to the Stock Exchanges at the time of filing this Draft Prospectus.

**Change in Control of our Company**

Our Promoters are the original promoters of our Company and the control of our Company has not been acquired during five years immediately preceding this Draft Prospectus.

**Experience of our Promoters in the business of our Company**

For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled “*Our Management*” beginning on page 128 of this Draft Prospectus.

**Interest of our Promoter**

*Interest in promotion of our Company*

Our Promoters are 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 Promoters in our Company, please refer to the chapter titled “*Capital Structure*”, “*Our Management*” and “*Related Party Transactions*” beginning on page 53, 128 and 145, respectively of this Draft Prospectus.

*Interest of Promoters in our Company other than as a Promoter*

Our Promoters, Rajendra Singh Rajpurohit and Mahendra Singh Rajpurohit are the Managing Director and Whole Time Directors of our Company therefore, may 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 “*Related Party Transactions*” on pages 128 and 145, respectively, our Promoters do not have any interest in our Company other than as a Promoter.

*Interest in the properties of our Company*

Our Promoter, Rajendra Singh Rajpurohit has entered into a leave and license agreement dated February 19, 2022 with our Company for certain properties located at Shop number LL1, shop number S.B.2, shop number 4, basement and shop number 5, situated at Prabhu Kutir, Complex, Sandesh Press Road, Vastrapur, Bodakdev, Ahmedabad, Gujarat for a license fee of ₹ 1.50 lakhs per month.

Except as disclosed above and in the section titled “*Financial Information*” and the chapter titled “*Related Party Transaction*” on pages 147 and 145 our Promoters are 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 section titled “*Our Management*”, “*Related Party Transactions*” and “*Financial Information*” on pages 128, 145 and 147, respectively, our Promoters do not have any interest in our Company other than as a Promoter.

Our Promoters are 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.

#### **Payment or benefits to our Promoters and Promoter Group during the last two years**

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 Promoters 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 Promoters or Promoter group as on the date of this Draft Prospectus. For further details, please refer to the chapter titled “*Related Party Transactions*” on page 145 of this Draft Prospectus.

#### **Litigations involving our Promoters**

For details of legal and regulatory proceedings involving our Promoters, see “*Outstanding Litigation and Material Development*” in page 161.

#### **Guarantees**

Our Promoters have not given any guarantees to third parties in respect of our Company and the Equity Shares that are outstanding as of the date of filing of this Draft Prospectus.

#### **Details of Companies / Firms from which our Promoters has disassociated in the last three years**

Our Promoters have 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>
Rajendra Singh Rajpurohit	Late Girdhari Singh Rajpurohit	Father
	Hava Kunwar Rajpurohit	Mother
	Abita Rajpurohit	Spouse
	Mahendra Singh Rajpurohit	Brother
	Shilpa Rajpurohit	Sister
	Vihan Rajpurohit	Son
	Tashi Rajpurohit	Daughter
	Hanuman Singh	Spouse’s father
	Durga Devi	Spouse’s mother

Name of the Promoter	Name of the member of Promoter Group	Relationship with the Promoter
Mahendra Singh Rajpurohit	Rajendra Singh	Spouse's brother
	Mamta Rajpurohit	Spouse's brother
	Sunita Rajpurohit	Spouse's sister
	Late Girdhari Singh Rajpurohit	Father
	Hawankuwar Rajpurohit	Mother
	Poonam Rajpurohit	Spouse
	Rajendra Singh Rajpurohit	Brother
	Shilpa Rajpurohit	Sister
	Aarya Rajpurohit	Son
	Janvi Rajpurohit	Daughter
	Lunsingh Rajpurohit	Spouse's father
	Shushila Devi	Spouse's mother
	Shantilal Rajpurohit	Spouse's brother
	Navratan Rajpurohit	Spouse's brother
-	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:

Sr. No.	Name of the entity
1.	M/s. Lootere Western Outfit
2.	M/s. Abhiraj Trends
3.	M/s. AM Enterprise
4.	M/s. Harvey London
5.	M/s. Mafia Western Outfits

**Other Confirmations**

None of our Promoters and members of the Promoter Group have been declared as wilful defaulters or as a fraudulent borrowers by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Promoters 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 Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

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 Promoters.

## OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations and the applicable accounting standards (Accounting Standard 18 and Indian Accounting Standard 24), for the purpose of identification of “group companies” in relation to the disclosure in Offer Documents, our Company has considered the companies with which there have been related party transactions in the last three years, as disclosed in the section titled “*Financial Information*” on page 147 of this Draft Prospectus.

Pursuant to a resolution of our Board dated May 09, 2022, for the purpose of disclosure in the Offer Documents for the Issue, a company shall be considered material and disclosed as a ‘Group Company’ if (i) our Company has entered into one or more related party transactions with such company in the previous three fiscal years or (ii) any other company/entity which the Board may decide to consider material. Accordingly, pursuant to the said resolution passed by our Board of Directors and the materiality policy adopted, for determining our Group Companies, no companies have been identified and considered as the Group Company of our Company.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, during the last three Fiscals and the nine months period ended January 31, 2022, as per the requirements under the relevant accounting standards and as reported in the Restated Financial Information, see “*Restated Financial Information*” on page 147 of this Draft Prospectus.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. As on the date of this Draft Prospectus, our Company does not have a formal dividend policy.

Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the last three Financial Years. Further, our Company has not declared any dividend in the current Fiscal. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see “*Risk Factor No. [●] – [●]*” on page 22 of this Draft Prospectus.

**SECTION V – FINANCIAL INFORMATION**

**RESTATED FINANCIAL INFORMATION**

<b>S. No.</b>	<b>Details</b>	<b>Page Number</b>
1.	Restated Financial Information	F1-F30
2.	Other Financial Information	F28
3.	Capitalization Statement	F30

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## Independent Auditor's Report on Restated Financial Statements

To,  
**The Board of Directors**  
**Mafia Trends Limited**  
**(Formerly known as "Mafia Trends Private Limited")**

1, Prabhu Kutir Complex,  
Sandesh Press Road, Vastrapur,  
Ahmedabad – 380 015,  
Gujarat, India.

1. We have examined the attached restated financial information of **Mafia Trends Limited** (hereinafter referred to as "**the Company**") comprising the restated statement of assets and liabilities as at January 31, 2022 and March 31, 2021, 2020 and 2019, restated statement of profit and loss and restated cash flow statement for the financial period/year ended on January 31, 2022, March 31, 2021, 2020 and 2019 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 SME Platform ("**IPO**" or "**SME IPO**") of BSE Limited ("**BSE**") 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**"), BSE 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 January 31, 2022 and March 31, 2021, 2020 and 2019.
6. Audit for the financial period/year ended on January 31, 2022 and for the financial year ended March 31, 2021 was conducted by us. Audit for the financial year ended March 31, 2020 was conducted by M/s. Abhishek Kumar & Associates & for the financial year ended March 31, 2019 was conducted by M/s. Piyush J Shah & Co. There are no audit qualifications in the audit reports issued by previous auditors and which would require adjustments in the Restated Financial Statements of the Company. The financial report included for these years is based solely on the report submitted by him.
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 January 31, 2022 and March 31, 2021, 2020 and 2019.
  - b) do not require any adjustment for modification as there is no modification in the underlying audit reports;
  - c) have 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 January 31, 2022 and March 31, 2021, 2020 and 2019 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 January 31, 2022 and March 31, 2021, 2020 and 2019 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 January 31, 2022 and March 31, 2021, 2020 and 2019 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 given loans and advances to related parties resulting into violation of provisions of section 185 of Companies Act, 2013. However, there is no financial impact on the restated financial statements of such violation. Further, the aforesaid loans has been paid back by related parties before January 31, 2022.***

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 January 31, 2022 and March 31, 2021, 2020 and 2019 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 short-term borrowings as restated as appearing in ANNEXURE VIII to this report;
- ix) Details of trade payables as restated as appearing in ANNEXURE IX to this report;
- x) Details of other current liabilities as restated as appearing in ANNEXURE X to this report;
- xi) Details of short-term provisions as restated as appearing in ANNEXURE XI to this report;
- xii) Details of property, plant & equipment and intangible assets as appearing in ANNEXURE XII to this report;
- xiii) Details of deferred tax assets (net) as appearing in ANNEXURE XIII to this report;
- xiv) Details of other non-current assets as restated as appearing in ANNEXURE XIV to this report;
- xv) Details of inventories as restated as appearing in ANNEXURE XV to this report;
- xvi) Details of trade receivables as restated as appearing in ANNEXURE XVI to this report;
- xvii) Details of cash and cash equivalents as restated as appearing in ANNEXURE XVII to this report;
- xviii) Details of short-term loans and advances as restated as appearing in ANNEXURE XVIII to this report;
- xix) Details of revenue from operations as restated as appearing in ANNEXURE XIX to this report;
- xx) Details of other income as restated as appearing in ANNEXURE XX to this report;
- xxi) Details of purchase of stock-in-trade as restated as appearing in ANNEXURE XXI to this report;
- xxii) Details of changes in inventories of stock-in-trade as restated as appearing in ANNEXURE XXII to this report;
- xxiii) Details of employee benefit expenses as restated as appearing in ANNEXURE XXIII to this report;
- xxiv) Details of finance costs as restated as appearing in ANNEXURE XXIV to this report;
- xxv) Details of depreciation and amortization expense as restated as appearing in ANNEXURE XXV to this report;
- xxvi) Details of other expenses as restated as appearing in ANNEXURE XXVI to this report;
- xxvii) Details of bifurcative other income as restated as appearing in ANNEXURE XXVII to this report;
- xxviii) Ageing of trade payables as restated as appearing in ANNEXURE XXVIII to this report;
- xxix) Ageing of trade receivables as restated as appearing in ANNEXURE XXIX to this report;
- xxx) Details of contingent liabilities and commitments as restated as appearing in ANNEXURE XXX to this report;
- xxxi) Details of related party transactions as restated as appearing in ANNEXURE XXXI to this report;
- xxxii) Summary of significant accounting ratios as restated as appearing in ANNEXURE XXXII to this report;

this report,

xxxiii) Statement of tax shelters as restated as appearing in ANNEXURE XXXIII to this report;  
xxxiv) Capitalisation statement as at January 31, 2022 as restated as appearing in ANNEXURE XXXIV 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, BSE 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 Piyush Kothari & Associates**  
**Chartered Accountants**  
**FRN – 140711W**

**CA Piyush Kothari**  
**(Partner)**  
**Membership No. - 158407**  
**(UDIN – 22158407AKGMLT4245)**

**Place: Ahmedabad**  
**Date: 11/05/2022**

Sr. No.	Particulars	Annexure No.	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	<b>EQUITY AND LIABILITIES</b>					
1)	<b>Shareholders Funds</b>					
	a. Share Capital	V	62.44	62.44	62.44	62.44
	b. Reserves & Surplus	VI	208.62	167.20	140.20	139.75
2)	<b>Non - Current Liabilities</b>					
	a. Long-term Borrowings	VII	21.87	31.53	71.55	114.65
3)	<b>Current Liabilities</b>					
	a. Short Term Borrowings	VIII	201.43	231.63	204.90	122.34
	b. Trade Payables	IX				
	-Dues of micro enterprises and small enterprises		-	-	-	-
	-Dues of creditors other than micro enterprises and small enterprises		483.51	286.95	553.03	472.83
	c. Other Current liabilities	X	14.65	6.00	116.28	110.09
	d. Short Term Provisions	XI	31.40	15.68	5.78	9.00
	<b>TOTAL</b>		<b>1,023.92</b>	<b>801.43</b>	<b>1,154.18</b>	<b>1,031.10</b>
	<b>ASSETS</b>					
1)	<b>Non Current Assets</b>					
	a. Property, Plant & Equipment and Intangible Assets	XII				
	- Property, Plant & Equipment		2.95	2.93	4.05	6.89
	- Intangible Assets		0.06	0.10	0.26	0.70
	b. Deferred Tax Assets (net)	XIII	0.34	0.49	0.63	0.50
	c. Other Non-Current Assets	XIV	11.66	11.06	25.88	1.35
2)	<b>Current Assets</b>					
	a. Inventories	XV	692.40	505.92	430.57	339.04
	b. Trade Receivables	XVI	33.70	92.45	105.65	290.00
	c. Cash and Cash Equivalents	XVII	55.60	5.14	9.93	12.22
	d. Short term loan and advances	XVIII	227.21	183.34	577.21	380.40
	<b>TOTAL</b>		<b>1,023.92</b>	<b>801.43</b>	<b>1,154.18</b>	<b>1,031.10</b>

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

For Piyush Kothari & Associates  
Chartered Accountants  
FRN - 140711W

CA Piyush Kothari  
Partner  
Mem No- 158407  
UDIN - 22158407AKGMLT4245

Place : Ahmedabad  
Date : 11/05/2022

For and on behalf of the Board of Directors of  
Mafia Trends Limited

Rajendra Singh Rajpurohit  
(Director)  
DIN: 07684092

Nikundra Desai  
(CFO)  
Place : Ahmedabad  
Date : 11/05/2022

Mahendra Singh  
(Director)  
DIN: 07684132

Shashank Poddar  
(CS)

## STANDALONE STATEMENT OF PROFIT AND LOSS AS RESTATED

ANNEXURE - II  
(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A</b>	<b>INCOME</b>					
	Revenue from Operations	XIX	620.16	365.65	1,147.86	1,282.33
	Other income	XX	-	35.15	-	-
	<b>Total Income (A)</b>		<b>620.16</b>	<b>400.80</b>	<b>1,147.86</b>	<b>1,282.33</b>
<b>B</b>	<b>EXPENDITURE</b>					
	Purchase of stock in trade	XXI	596.56	349.79	1,066.25	1,207.69
	Changes in inventories of stock-in-trade	XXII	(186.48)	(75.35)	(91.53)	(234.89)
	Employee benefits expense	XXIII	71.09	16.32	72.02	141.95
	Finance costs	XXIV	22.49	21.69	49.33	30.13
	Depreciation and Amortization	XXV	0.49	1.28	3.28	6.57
	Other expenses	XXVI	60.03	50.58	47.91	100.80
	<b>Total Expenses (B)</b>		<b>564.18</b>	<b>364.31</b>	<b>1,147.26</b>	<b>1,252.25</b>
<b>C</b>	<b>Profit before tax</b>		<b>55.98</b>	<b>36.49</b>	<b>0.60</b>	<b>30.08</b>
<b>D</b>	<b>Tax Expense</b>					
	(i) Current tax	XXXIII	14.41	9.35	0.28	8.69
	(ii) Deferred tax	XIII	0.15	0.14	(0.13)	(0.63)
	<b>Total Expenses (D)</b>		<b>14.56</b>	<b>9.49</b>	<b>0.15</b>	<b>8.06</b>
<b>E</b>	<b>Profit for the year (C-D)</b>		<b>41.42</b>	<b>27.00</b>	<b>0.45</b>	<b>22.02</b>
<b>F</b>	<b>Earnings per share (Face value of ₹ 10/- each):</b>	XXXII				
	i. Basic		<b>6.63</b>	<b>4.32</b>	<b>0.07</b>	<b>21.11</b>
	ii. Diluted		<b>6.63</b>	<b>4.32</b>	<b>0.07</b>	<b>21.11</b>

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

For Piyush Kothari & Associates  
Chartered Accountants  
FRN - 140711WFor and on behalf of the Board of Directors of  
Mafia Trends LimitedCA Piyush Kothari  
Partner  
Mem No- 158407  
UDIN - 22158407AKGMLT4245Rajendra Singh Rajpurohit  
(Director)  
DIN: 07684092Mahendra Singh  
(Director)  
DIN: 07684132Place : Ahmedabad  
Date : 11/05/2022Nikundra Desai  
(CFO)  
Place : Ahmedabad  
Date : 11/05/2022Shashank Poddar  
(CS)

## STANDALONE STATEMENT OF CASH FLOW AS RESTATED

## ANNEXURE - III

(₹ In Lakhs)

Particulars	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash Flow From Operating Activities:</b>				
Net Profit before tax as per Profit And Loss A/c	55.98	36.49	0.60	30.08
<b>Adjustments for:</b>				
Depreciation	0.49	1.28	3.28	6.57
Finance Cost	22.49	21.69	49.33	30.13
<b>Operating Profit Before Working Capital Changes</b>	<b>78.96</b>	<b>59.46</b>	<b>53.21</b>	<b>66.78</b>
Adjusted for (Increase)/Decrease in operating assets				
Long-Term Loans and advances	(0.60)	14.82	(24.53)	(1.35)
Inventories	(186.48)	(75.35)	(91.53)	(234.89)
Trade Receivables	58.75	13.20	184.35	8.78
Short Term Loans and advances	(43.87)	393.87	(196.81)	(380.20)
Adjusted for Increase/(Decrease) in operating liabilities:				
Trade Payables	196.56	(266.08)	80.20	399.34
Other Current Liabilities	8.65	(110.28)	6.19	110.09
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>111.97</b>	<b>29.64</b>	<b>11.08</b>	<b>(31.45)</b>
Net Income Tax paid/ refunded	1.31	0.55	(3.50)	(17.92)
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>113.28</b>	<b>30.19</b>	<b>7.58</b>	<b>(49.37)</b>
Purchase of Property, Plant & Equipment and Intangible Assets	(0.47)	-	-	(4.20)
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(0.47)</b>	<b>-</b>	<b>-</b>	<b>(4.20)</b>
<b>Cash Flow from Financing Activities:</b>				
Proceeds from Issue of Equity Shares	-	-	-	157.32
Proceeds/(Repayment) of Borrowings	(39.86)	(13.29)	39.46	(73.81)
Finance Cost paid	(22.49)	(21.69)	(49.33)	(30.13)
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>(62.35)</b>	<b>(34.98)</b>	<b>(9.87)</b>	<b>53.38</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	50.46	(4.79)	(2.29)	(0.19)
Cash & Cash Equivalents As At Beginning of the Year	5.14	9.93	12.22	12.41
Cash & Cash Equivalents As At End of the Year	<b>55.60</b>	<b>5.14</b>	<b>9.93</b>	<b>12.22</b>

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

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 Piyush Kothari & Associates  
Chartered Accountants  
FRN - 140711W

CA Piyush Kothari  
Partner  
Mem No- 158407  
UDIN - 22158407AKGMLT4245

Place : Ahmedabad  
Date : 11/05/2022

For and on behalf of the Board of Directors of  
Mafia Trends Limited

Rajendra Singh Rajpurohit  
(Director)  
DIN: 07684092

Mahendra Singh  
(Director)  
DIN: 07684132

Nikundra Desai  
(CFO)  
Place : Ahmedabad  
Date : 11/05/2022

Shashank Poddar  
(CS)

## **ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH**

### **A) CORPORATE INFORMATION:**

Mafia Trends Limited is a company incorporated on 7<sup>th</sup> February, 2017 as “Mafia Trends Private Limited”.

The corporate identification number of the company is U51909GJ2017PLC095649.

The company has been converted from Private Company to Public Company on 12<sup>th</sup> January, 2022.

The company primarily deals in trading of readymade garments and apparels.

### **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 January 31, 2022 and March 31, 2021, 2020 and 2019 and the related restated summary statement of profits and loss and cash flows for the period/year ended January 31, 2022 and March 31, 2021, 2020 and 2019 (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 January 31, 2022 and March 31, 2021, March 31, 2020 & 2019. 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 NSE 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 & Amortization:**

Property, Plant & Equipment:

Depreciation on Property, plant & equipment 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.

Intangible Assets:

Amortization on Intangible Assets has been provided using useful life of 3 years.

**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:**

Stock-in-trade are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding taxes those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

**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. 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.

**XII. 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.

**XIII. 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 January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended march 31,2019
Net Profit/(Loss) after Tax as per Audited/Unaudited Profit & Loss Account	33.94	30.52	0.35	30.63
<b>Adjustments for:</b>				
Interest on delayed payment of taxes and delay in filing of return	1.31	(0.50)	(0.50)	(0.52)
Gain on settlement of borrowings	3.65	(3.65)	-	-
Depreciation and amortization	-	0.44	-	-
Prior Period Items	(0.44)	-	-	-
Preliminary Expenses written off	-	1.20	0.60	0.60
Excess/(Short) Provision for Income Tax	1.17	0.78	-	(8.69)
Deferred tax	1.79	(1.79)	-	-
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>41.42</b>	<b>27.00</b>	<b>0.45</b>	<b>22.02</b>

**Explanatory notes to the above restatements to profits made in the audited Standalone Financial Statements of the Company for the respective years:**

- I. **Interest on delayed payment of taxes and delay in filing of return:** The Company has not provided interest on delayed payment of income tax under section 234A/B/C for short payment of income tax. The said amount has now been reclassified to finance cost and opening reserves as follows:
  - i. Interest under section 234C: Such interest presented under Finance Cost of the year to which it pertains. Further, interest for the period before April 1, 2018 has been utilised from opening reserves.
  - ii. Interest under section 234A/B: Such interest presented under Finance Cost of the year in which it became payable.
- II. **Gain on Settlement of borrowings:** The Company has received settlement letter in respect of outstanding dues to the bank and financial institutions from whom credit facilities were availed by the company. However, the said settlement was deferred by the company in respect of some loans which has now been classified as part of treatment as per AS-4.
- III. **Depreciation and amortization and Prior Period Items:** The Company has incorrectly calculated depreciation and amortization on computers, mobile and computer software which has now been restated.
- IV. **Preliminary Expenses written off:** The Company has amortized preliminary expenses over a period of years which has now been debited to opening reserves as pertaining to the period on or before 1<sup>st</sup> April, 2018.

- V. **Excess/(Short) Provision for Income Tax and Deferred tax:** The company has not provided or incorrectly provided for provision of income tax for the respective year. The same has now been restated alongwith the above impacts of restatement.

**D) NOTES ON RECONCILIATION OF RESTATED NETWORTH**

Reconciliation of Restated Network is stated as follows:

(₹ In Lakhs)

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Networth as audited	273.80	239.86	209.34	212.99
<b>Adjustments for:</b>				
Opening Balance of Adjustments	(10.22)	(6.70)	(10.80)	-
Add: Preliminary Expenses not written off	-	-	-	(2.40)
Less: Income Tax Expense for earlier years	-	-	-	(4.21)
Add: Income tax Payable	-	-	4.00	4.67
Less: Interest on Delayed Payment of Taxes for earlier years	-	-	-	(0.25)
Change in Profit/(Loss)	7.48	(3.52)	0.10	(8.61)
Closing Balance of Adjustments	(2.74)	(10.22)	(6.70)	(10.80)
<b>Networth as restated</b>	<b>271.06</b>	<b>229.64</b>	<b>202.64</b>	<b>202.19</b>

**Explanatory notes to the above restatements to networth made in the audited Standalone Financial Statements of the Company for the respective years:**

- I. **Preliminary Expenses not written off:** Refer Pt. C.IV above.
- II. **Reversal of Accumulated Depreciation:** The Company has considered inappropriate useful life of assets for calculating depreciation for the respective periods. The same has been restated and impact pertaining to the financial period on or before March 31, 2018 has been debited from opening reserves.
- III. **Income Tax Expense for earlier years, Income Tax Payable and Interest on Delayed Payment of Taxes for earlier years:** The Company has debited reserves for the payment of income taxes which has now been reversed and provided for as expenses of interest and tax components in the respective years.
- IV. **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).

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>EQUITY SHARE CAPITAL:</b>				
<b>AUTHORISED:</b>				
Equity Shares of ₹ 10 each	385.00	100.00	100.00	100.00
	<b>385.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
Equity Shares of ₹ 10 each	62.44	62.44	62.44	62.44
	<b>62.44</b>	<b>62.44</b>	<b>62.44</b>	<b>62.44</b>
<b>TOTAL</b>	<b>62.44</b>	<b>62.44</b>	<b>62.44</b>	<b>62.44</b>

**Reconciliation of number of shares outstanding at the end of the year:**

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Equity Shares at the beginning of the year	6,24,400	6,24,400	6,24,400	1,00,000
Add: Shares issued during the year	-	-	-	5,24,400
Equity Shares at the end of the year	<b>6,24,400</b>	<b>6,24,400</b>	<b>6,24,400</b>	<b>6,24,400</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 January 31,2022		As at March 31, 2021	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
<b>Equity Share Holders</b>				
Mahendra Singh Rajpurohit	5,74,400	86.99%	5,74,400	91.99%
Rajendra Singh Rajpurohit	50,000	8.01%	50,000	8.01%

Name of Shareholders	As at March 31,2020		As at March 31,2019	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
<b>Equity Share Holders</b>				
Mahendra Singh Rajpurohit	5,74,400	91.99%	5,74,400	91.99%
Rajendra Singh Rajpurohit	50,000	8.01%	50,000	8.01%

**Details of shareholding of promoters:**

Promoter name	As at January 31,2022		% change during the period / year
	No. of shares	% of total shares	
Mahendra Singh Rajpurohit	5,74,400	86.99%	(5.00%)
Rajendra Singh Rajpurohit	50,000	8.01%	-

Promoter name	As at March 31, 2021		% change during the period / year
	No. of shares	% of total shares	
Mahendra Singh Rajpurohit	5,74,400	91.99%	-
Rajendra Singh Rajpurohit	50,000	8.01%	-

Promoter name	As at March 31,2020		% change during the period / year
	No. of shares	% of total shares	
Mahendra Singh Rajpurohit	5,74,400	91.99%	-
Rajendra Singh Rajpurohit	50,000	8.01%	-

Promoter name	As at March 31,2019		% change during the period / year
	No. of shares	% of total shares	
Mahendra Singh Rajpurohit	5,74,400	91.99%	41.99%
Rajendra Singh Rajpurohit	50,000	8.01%	(41.99%)

**DETAILS OF RESERVES AND SURPLUS AS RESTATED**
**ANNEXURE - VI**  
 (₹ In Lakhs)

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>Securities Premium</b>				
Opening Balance	104.88	104.88	104.88	-
Add: Receipt on issue of shares	-	-	-	104.88
<b>Closing Balance</b>	<b>104.88</b>	<b>104.88</b>	<b>104.88</b>	<b>104.88</b>
<b>Balance in Profit &amp; Loss A/c</b>				
Opening Balance	62.32	35.32	34.87	19.71
Add: Net Profit / (Loss) after Tax for the year	41.42	27.00	0.45	22.02
Add: Preliminary Expenses not written off	-	-	-	(2.40)
Less: Income Tax Expense for earlier years	-	-	-	(4.21)
Less: Interest on Delayed Payment of Taxes for earlier years	-	-	-	(0.25)
<b>Closing Balance</b>	<b>103.74</b>	<b>62.32</b>	<b>35.32</b>	<b>34.87</b>
<b>TOTAL</b>	<b>208.62</b>	<b>167.20</b>	<b>140.20</b>	<b>139.75</b>

**DETAILS OF LONG TERM BORROWINGS AS RESTATED**
**ANNEXURE - VII**  
 (₹ In Lakhs)

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>				
<b>(a) Term Loan</b>				
-From Banks	19.98	28.49	-	-
<b>Unsecured</b>				
<b>(a) Term Loan</b>				
-From Banks	1.89	3.04	33.30	46.86
-From NBFCs	-	-	38.25	67.79
<b>TOTAL</b>	<b>21.87</b>	<b>31.53</b>	<b>71.55</b>	<b>114.65</b>

Description of Security	Terms of Repayment
Loan from Digikredit Finance Private Limited for ₹ 25.25 Lakhs is unsecured.	Loan is repayable in 36 equated monthly instalments.
Loan from Fullerton India Credit Co. Ltd for ₹ 30 Lakhs is unsecured.	Loan is repayable in 57 equated monthly instalments.
Loan from IndusInd Bank for ₹ 25 Lakhs is unsecured.	Loan is repayable in 24 equated monthly instalments.
Loan from Kotak Bank for ₹ 32 Lakhs is unsecured.	Loan is repayable in 30 equated monthly instalments.
Loan from RBL Bank for ₹ 35.10 Lakhs is unsecured.	Loan is repayable in 36 equated monthly instalments.
Loan from Tata Capital Financial Services Limited for ₹ 27.50 Lakhs is unsecured	Loan is repayable in 36 equated monthly instalments.
Loan from Shriram City Union Finance Limited for ₹ 25 Lakhs is unsecured	Loan is repayable in 36 equated monthly instalments.
Loan from Aditya Birla Finance Limited for ₹ 25 Lakhs is unsecured	Loan is repayable in 36 equated monthly instalments.
Loan from Magma Fincorp Limited for ₹ 23 Lakhs is unsecured	Loan is repayable in 36 equated monthly instalments.
Loan from United Petro Finance Limited for ₹ 20 Lakhs is unsecured	Loan is repayable in 12 equated monthly instalments.
UGECL of Union Bank of India for ₹ 29.50 Lakhs is secured by hypothecation of stock and book debts.	Loan is repayable in 36 equated monthly installments after a moratorium of 12 months.
FITL of Union Bank of India for ₹ 15.34 Lakhs is secured by hypothecation of stock and book debts.	Loan is repayable in 24 equal monthly principal installments of ₹63916.67/- plus interest payable as and when debited after a moratorium of 12 months.
Loan from Kotak Bank for ₹ 3.58 Lakhs is unsecured.	Loan is repayable in 36 equated monthly instalments after a moratorium of 12 months.

**DETAILS OF SHORT TERM BORROWINGS AS RESTATED**
**ANNEXURE - VIII**  
 (₹ In Lakhs)

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>				
<b>(a) Cash Credit from Banks</b>	149.87	146.45	151.00	-
<b>Unsecured</b>				
<b>(a) Loan from Related Parties</b>	33.23	-	10.80	1.20
Current Maturities of Long-term Borrowings	18.33	85.18	43.10	121.14
<b>TOTAL</b>	<b>201.43</b>	<b>231.63</b>	<b>204.90</b>	<b>122.34</b>

(Working capital loans are secured by hypothecation of present finished goods and book debts of company and charge on existing immovable properties of the guaranteed by Director)

**DETAILS OF TRADE PAYABLES AS RESTATED**
**ANNEXURE - IX**  
 (₹ In Lakhs)

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Dues of micro enterprises and small enterprises	-	-	-	-
Dues of creditors other than micro enterprises and small enterprises	483.51	286.95	553.03	472.83
<b>TOTAL</b>	<b>483.51</b>	<b>286.95</b>	<b>553.03</b>	<b>472.83</b>

*(Refer Annexure - XXVIII for ageing)*
**DETAILS OF OTHER CURRENT LIABILITES AS RESTATED**
**ANNEXURE - X**  
 (₹ In Lakhs)

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Statutory Dues payable	3.65	-	-	-
Director Remunaeration Payable	6.00	6.00	-	-
Advance From Customers	5.00	-	116.28	110.09
<b>TOTAL</b>	<b>14.65</b>	<b>6.00</b>	<b>116.28</b>	<b>110.09</b>

**DETAILS OF SHORT TERM PROVISIONS AS RESTATED**
**ANNEXURE - XI**  
 (₹ In Lakhs)

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Provision for Taxation	31.40	15.68	5.78	9.00
<b>TOTAL</b>	<b>31.40</b>	<b>15.68</b>	<b>5.78</b>	<b>9.00</b>



DETAILS OF PROPERTY, PLANT & EQUIPMENT AS RESTATED

ANNEXURE- XII  
(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2021	ADDITIONS	DEDUCTIONS	AS AT 31.01.2022	UPTO 01.04.2021	FOR THE YEAR	DEDUCTIONS	UPTO 31.01.2022	AS AT 31.01.2022	AS AT 31.03.2021
<b><u>Tangible Assets</u></b>										
Computers	13.80	-	-	13.80	13.10	-	-	13.10	0.70	0.70
Electrical Equipment	0.98	-	-	0.98	0.50	0.10	-	0.60	0.38	0.48
Mobile	2.38	0.47	-	2.85	1.02	0.26	-	1.28	1.57	1.36
Furnitures & Fixtures	0.80	-	-	0.80	0.41	0.09	-	0.50	0.30	0.39
<b><u>Intangible Assets</u></b>										
Computer Software	1.20	-	-	1.20	1.10	0.04	-	1.14	0.06	0.10
<b>Grand Total</b>	<b>19.16</b>	<b>0.47</b>	<b>-</b>	<b>19.63</b>	<b>16.13</b>	<b>0.49</b>	<b>-</b>	<b>16.62</b>	<b>3.01</b>	<b>3.03</b>

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><u>Tangible Assets</u></b>										
Computers	13.80	-	-	13.80	12.59	0.51	-	13.10	0.70	1.21
Electrical Equipment	0.98	-	-	0.98	0.33	0.17	-	0.50	0.48	0.65
Mobile	2.38	-	-	2.38	0.72	0.30	-	1.02	1.36	1.66
Furnitures & Fixtures	0.80	-	-	0.80	0.27	0.14	-	0.41	0.39	0.53
<b><u>Intangible Assets</u></b>										
Computer Software	1.20	-	-	1.20	0.94	0.16	-	1.10	0.10	0.26
<b>Grand Total</b>	<b>19.16</b>	<b>-</b>	<b>-</b>	<b>19.16</b>	<b>14.85</b>	<b>1.28</b>	<b>-</b>	<b>16.13</b>	<b>3.03</b>	<b>4.31</b>

DETAILS OF PROPERTY, PLANT & EQUIPMENT AS RESTATED

ANNEXURE- XII  
(₹ 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><u>Tangible Assets</u></b>										
Computers	13.80	-	-	13.80	10.53	2.06	-	12.59	1.21	3.27
Electrical Equipment	0.98	-	-	0.98	0.11	0.22	-	0.33	0.65	0.87
Mobile	2.38	-	-	2.38	0.35	0.37	-	0.72	1.66	2.03
Furnitures & Fixtures	0.80	-	-	0.80	0.08	0.19	-	0.27	0.53	0.72
<b><u>Intangible Assets</u></b>										
Computer Software	1.20	-	-	1.20	0.50	0.44	-	0.94	0.26	0.70
<b>Grand Total</b>	<b>19.16</b>	<b>-</b>	<b>-</b>	<b>19.16</b>	<b>11.57</b>	<b>3.28</b>	<b>-</b>	<b>14.85</b>	<b>4.31</b>	<b>7.59</b>

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2018	ADDITIONS	DEDUCTIONS	AS AT 31.03.2019	UPTO 01.04.2018	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2019	AS AT 31.03.2019	AS AT 31.03.2018
<b><u>Tangible Assets</u></b>										
Computers	13.80	-	-	13.80	4.93	5.60	-	10.53	3.27	8.87
Electrical Equipment	-	0.98	-	0.98	-	0.11	-	0.11	0.87	-
Mobile	1.16	1.22	-	2.38	0.07	0.28	-	0.35	2.03	1.09
Furnitures & Fixtures	-	0.80	-	0.80	-	0.08	-	0.08	0.72	-
<b><u>Intangible Assets</u></b>										
Computer Software	-	1.20	-	1.20	-	0.50	-	0.50	0.70	-
<b>Grand Total</b>	<b>14.96</b>	<b>4.20</b>	<b>-</b>	<b>19.16</b>	<b>5.00</b>	<b>6.57</b>	<b>-</b>	<b>11.57</b>	<b>7.59</b>	<b>9.96</b>

**DETAILS OF DEFERRED TAX ASSETS (NET) AS RESTATED**
**ANNEXURE - XIII**  
 (₹ In Lakhs)

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening Balance	0.49	0.63	0.50	(0.13)
Add: Deferred Tax Credit/(Expense) for the year	(0.15)	(0.14)	0.13	0.63
<b>TOTAL</b>	<b>0.34</b>	<b>0.49</b>	<b>0.63</b>	<b>0.50</b>

**DETAILS OF OTHER NON-CURRENT ASSETS AS RESTATED**
**ANNEXURE - XIV**  
 (₹ In Lakhs)

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Security Deposit	11.66	11.06	25.88	1.35
<b>TOTAL</b>	<b>11.66</b>	<b>11.06</b>	<b>25.88</b>	<b>1.35</b>

**DETAILS OF INVENTORIES AS RESTATED**
**ANNEXURE - XV**  
 (₹ In Lakhs)

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Stock-in-Trade	692.40	505.92	430.57	339.04
<b>TOTAL</b>	<b>692.40</b>	<b>505.92</b>	<b>430.57</b>	<b>339.04</b>

**DETAILS OF TRADE RECEIVABLES AS RESTATED**
**ANNEXURE - XVI**  
 (₹ In Lakhs)

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, Considered Good</b>				
Trade Receivable More than Six Months	33.70	48.21	44.57	159.72
Trade Receivable Less than Six Months	-	44.24	61.08	130.28
<b>Unsecured, Considered Doubtful</b>				
Trade Receivable More than Six Months	-	-	-	-
Less: Provision for Bad & Doubtful Debts	-	-	-	-
Trade Receivable Less than Six Months	-	-	-	-
Less: Provision for Bad & Doubtful Debts	-	-	-	-
<b>TOTAL</b>	<b>33.70</b>	<b>92.45</b>	<b>105.65</b>	<b>290.00</b>

*(Refer Annexure - XXIX for ageing)*

**DETAILS OF CASH & CASH EQUIVALENTS AS RESTATED**
**ANNEXURE - XVII**  
 (₹ In Lakhs)

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Cash-in-Hand	55.60	4.06	9.75	3.60
Bank balance	-	1.08	0.18	8.62
<b>TOTAL</b>	<b>55.60</b>	<b>5.14</b>	<b>9.93</b>	<b>12.22</b>

**DETAILS OF SHORT TERM LOAN AND ADVANCES AS RESTATED**
**ANNEXURE - XVIII**  
 (₹ In Lakhs)

Particulars	As at January 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Balance with Government Authorities	-	0.98	34.18	25.71
Vendor Advances (Incl. Vendor Advances to related parties)	227.21	182.36	538.67	350.76
Staff Advances	-	-	-	3.93
Director and relatives	-	-	4.36	-
<b>TOTAL</b>	<b>227.21</b>	<b>183.34</b>	<b>577.21</b>	<b>380.40</b>

**DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**

**ANNEXURE - XIX**  
(₹ In Lakhs)

Particulars	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended march 31,2019
Sale of Goods				
-Domestic Sales	620.16	365.65	1,147.86	1,282.33
-Export Sales	-	-	-	-
<b>TOTAL</b>	<b>620.16</b>	<b>365.65</b>	<b>1,147.86</b>	<b>1,282.33</b>

**DETAILS OF OTHER INCOME AS RESTATED**

**ANNEXURE - XX**  
(₹ In Lakhs)

Particulars	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended march 31,2019
Gain on settlement of borrowings	-	34.77	-	-
VAT Refund	-	0.38	-	-
<b>TOTAL</b>	<b>-</b>	<b>35.15</b>	<b>-</b>	<b>-</b>

**DETAILS OF PURCHASE OF STOCK IN TRADE AS RESTATED**

**ANNEXURE - XXI**  
(₹ In Lakhs)

Particulars	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended march 31,2019
Purchase of stock in trade	596.56	349.79	1,066.25	1,207.69
<b>TOTAL</b>	<b>596.56</b>	<b>349.79</b>	<b>1,066.25</b>	<b>1,207.69</b>

**TOTAL**

- - - -

**DETAILS OF CHANGES IN INVENTORIES OF STOCK-IN-TRADE AS RESTATED**

**ANNEXURE - XXII**  
(₹ In Lakhs)

Particulars	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended march 31,2019
Opening Stock	505.92	430.57	339.04	104.15
Less: Closing Stock	(692.40)	(505.92)	(430.57)	(339.04)
<b>TOTAL</b>	<b>(186.48)</b>	<b>(75.35)</b>	<b>(91.53)</b>	<b>(234.89)</b>

**DETAILS OF EMPLOYEE BENEFITS EXPENSE AS RESTATED**

**ANNEXURE - XXIII**  
(₹ In Lakhs)

Particulars	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended march 31,2019
Salary and incentives	71.09	9.56	57.40	109.70
Staff Welfare Expense	-	0.76	2.62	16.25
Director Remuneration	-	6.00	12.00	16.00
<b>TOTAL</b>	<b>71.09</b>	<b>16.32</b>	<b>72.02</b>	<b>141.95</b>

**DETAILS OF FINANCE COST AS RESTATED**

**ANNEXURE - XXIV**  
(₹ In Lakhs)

Particulars	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended march 31,2019
Bank Charges	2.28	1.47	0.49	6.05
Loan processing charges	0.49	2.67	6.65	4.86
Interest on Borrowings	18.41	17.02	41.69	18.70
Interest on delayed payment of taxes and delay in filing of return	1.31	0.53	0.50	0.52
<b>TOTAL</b>	<b>22.49</b>	<b>21.69</b>	<b>49.33</b>	<b>30.13</b>

**DETAILS OF DEPRECIATION AND AMORTIZATION AS RESTATED**

**ANNEXURE - XXV**  
(₹ In Lakhs)

Particulars	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended march 31,2019
Depreciation and amortization expense	0.49	1.28	3.28	6.57
<b>TOTAL</b>	<b>0.49</b>	<b>1.28</b>	<b>3.28</b>	<b>6.57</b>

**DETAILS OF OTHER EXPENSES AS RESTATED**

**ANNEXURE - XXVI**  
(₹ In Lakhs)

Particulars	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended march 31,2019
Accounting Expense	-	0.96	1.29	0.90
Audit fees	0.15	0.30	0.30	-
Bad Debts	-	14.94	-	-
Business promotion expenses	3.56	1.33	1.71	4.63
Conveyance expense	0.41	1.10	0.23	-
Electricity expense	9.28	13.53	14.92	18.50
Freight, Packing and Transportation Charges	1.56	1.34	8.47	37.51
Insurance expense	0.16	0.97	1.29	2.06
Legal & Professional fees	2.45	0.14	1.34	5.91
Office Expenses	0.33	2.74	4.40	8.21
Payment Gateway Charges	3.85	-	0.05	-
Postage & courier charges	0.23	0.62	0.97	0.86
Printing & stationery expense	0.35	0.55	0.63	0.46
Rates & Taxes	-	0.01	0.06	3.04
Rent Expense	37.03	11.02	10.00	15.72
Repairs and maintenance expense	0.01	-	0.65	0.86
Software expense	-	-	-	0.21
Telephone Internet charges	0.66	1.03	1.60	1.93
<b>TOTAL</b>	<b>60.03</b>	<b>50.58</b>	<b>47.91</b>	<b>100.80</b>

**DETAILS OF OTHER INCOME AS RESTATED**

**ANNEXURE - XXVII**  
(₹ In Lakhs)

Particulars	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended march 31,2019	Nature
Other Income	-	35.15	-	-	
Net Profit Before Tax as Restated	55.98	36.49	0.60	30.08	
<b>Percentage</b>	-	<b>96.33%</b>	-	-	

**Source of Income**

Gain on settlement of borrowings	-	34.77	-	-	Non-Recurring and not related to Business Activity
VAT Refund	-	0.38	-	-	Non-Recurring and related to Business Activity
<b>Total Other income</b>	-	<b>35.15</b>	-	-	

## AGEING OF TRADE PAYABLES AS RESTATED

ANNEXURE - XXVIII  
(₹ In Lakhs)

## I. Ageing of Creditors as at January 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	-	-	-	-	-
(b) Others	387.67	15.72	77.40	2.72	483.51
(c) Disputed Dues - MSME	-	-	-	-	-
(d) Disputed Dues - Others	-	-	-	-	-
Total	387.67	15.72	77.40	2.72	483.51

## II. Ageing of Creditors as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	-	-	-	-	-
(b) Others	146.85	114.71	25.39	-	286.95
(c) Disputed Dues - MSME	-	-	-	-	-
(d) Disputed Dues - Others	-	-	-	-	-
Total	146.85	114.71	25.39	-	286.95

## III. Ageing of Creditors as at March 31, 2020

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	-	-	-	-	-
(b) Others	513.09	39.94	-	-	553.03
(c) Disputed Dues - MSME	-	-	-	-	-
(d) Disputed Dues - Others	-	-	-	-	-
Total	513.09	39.94	-	-	553.03

## IV. Ageing of Creditors as at March 31, 2019

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	-	-	-	-	-
(b) Others	468.99	3.84	-	-	472.83
(c) Disputed Dues - MSME	-	-	-	-	-
(d) Disputed Dues - Others	-	-	-	-	-
Total	468.99	3.84	-	-	472.83



**I. Ageing of Debtors as at January 31, 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed Trade receivables - considered good	-	0.77	25.21	7.72	-	33.70
(b) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(c) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(d) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Total	-	0.77	25.21	7.72	-	33.70

**II. Ageing of Debtors as at March 31, 2021**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed Trade receivables - considered good	44.24	5.64	42.57	-	-	92.45
(b) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(c) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(d) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Total	44.24	5.64	42.57	-	-	92.45

**III. Ageing of Debtors as at March 31, 2020**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed Trade receivables - considered good	61.08	0.97	16.64	26.96	-	105.65
(b) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(c) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(d) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Total	61.08	0.97	16.64	26.96	-	105.65

**IV. Ageing of Debtors as at March 31, 2019**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed Trade receivables - considered good	130.28	7.25	152.47	-	-	290.00
(b) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(c) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(d) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Total	130.28	7.25	152.47	-	-	290.00

**DETAILS OF CONTINGENT LIABILITIES & COMMITMENTS AS RESTATED**

**ANNEXURE -**

**XXX**

(₹ In Lakhs)

<b>Particulars</b>	<b>As at January 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<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 assets & liabilities, profits and losses and cash flows appearing in Annexure I - III.*

**DETAILS OF RELATED PARTY TRANSACTION AS RESTATED**

ANNEXURE -

XXXI

(₹ In Lakhs)

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the period ended January 31, 2022	Amount outstanding as on January 31, 2022 (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
Rajendra Singh Rajpurohit	Director	Director Remuneration	-	(3.00)	3.00	(3.00)	8.00	-	10.00	-
		Loan Taken	58.14	-	34.38	-	38.90	(10.80)	25.76	(1.05)
		Loan Repaid	37.06	(21.09)	45.18	-	37.16	-	27.73	-
Mahendra Singh	Director	Director Remuneration	-	(3.00)	3.00	(3.00)	4.00	-	6.00	-
		Loan Taken	4.93	-	20.51	-	-	4.36	156.25	(0.15)
		Loan Repaid	1.45	(3.48)	16.15	-	-	-	161.12	-
A M Enterprise	Partnership Firm of Director	Loan Taken	-	-	-	-	-	-	-	-
		Loan Repaid	-	16.54	-	21.50	-	31.69	-	1.02
		Purchase (Incl GST)	5.46	-	-	-	-	-	-	-
		Sales(Incl GST)	-	-	8.32	-	54.67	-	14.00	-
Aarya Creation	Proprietorship Concern of Director	Sales (Incl GST)	-	41.76	-	41.76	-	41.76	-	0.73
		Advance Given	-	-	-	-	-	-	-	-
		Purchases (Incl GST)	-	-	-	-	119.51	-	-	-
Abhiraj Trends	Partnership Firm of Director	Sales (Incl GST)	-	(77.40)	-	(94.72)	24.94	(459.91)	-	(182.81)
		Purchases (Incl GST)	-	-	-	-	692.78	-	314.04	-
Mafia (Akbaragar)	Partnership Firm of Director	Sales (Incl GST)	-	-	0.03	0.03	-	-	14.63	34.99
		Purchases (Incl GST)	-	-	-	-	-	-	-	-
Mafia (Bapunagar)	Partnership Firm of Director	Sales (Incl GST)	-	14.46	-	14.71	0.38	14.71	7.72	14.33
		Purchases (Incl GST)	-	-	-	-	-	-	-	-
Janvi Creation	Proprietorship Concern of Director	Sales (Incl GST)	-	-	-	-	-	(1.39)	-	-
		Purchases (Incl GST)	-	-	-	-	1.39	-	-	-
Smuggler (Bapunagar)	Partnership Firm of Director	Sales (Incl GST)	-	-	-	18.91	-	18.91	1.61	19.41
		Purchases (Incl GST)	-	-	-	-	-	-	-	-
Lootere	Partnership Firm of Director	Loan Taken	-	-	2.24	-	-	-	-	-
		Loan Repaid	-	-	10.54	-	-	(8.30)	-	82.10
		Sales(Incl GST)	-	-	-	-	-	-	38.23	-
		Purchases (Incl GST)	-	-	-	-	-	-	-	-
Mafia Garment	Proprietorship Concern of Director	Loan Taken	-	-	126.42	-	-	-	-	-
		Loan Repaid	-	-	259.75	-	-	(133.33)	-	(145.31)
		Sales(Incl GST)	-	-	-	-	-	-	-	-
		Purchases (Incl GST)	-	-	-	-	-	-	183.20	-
Harvey London	Proprietorship Concern of Relative of Director	Purchases (Incl GST)	3.79	26.29	14.59	(2.21)	24.65	(6.58)	-	-
Shilpa Rajpurohit	Relative of Director	Rent Deposit	0.60	-	-	6.40	6.40	6.40	-	-
		Rent Paid	-	7.00	-	-	-	-	-	-
Abhita Rajpurohit	Relative of Director	Salary given	-	-	0.69	-	-	-	0.54	-
		Loan Taken	9.99	(8.66)	-	-	-	-	-	-
		Loan Repaid	1.33	-	-	-	-	-	-	-

**DETAILS OF ACCOUNTING RATIOS AS RESTATED**

**ANNEXURE - XXXII**  
(₹ In Lakhs, except per share data and ratios)

Particulars	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Restated Profit after Tax as per Profit & Loss Statement (A)	41.42	27.00	0.45	22.02
Tax Expense (B)	14.56	9.49	0.15	8.06
Depreciation and amortization expense (C)	-	-	-	-
Interest Cost (D)	0.49	2.67	6.65	4.86
Weighted Average Number of Equity Shares at the end of the Year (E)	6,24,400	6,24,400	6,24,400	1,04,310
Number of Equity Shares outstanding at the end of the Year (F)	6,24,400	6,24,400	6,24,400	6,24,400
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)	271.06	229.64	202.64	202.19
Current Assets (I)	1,008.91	786.85	1,123.36	1,021.66
Current Liabilities (J)	730.99	540.26	879.99	714.26
<b>Earnings Per Share - Basic &amp; Diluted<sup>1</sup> (₹)</b>	<b>6.63</b>	<b>4.32</b>	<b>0.07</b>	<b>21.11</b>
<b>Return on Net Worth<sup>1&amp;2</sup> (%)</b>	<b>18.34%</b>	<b>11.76%</b>	<b>0.22%</b>	<b>10.89%</b>
<b>Net Asset Value Per Share<sup>1</sup> (₹)</b>	<b>43.41</b>	<b>36.78</b>	<b>32.45</b>	<b>32.38</b>
<b>Current Ratio<sup>1</sup></b>	<b>1.38</b>	<b>1.46</b>	<b>1.28</b>	<b>1.43</b>
<b>Earning before Interest, Tax and Depreciation and Amortization<sup>1</sup> (EBITDA)</b>	<b>56.47</b>	<b>39.16</b>	<b>7.25</b>	<b>34.94</b>

**Notes -**

1. Ratios have been calculated as below:

$$\text{Earnings Per Share (₹) (EPS) :} \quad \frac{A}{E}$$

$$\text{Return on Net Worth (%):} \quad \frac{A}{H}$$

$$\text{Net Asset Value per equity share (₹):} \quad \frac{H}{F}$$

$$\text{Current Ratio:} \quad \frac{I}{J}$$

$$\text{Earning before Interest, Tax and Depreciation and Amortization (EBITDA):} \quad A + (B+C+D)$$

2. Return on Networkth has been annualised.

3. The above details should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure I - III.

## STATEMENT OF TAX SHELTERS

ANNEXURE - XXXIII  
(₹ In Lakhs)

Particulars	For the period ended January 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended march 31, 2019
Profit before tax as per books (A)	55.98	36.49	0.60	30.08
Income Tax Rate (%)	26.000%	26.000%	26.000%	26.000%
MAT Rate (%)	15.600%	15.600%	15.600%	19.240%
Tax at notional rate on profits	14.55	9.49	0.16	7.82
<b>Adjustments :</b>				
<b>Permanent Differences(B)</b>				
<i>Expenses disallowed under Income Tax Act, 1961</i>				
Late Fees	-	0.01	-	0.91
<b>Total Permanent Differences(B)</b>	-	<b>0.01</b>	-	<b>0.91</b>
<b>Income considered separately (C)</b>				
NA	0.00	0.00	0.00	0.00
<b>Total Income considered separately (C)</b>	-	-	-	-
<b>Timing Differences (D)</b>				
Difference of depreciation as per Companies Act, 2013 and Income Tax Act, 1961	(0.57)	(0.53)	0.48	2.45
<b>Total Timing Differences (D)</b>	<b>(0.57)</b>	<b>(0.53)</b>	<b>0.48</b>	<b>2.45</b>
<b>Net Adjustments E = (B+C+D)</b>	<b>(0.57)</b>	<b>(0.52)</b>	<b>0.48</b>	<b>3.36</b>
<b>Tax expense / (saving) thereon</b>	<b>(0.15)</b>	<b>(0.14)</b>	<b>0.12</b>	<b>0.87</b>
<b>Income from Other Sources</b>				
NA	-	-	-	-
<b>Income from Other Sources (F)</b>	-	-	-	-
<b>Set-off from Brought Forward Losses (G)</b>	-	-	-	-
<b>Taxable Income/(Loss) as per Income Tax (A+E+F+G)</b>	<b>55.41</b>	<b>35.97</b>	<b>1.08</b>	<b>33.44</b>
<b>Taxable Income/(Loss) as per MAT</b>	55.98	36.49	0.60	30.08
<b>Income Tax as returned/computed</b>	14.41	9.35	0.28	8.69
Tax paid as per normal or MAT	Normal	Normal	Normal	Normal

## Capitalisation Statement as at January 31, 2022

## ANNEXURE -

XXXIV  
(₹ In Lakhs)

Particulars	Pre-issue at January 31, 2022	As adjusted for the proposed issue
<b>Borrowings</b>		
Short term borrowings	183.10	•
Long term borrowings (including current maturity)	40.20	•
<b>Total borrowings</b>	<b>223.30</b>	•
<b>Equity</b>		
Share capital	62.44	•
Reserve and surplus	208.62	•
Money received against share warrants	-	•
<b>Total Equity</b>	<b>271.06</b>	•
<b>Long term debt / Total Equity</b>	0.15	•
<b>Total borrowings / Total Equity</b>	0.82	•

## Note:

- The above figures are derived from Restated Financial Statements and all the above terms carry the meaning as per Schedule III of Companies Act, 2013.
- Subsequent to January 31, 2022, the Company has:
  - issued 75,500 equity shares of ₹ 10 each at a premium of ₹ 40 per share on March 30, 2022;
  - issued bonus shares of a total of 24,49,650 Equity Shares in the ratio of 7 Equity Share for every 2 Equity Shares on May 12, 2022.
- The corresponding post issue capitalization data for each of the amounts given in the above table is not determinable at this stage as final issue size is not finalised and hence the same have not been provided in the above statement.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION 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 incorporated as 'Mafia Trends Private Limited' on February 07, 2017 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Gujarat at Ahmedabad. Pursuant to a special resolution of our Shareholders passed in the extra-ordinary general meeting held on December 22, 2021, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to 'Mafia Trends Limited', and a fresh certificate of incorporation dated January 12, 2022 was issued to our Company by the Registrar of Companies, Gujarat at Ahmedabad.

The corporate identification number of our Company is U51909GJ2017PLC095649.

We are one of the pioneers in setting up stores across various small Indian towns and cities including Kalol, Vadodara, alongwith Ahmedabad. We primarily operate in Tier-II and Tier-III cities, with a chain of 'Value Retail' departmental stores offering clothings, apparels, general merchandise catering to the men.

Based in Ahmedabad, our operations are spread across small cities and some parts in Gujarat. In 2011, we started our operations. Our first store was named 'Mafia Western Outfit' at Ahmedabad, Gujarat, and currently operate 8 stores spread across 3 cities in Gujarat. Our stores are located in Ahmedabad, Kalol and Vadodara.

Our Company follows the concept of 'Value Retailing' to target the strata of the population belonging to the expanding aspiring class and middle class based on our customer's socio-economic conditions, purchasing power, demographic details and customer trends. We believe our offerings in untapped markets, provide our customers with a different shopping experience, comprising of a vast range of value retail products under a modern ambience and feel of a large retail mall.

#### Our Business Verticals

Our business revolves around the marketing and selling of Men's fashion which includes Apparels such as Jeans, T-shirts, Shirts, Chinos, Formal trousers and Formal shirts.

Our business is based on the primary concept of 'Value Retailing' following which we aim to provide the latest fashion trends in apparels and non-apparels for men with an added focus on demands of the youth and young generation.

We source our products, including private labels, directly from the regions where such products are widely available or manufactured, to minimize our procurement costs and offer quality products at such costs. Our strong sourcing capability is backed by an efficient logistics network, which is supported by strong IT infrastructure, systems and processes, thus enabling us in achieving our goal of 'Value Retailing.'

In future, we aim to expand our business verticals to Women and Kids apparel fashion, E-Commerce stores, Footwear, Bags with market basis availability and direct retailing by producing raw materials with the name of our own label and removing the third party vendor procurement for raw materials.

Our top management is actively involved in the day-to-day business which ensures that we can make decisions quickly and efficiently. Our Promoters, Mr. Rajendra Singh Rajpurohit, aged 39 years, Managing Director and Mr. Mahendra Singh Rajpurohit, aged 35 years, as the Whole-time Director leads our Company to the right ventures into value creation and sustained growth. They started the business in this industry in 2011.

Our total revenue for 2020-21 is ₹ 400.80 lacs with a healthy EBITDA margin of 9.77%. Profit after tax margin is 6.74%.

Our total revenue from April 01, 2021 to January 31, 2022 is ₹ 620.16 lacs with a healthy EBITDA margin of 9.11%. Profit after tax margin is 6.68%.

Profit before Tax from FY19 to FY21 grew by 10.14% Y-o-Y.

## **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 is unregulated. 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. Though we believe that we have obtained 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. For further details, please see “*Risk Factors*” beginning on page 22 of this Draft Prospectus.

### ***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.

### ***High dependency on Understanding of market trends***

Our business has a major dependency on the procuring and making available to the customers the products as per latest trends, or trends that are starting to catch up in the market or in social media. Our management is competent and proactive enough to identify trends in the market but this is an art. There could obviously be a mismatch in our identification or the timing of identification. We could be very early to identify a trend or we could be very late. This mismatch may incur us losses because of having stocks of products that the market don't want.

### ***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 our different outlets. 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**

We operate in a competitive atmosphere. Our competition varies by market, geographic areas and type of products. Currently, our business model is such that we have strong control over our product procurement because of our long standing relationship with vendors. But our Company may face stiff competition from domestic as well as global market as the dynamic changes. Some of our competitors may have greater resources than those available to us. While quality, products in line with current trends, etc are key factors in client decisions among competitors, however, price is the deciding factor in most cases. Further, this industry is fragmented with many small and medium sized companies and entities, which manufactures & trades some of these products at various levels, which may adversely affect our business operation and financial condition. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers & traders would further intensify competition. Moreover, as we seek to diversify into new geographical areas, new territories, new markets, we face competition from competitors that have a pan-India presence and also from competitors that have a strong presence in regional markets. The markets in which we compete and intend to compete are undergoing, and are expected to continue to undergo, rapid and significant change. We expect competition to intensify as technological advances and consolidations continue. These competitive factors may force us to reduce rates, 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 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 most businesses. Since the onset of the COVID-19 pandemic in March 2020, our Company's operations have been affected as our employees as well as the customers faced the threat of getting infected. In 2020, cases of the novel corona virus started rapidly increasing in India, which led the government of India to impose a nationwide lockdown. The spread of Covid-19 and its recent developments have had and might continue to have repercussions across local, national and global economies. To prevent the spread of Covid-19 and to comply with the restrictions, we had to temporarily suspend our outlets operations. We continuously monitored the economic conditions and have outlined sufficient measures to combat the pandemic situation at our business premises. 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. 22. 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 January 31, 2022 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 January 31, 2022 and March 31, 2021, 2020 and 2019 and the related restated summary statement of profits and loss and cash flows for the period/year ended January 31, 2022 and March 31, 2021, 2020 and 2019 (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 January 31, 2022 and March 31, 2021, March 31, 2020 & 2019. 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 January 31, 2022	% of Total	For the year ended March 31					
			2021	% of Total	2020	% of Total	2019	% of Total
<b>INCOME</b>								
Revenue from Operations	620.16	100.00%	365.65	91.23%	1,147.86	100.00%	1,282.33	100.00%
Other Income	-	0.00%	35.15	8.77%	-	0.00%	-	0.00%
<b>Total Income (A)</b>	620.16	100.00%	400.80	100.00%	1,147.86	100.00%	1,282.33	100.00%
<b>EXPENDITURE</b>								
Purchase of stock in trade	596.56	96.19%	349.79	87.27%	1,066.25	92.89%	1,207.69	94.18%
Changes in inventories of stock-in-trade	(186.48)	-30.07%	(75.35)	-18.80%	(91.53)	-7.97%	(234.89)	-18.32%
Employee benefits expense	71.09	11.46%	16.32	4.07%	72.02	6.27%	141.95	11.07%
Finance costs	22.49	3.63%	21.69	5.41%	49.33	4.30%	30.13	2.35%
Depreciation and Amortization expense	0.49	0.08%	1.28	0.32%	3.28	0.29%	6.57	0.51%
Other expenses	60.03	9.68%	50.58	12.62%	47.91	4.17%	100.80	7.86%
<b>Total Expenses (B)</b>	564.18	90.97%	364.31	90.90%	1,147.26	99.95%	1,252.25	97.65%
<b>Profit before tax</b>	55.98	9.03%	36.49	9.10%	0.60	0.05%	30.08	2.35%
<i>Tax expense:</i>								
(i) Current tax	14.41	2.32%	9.35	2.33%	0.28	0.02%	8.69	0.68%
(ii) Deferred tax	0.15	0.02%	0.14	0.03%	(0.13)	-0.01%	(0.63)	-0.05%
<b>Total Tax Expense</b>	14.56	2.35%	9.49	2.37%	0.15	0.01%	8.06	0.63%
<b>Profit for the year</b>	41.42	6.68%	27.00	6.74%	0.45	0.04%	22.02	1.72%

## ***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 91.23%, 100.00% and 100.00% for the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019 respectively.

### **Other Income**

It is the income earned from Gain on settlement of borrowings, VAT Refund, etc.

### **Expenditure**

Our total expenditure primarily consists of Purchase of stock in trade, changes in inventories of stock in trade, employee benefit expenses, finance costs and Other Expenses.

### ***Employee Benefit Expenses***

Our employee benefits expense comprises of salary and incentives, director remuneration and staff welfare expenses.

### ***Finance costs***

Our Finance cost expenses comprises of interest on borrowings, interest on delayed payment of taxes and delay in filing of return, Bank Charges and Loan processing charges.

### ***Other Expenses***

Other expenses primarily include Audit fees, Accounting expense, Bad Debts, Electricity expense, Conveyance expenses, insurance, Office expenses, legal and professional fees, repairs and maintenance expenses, miscellaneous expenses, rent expense, etc.

### ***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 ₹ 400.80 lacs against ₹ 1,147.86 lacs total income for Fiscal year 2020. A decrease of 65.08% in total income. This was due to Covid-19 pandemic during the period which led to nationwide lockdown. To comply with the Covid restrictions, we had to temporarily suspend our business operations which led to decline in sales.

### ***Expenditure***

### ***Purchase of stock in trade***

In Fiscal 2021, our Company Purchased stock in trade of value of ₹ 349.79 lacs against ₹ 1,066.25 lacs expenses in fiscal 2020. A decrease of 67.19% from fiscal 2020 to 2021. This was due slowdown in demand that we anticipated because of Covid-19 pandemic. To ensure that we don't have excess stock of products, we decided to be prudent and procure lesser and awaited for the market to recover.

#### ***Employee Benefit Expenses***

In Fiscal 2021, our Company incurred for employee benefit expenses ₹ 16.32 lacs against ₹ 72.02 lacs expenses in fiscal 2020. A decrease of 77.34% from fiscal 2020 to 2021. This was due to a decrease of 83.34% in Salary and incentives & a 50.00% decrease in Director Remuneration. We trimmed our workforce for efficient economics and operations.

#### ***Finance Costs***

The finance costs for the fiscal 2021 was ₹ 21.69 lacs while it was ₹ 49.33 lacs for fiscal 2020. This decrease of 56.03% was majorly due to a 59.17% decrease in Interest on Borrowings as the Long-term Borrowings decreased by 55.93% as we focused on paying off our debts.

#### ***Other Expenses***

In fiscal 2021, our other expenses were ₹ 50.58 lacs and ₹ 47.91 lacs in fiscal 2020. An increase of 5.57% from fiscal 2020 to 2021 due to Bad Debts expense in fiscal 2021. This Bad Debts expense was balanced by a decrease in most of the other expense items. This was incurred due to inability of debtor to repay, because of Covid.

#### ***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal 2021 of ₹ 36.49 lacs against profit before tax of ₹ 0.60 lacs in Fiscal 2020, a 5981.67% increase.

#### ***Profit/ (Loss) after Tax***

Profit after tax for the Fiscal 2021 was at ₹ 27.00 lacs against profit after tax of ₹ 0.45 lacs in fiscal 2020, a 5900.00% increase. This was due to optimization of financials by clearing of debts, trimming of workforce & removal of rented properties from operations.

### **Fiscal 2020 compared with fiscal 2019**

#### ***Income***

The total income of our company for fiscal year 2020 was ₹ 1,147.86 lacs against ₹ 1,282.33 lacs total income for Fiscal year 2019. A decrease of 10.49% in total income. This was due to the sudden global news about the pandemic spreading across multiple countries and its eventual threat of onset from January 2020 onwards that spooked customers from making discretionary purchases.

#### ***Expenditure***

##### ***Purchase of stock in trade***

In Fiscal 2020, our Company Purchased stock in trade of value of ₹ 1,066.25 lacs against ₹ 1,207.69 lacs expenses in fiscal 2019. A decrease of 11.71% from fiscal 2019 to 2020. As we witnessed the imminent threat of the pandemic and we saw a decline in customers making purchases, we decided to reduce purchases to avoid incurring costs.

#### ***Employee Benefit Expenses***

In Fiscal 2020, our Company incurred for employee benefit expenses ₹ 72.02 lacs against ₹ 141.95 lacs expenses in fiscal 2019. A decrease of 49.26% from fiscal 2019 to 2020. This was due to a decrease of 47.68% in Salary and

incentives as we trimmed our workforce, and, a decrease of 83.88% in Staff Welfare Expense & a decrease of 25.00% in Director Remuneration.

### **Finance Costs**

The finance costs for the fiscal 2020 was ₹ 49.33 lacs while it was ₹ 30.13 lacs for fiscal 2019, an increase of 63.72%. This was due to an increase of 122.94% in Interest on Borrowings as despite a decrease of 37.59% in Long-term Borrowings, Short Term Borrowings increased by 67.48%.

### **Other Expenses**

In fiscal 2020, our other expenses were ₹ 47.91 lacs and ₹ 100.80 lacs in fiscal 2019. A decrease of 52.47% from fiscal 2019 to 2020. This was mainly due to decrease in Business promotion expenses, Electricity expense, Freight, Packing and Transportation Charges, Legal & Professional fees, Office Expenses, Rent Expense, etc.

### **Profit/ (Loss) before Tax**

Our Company had reported a profit before tax for the Fiscal 2020 of ₹ 0.60 lacs against profit before tax of ₹ 30.08 lacs in Fiscal 2019, a decrease of 98.01%.

### **Profit/ (Loss) after Tax**

Profit after tax for the Fiscal 2020 was at ₹ 0.45 lacs against profit after tax of ₹ 22.02 lacs in fiscal 2019. This decrease of 97.96% can be mainly attributed to overall decrease in sales and increase in finance costs.

### **Cash Flows**

(Amount ₹ in lacs)

Particulars	For the period ended January 31, 2022	For the year ended March 31,		
		2021	2020	2019
Net Cash from Operating Activities	113.28	30.19	7.58	(49.37)
Net Cash from Investing Activities	(0.47)	-	-	(4.20)
Net Cash used in Financing Activities	(62.35)	(34.98)	(9.87)	53.38

### **Cash Flows from Operating Activities**

Net cash from operating activities for fiscal 2021 was at ₹ 30.19 lacs as compared to the Profit Before Tax at ₹ 36.49 lacs while for fiscal 2020, net cash from operating activities was at ₹ 7.58 lacs as compared to the Profit Before Tax at ₹ 0.60 lacs. For fiscal 2019, the net cash from operating activities was ₹ (49.37) lacs compared to Profit before Tax of ₹ 30.08 lacs.

### **Cash Flows from Investment Activities**

Net cash from investing activities for fiscal 2021 and 2020 was zero due no new investments was made during this phase, we completely focused on franchise model. For fiscal 2019, the net cash from investing activities was ₹ (4.20) lacs due to purchase of Purchase of Property, Plant & Equipment and Intangible Assets.

### **Cash Flows from Financing Activities**

Net cash from financing activities for fiscal 2021 was at ₹ (34.98) lacs due to repayment of borrowings & finance costs, while for fiscal 2020, net cash from financing activities was at ₹ (9.87) lacs was net of proceeds from borrowings & payment of finance costs. For fiscal 2019, the net cash from financing activities was ₹ 53.38 lacs was net of repayment of borrowings & finance costs and proceeds from issue of equity shares.

## **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 147 and 148 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 22 and 148 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 22 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 which 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, brand & quality. We compete against our competitors by establishing ourselves as an aspiring brand of fashion, which enables us to provide our customers with innovative products suitable to their needs, with latest fashion trends and affordability.

We face competition from other retailers of similar products and services such as Metro Brands, Trent, Vmart. As we primarily operate in Tier-II and Tier-III cities, we also face competition for each of our divisions from established standalone stores in the organized and unorganized sector, as well as local stores. In our endeavour to stay ahead of our competition, we focus on offering our customers a vast variety of products catering to their diverse requirements and needs, at competitive prices.



## FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of such financing arrangements. As on January 31, 2022, our total outstanding secured borrowing was ₹ 169.85 lakhs and total outstanding unsecured borrowing was ₹ 53.45 lakhs.

Further, pursuant to a special resolution passed in the Extra-ordinary General Meeting of our Company held on March 17, 2022, the Board of Directors are authorised to borrow, from time to time, such sum or sums of moneys as the Board may deem fit for the purpose of the business of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), in excess to 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 ₹ 5,000 lakhs.

### SECURED BORROWINGS

As on January 31, 2022, we have availed secured loan of ₹ 169.85 lakhs, which are outstanding as of date, the details of which are as under:

(₹ in lakhs)			
Sr. No.	Nature of Facilities*	Total	Amount outstanding as on January 31, 2022
<b>1. Working Capital</b>			
	Cash Credit	200	149.87
	<b>Total Working Capital</b>	<b>200</b>	<b>149.87</b>
<b>2. Term Loan Facilities</b>			
	Term Loan (Union Guaranteed Emergency Credit Line)	29.50	24.30
	FITL	15.34	12.86
	<b>Total Term Loan Facilities</b>	<b>44.84</b>	<b>19.98</b>
<b>3.</b>	<b>Total Credit Facilities (1+2)</b>	<b>244.84</b>	<b>169.85</b>

\*Union Bank of India has sanctioned the abovementioned facilities vide its sanction letter dated March 30, 2021.

### Principal terms of borrowings availed by the Company:

#### a. Interest:

The interest rate charged by the banks forming a part of the consortium differs and the details of the same have been provided below:

- 1) *Working Capital Facilities:* The interest rate charged for working capital facilities is floating in nature, the rate charged by Union Bank of India is linked to External Benchmark based Lending Rate (“*EBLR*”) or as mutually agreed between the Bank and the Company at the time of disbursement.
- 2) *Term Loan Facility:* The interest rate charged for the term loan facility charged by Union bank of India is fixed in nature and is charged at the rate of 7.50% p.a.

#### b. Tenor: working capital facilities are repayable on demand and the tenor of the term loan facilities ranges from 36 months to 48 months (including moratorium).

#### c. Security Details of the above mentioned borrowings:

In terms of the borrowings here security needs to be created, we are typically required to:

- a. create charge on certain movable and immovable assets of our Company (both present and future), including current assets, book debts, future stocks and receivables; and
- b. personal guarantee of Rajendra Singh Purohit, Mahendra Singh Purohit, Hawa Kunwar Purohit, Abita Rajpurohit, Punam Rajpurohit, Ketan Kantibhai Panchal.

In most cases, the security created in favour of a lender is on a *pari passu* basis with other lenders.

**d. Repayment:** The term loans availed by our Company are typically repayable in 36 equal monthly installments (Union Guaranteed Emergency Credit Line) and 24 equal monthly principal installments of ₹63916.67/- plus interest payable as and when debited after a moratorium of 12 months (FITL) as the case may be and the working capital facilities are typically repayable on demand.

**e. Restrictive Covenants under the Secured Loans:**

Our Company shall not without the prior consent of the bank:

- create any encumbrance, charge on the properties;
- sell or transfer/ alienate/ encumber or create third party rights in favour of anyone else in respect of and/ or recover and/ or realise any of the hypothecated properties upon being prohibited in writing by the Bank from doing so;
- keep the said hypothecated properties in marketable state and good and substantial repair and condition and in thorough working order and will not make any alterations therein;
- directly or indirectly assign or in any manner transfer whether in whole or part any rights and/or obligations under the deed;
- take any further loans during the pendency of the loan;
- not divert the funds availed from the Bank, during the pendency of the loan;
- not utilise the facility only for the purpose for which it was extended by the Bank; and

**Events of default:**

The following events shall constitute as events of defaults:

- Failure by the Borrower to pay any amount due and payable to banks e.g. servicing of interest on working capital limit.
- Delay in achieving commercial operations beyond the estimated period;
- The borrower ceasing or threatening to cease to carry on its business
- Non compliance of any term or condition stipulated by bank.

**Consequences of default:**

On the occurrence of events of default, the following shall be the consequences of default:

- Impose penalty @ 1% p.a. on each default subject to maximum penalty of 2% over ~ and above the stipulated interest rate on entire
  - Exercise powers to recall the advance and take recovery action including, action under the SARFAESI Act, 2002;
  - Suspend or terminate all undrawn commitments and enforce the Security
  - Demand cure of the default;
  - The Bank also reserves the absolute right to recall the advance in case of:
    - Limits not being utilized by borrower, misutilised or,
    - Deterioration in the loan accounts in any manner whatsoever, and/or
    - Non-compliance of terms and conditions of sanction
    - Continuous excess in the cash credit/other working capital limits
- Unsatisfactory operations in the account

## UNSECURED BORROWINGS

As on January 31, 2022, we have availed unsecured loan of ₹ 53.45 lakhs, which are outstanding as of date, the details of which are as under:

Sr. No.	Nature of Facilities	Total	Amount outstanding as on January 31, 2022
1.	Banks	95.68	1.89
2.	Financial Institutions	175.75	0.00
3.	Loan from Related Parties	33.23	33.23
4.	Current Maturities of Long-term Borrowings	18.33	18.33
	<b>Total Unsecured Borrowings (1+2)</b>	<b>322.99</b>	<b>53.45</b>

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION 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 May 09, 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 total revenue 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 total revenue of our Company as per the last audited financial statements, if similar litigations put together collectively exceed 10% of the total revenue 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 trade payables for the last restated financial statements i.e. as on January 31, 2022, as material dues for the Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on May 09, 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.*

#### 1. LITIGATION INVOLVING OUR COMPANY

##### i. Litigation against our Company

##### 1. Criminal Proceedings

- a) A criminal case bearing number 74361 of 2021 was filed by Kotak Mahindra Bank Limited (the “**Bank**”) against our Company and one of our Promoters, Rajendra Singh Rajpurohit (the “**Accused**”) before the Hon’ble Additional Chief Metropolitan Magistrate Court under Section 138 of the Negotiable Instruments Act, 1881, alleging that the Accused availed a personal loan from the Bank for an amount of ₹ 17.87 lakhs and issued a cheque bearing number 103802 dated March 3, 2021 for an amount of ₹ 16.27 lakhs which was returned/bounced with the remarks “exceeds arrangement”. The Bank by way of the criminal case prayed the Hon’ble court to pass an order for (i) compensation amount for an amount greater than the amount for which the cheque was issued and (ii) an interim relief of 20% of the amount for which the cheque was issued. Subsequently, the Bank and the Accused mutually agreed to settle the matter before a sole arbitrator and therefore filed a claim under the Arbitration and Conciliation Act, 1996 pursuant to which an award dated June 30, 2021 was passed by the arbitrator directing the Accused to pay (i) a claim sum of ₹ 18.00 lakhs along with an interest at the rate of 18% on the awarded sum from the date of the award until the award is paid in full and (ii) an additional sum of ₹ 2,000 towards arbitration fee and expenses. Our Company is in the process of making payment towards the award and the criminal case is therefore pending.
- b) A statutory notice dated January 4, 2022 was issued by M/s. Maa Ambe Synthetics through its sole proprietor Rakesh Kantilal to our Company and its directors namely, Rajendra Singh Purohit, Mahendra Singh Purohit and Shalini Somani, under the provisions of Negotiable Instruments Act, 1881, alleging that three cheques amounting to ₹ 6.23 lakhs, issued by our Company for making payment towards garments purchased were dishonoured. Our Company replied to the notice *vide* its letter dated January 15, 2021, denying the allegations raised. No further correspondence has been exchanged in the said matter.

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	03	19.55
Cases filed by our Company	Nil	Nil
<b>Total</b>	<b>03</b>	<b>19.55</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

**2. LITIGATION INVOLVING OUR PROMOTERS**

***Cases filed against our Promoters***

1. *Criminal Proceedings*

- a) A first information report bearing number 1119102021037 dated March 22, 2021 was filed by Manish Ganpatbhai Patel on behalf of IP Solutions Private Limited under Section 420 of the Indian Penal Code, 1860 against our Promoter and Director, Rajendra Singh Rajpurohit for allegedly possessing, storing and selling counterfeit goods of brands such as Fossil and Diesel worth ₹ 1.82 lakhs and thereby committing a contravening with the provisions of the Copyright Act, 1957.
- b) A first information report bearing number 11216024210056 dated January 29, 2021 was filed by Vinayak Ghanshyam Valvikar on behalf of Netrika Consulting under Sections 63, 64 and 65 of the Indian Penal Code, 1860 against our Promoter and Director, Mahendra Singh Rajpurohit for allegedly possessing, storing and

selling counterfeit goods of brands such as Levi's and worth ₹ 2.46 lakhs and thereby committing a contravening with Sections 63 and 64 of the Copyright Act, 1957.

For further details, please refer to "*Litigation Involving our Company - Litigation against our Company - Criminal Proceedings*" under chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 161 of this Draft Prospectus.

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.

**3. LITIGATION INVOLVING OUR DIRECTORS**

***Cases filed against our Directors***

1. *Criminal Proceedings*

For further details, please refer to "*Litigation Involving our Company - Litigation against our Company -Criminal Proceedings*" and "*Litigation Involving our Promoters - Litigation against our Promoters -Criminal Proceedings*" at pages [●] and [●] of this chapter.

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

#### 4. LITIGATION INVOLVING OUR SUBSIDIARY

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

#### 5. LITIGATION INVOLVING OUR GROUP COMPANY

As on date of this Draft Prospectus, our Company does not have a group company.

#### 6. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

In terms of the Materiality Policy dated May 09, 2022, our Company has 01 material creditor, as on date of this Draft Prospectus.

As on date of this Draft Prospectus, our Company has Rs. 4,62,27,170.48/- amount payable or outstanding towards small-scale undertakings. Details of amounts outstanding to material and other creditors is as follows:

Particulars	No. of Creditors	Amount
Outstanding dues to material creditors	01	1,78,71,470.00
Outstanding dues to small scale undertakings	0	0.00
Outstanding dues to other creditors	88	2,83,55,700.48
<b>Total outstanding dues</b>		<b>4,62,27,170.48</b>

Complete details of outstanding dues to our creditors as on January 31, 2022 are available at the website of our Company, [www.mafiastores.com](http://www.mafiastores.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.mafiastores.com](http://www.mafiastores.com), would be doing so at their own risk. For further details, refer to the section titled "*Financial Information*" on page 147 of this Draft Prospectus.

#### 7. MATERIAL DEVELOPMENT SINCE JANUARY 31, 2022.

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 148 of this Draft Prospectus.

## GOVERNMENT AND OTHER STATUTORY 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 116 of this Draft 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:*

### **II. 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 167 of this Draft Prospectus.

### **III. Approvals from the Stock Exchanges**

- a) Our Company has received an in-principle approval from BSE dated [●] for listing of Equity Shares issued pursuant to the Issue.
- b) Our Company’s ISIN is INE0KQQ01011.

### **IV. General Approvals**

- a) Certificate of Incorporation dated February 07, 2017 under the Companies Act, 2013 issued by Registrar of Companies, Gujarat at Ahmedabad.
- b) Fresh Certificate of Incorporation dated January 12, 2022 under the Companies Act, 2013 issued by Registrar of Companies, Gujarat at Ahmedabad, consequent upon conversion of our Company from a private limited company to a public limited company and subsequent change of name to “*Mafia Trends Limited*”.
- c) Certificate of Importer-Exporter Code dated February 17, 2022 bearing IEC number AAKCM8428M issued by Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India.
- d) Udyog Aadhaar registration certificate dated November 28, 2020 bearing udyam registration number UDYAM-GJ-01-0028306 issued by Ministry of Micro, Small & Medium Enterprises, Government of India.

### **V. Tax Related Approvals**

- a) Our Company’s permanent account number issued by the Income Tax Department is AAKCM8428M.
- b) Our Company’s tax deduction and collection number dated May 18, 2017 issued by the Income Tax Department is AHMM15975B.






### **VI. 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.

### **VII. Intellectual Property Related Approvals**



As on date of this Draft Prospectus, our Company has availed the following intellectual property approvals.

Sr. No.	Description	Registration Number	Valid up to
1.		2621537	October 30, 2023
2.		3170746	January 28, 2026
3.		2159236	June 13, 2031
4.		2621540	October 30, 2023
5.		2621538	October 30, 2023

**VIII. Licenses/ Approvals for which applications have been made by our Company and are pending:**

Nil

**IX. Licenses / approvals which have expired and for which renewal applications have not been made by our Company.**

Nil

**X. Licenses / Approvals which are required but not yet applied for by our Company:**

- a) The licenses of our Company are under the name of “*Mafia Trends Private Limited*” and we are yet to apply for changing our name post conversion to a public limited company.
- b) Our Company has not applied for a professional tax registration and enrolment certificate under the Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976; and
- c) Our Company has not applied for a provident fund registration under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952; and
- d) Our Company has not applied for a shops and establishment license under the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019.

## **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 April 05, 2022 and by the shareholders pursuant to a special resolution in an EGM held on April 11, 2022 under section 62 (1) (c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the SME Platform of BSE for using its name in the Draft Prospectus/Prospectus pursuant to letter dated [●]. BSE 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.

Except for Harsh Singrodia, who holds a directorship in Ocean Capital Market Limited, 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 or a fraudulent borrower 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 161 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.

### **Eligibility for the Issue**

Our Company is eligible in terms of Regulations 230 of SEBI ICDR Regulations for this Issue.

Our Company is eligible for the Issue in accordance with the Regulation 229 (1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue paid-up capital is less than ten crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange (“**SME Exchange**”, in this case being the SME Platform of BSE Limited i.e. BSE SME).

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

We confirm that:

1. In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Issue was 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total Issue size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” beginning on page 44 of this Draft Prospectus.
2. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
3. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, we will file Draft Prospectus with SEBI as well as stock exchange (s). However, Board shall not issue any observation pursuant to Regulation 246(2) of the SEBI (ICDR) Regulations.
4. In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the LM and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the market making arrangement see chapter titled “*General Information*” beginning on page 44 of this Draft Prospectus.
5. The Post Issue paid up capital of the company will be less than ₹ 25 Crore.
6. As per the Restated Financial Statements disclosed in this Draft Prospectus, the Net worth of our company (excluding revaluation reserves) of the Company is ₹ 271.06 Lakhs as at January 31, 2022, and hence is positive.
7. As per Restated Financial Statements, the net tangible assets are ₹ 271.00 Lakhs as at January 31, 2022, hence more than ₹150.00 Lakhs as on the date of filing of this Draft Prospectus.
8. Our Company has positive cash accruals (Earnings before depreciation and tax) in preceding two financial years. As per Restated Financial Statements, the cash accruals accounted for January 31, 2022, March 31, 2021 and March 31, 2020 was ₹ 56.47 Lakhs, ₹ 37.77 Lakhs and ₹ 3.88 Lakhs respectively.
9. The Company has a track record of 3 years.
10. Our Company’s net worth and cash accruals from operations (earnings before depreciation and tax), based on the Restated Standalone Financial Statements included in this Draft Prospectus as at Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019 are set forth below:

(Amount in Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Net Worth	229.64	202.64	202.19
Cash Accruals	37.77	3.88	36.65

- (i) *Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.*
- (ii) *Cash accruals has been defined as the Earnings before depreciation and tax from operations.*

11. The Company will mandatorily facilitate trading in demat securities and will enter into agreement with both the depositories.
12. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

13. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
14. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
15. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.
16. Our Company has a website i.e. [www.mafiastores.com](http://www.mafiastores.com).

**Other Disclosures:**

- 1) We have Disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company in the Draft Prospectus.
- 2) There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years. Except as mentioned in the Draft Prospectus. An auditor's certificate will be provided by the issuer to the exchange, in this regard.
- 3) We have Disclosed the details of the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation, For details, please refer the chapter “*Outstanding Litigation & Material Developments*” on page no. 161 of this Draft Prospectus.
- 4) We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “*Outstanding Litigation & Material Developments*” on page no. 161 of this Draft Prospectus.

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

- The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the SME platform. BSE is the Designated Stock Exchange.
- Our Company has entered into an agreement dated March 07, 2022 with NSDL and agreement dated February 08, 2022 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company have shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters are in dematerialized form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals – Not required as the object of Issue is funding of working capital requirements and general corporate purpose and issue expenses, for details, please refer the chapter “*Objects of the Issue*” on page 63 of this Draft Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is eligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrower.
- (d) None of our Promoters or Directors is a fugitive economic offender.

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

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

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF 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 CAPITAL 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 CAPITAL ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●]**

**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 accepts no responsibility, save to the limited extent as provided in the Agreement entered between the LM (GYR Capital Advisors Private Limited) and our Company on May 10, 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), NBFCSIs 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 SME Platform of BSE**

As required, a copy of this Draft Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to the filing with the

RoC.

## **Filing**

This Draft Prospectus is being filed with BSE Limited, Exchange Plaza, 25th Floor, P J Towers, Dalal Street, Mumbai - 400001 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 <https://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 BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE 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 SME Platform of BSE 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 SME Platform of BSE 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 [●] 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 [●] on our restated consolidated financial information; and (ii) its report dated [●] 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 53 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 53 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 May 09, 2022. For further details on the Stakeholders Relationship Committee, please refer to section titled “*Our Management*” beginning on page 128 of this Draft Prospectus.

**Our Company has appointed Shashank Poddar, 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:**

#### **Shashank Poddar**

1, Prabhu Kutir Complex,  
Sandesh Press Road, Vastrapur,  
Ahmedabad – 380 015,  
Gujarat, India.

**Telephone:** +91 947 000 2323

**E-mail:** grivence@mafiastores.com

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.

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

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

### 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%	-18.78%	-3.80%
2.	Ascensive Educare Limited	2.25	26	12.01.2022	27.60	-1.31%	-1.50%	-30.00%	-4.20%	-	-
3.	Achyut Healthcare Limited	3.60	20	30.03.2022	21.15	0.00%	-2.77%	-	-	-	-
4.	Dhyaani Tile and Marblez Limited	2.45	51	12.04.2022	52.25	19.61%	-9.64%	-	-	-	-

\* 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	-	-	1	-	-	1	-	-	-

\* Companies have been listed on September 15, 2021, January 01, 2021, March 30, 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 VII – ISSUE 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 63 and 167, respectively.

#### **Authority for the Issue**

The present Public Issue of upto 13,00,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on April 05, 2022 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on April 11, 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 “*Description of Equity shares and terms of the Articles of Association*” on page 237 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 146 of the Draft Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of ₹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 69 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 “*Description of Equity Shares and terms of the Articles of Association*” beginning on page 237 of the Draft Prospectus.

## **Allotment only in Dematerialised Form**

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 7, 2022 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated February 8, 2022 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 SME platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] 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.

## Period of Operation of Subscription List of Public Issue

<b>ISSUE OPENS ON</b>	●
<b>ISSUE CLOSES ON</b>	●

## 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 Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Issue through the Offer Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received within four days from the closure of the issue, if there is a delay beyond such time, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest as prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and applicable laws.

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

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 Issue through this 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 ₹ 1,00,000 (Rupees One Lakh) per application.

The Equity Shares have not been and will not registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the application law 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 SME Exchange.

#### **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 section titled “Capital Structure” beginning on page 61 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 “*Description of Equity Shares and terms of the Articles of Association*” on page 237 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.*

### **Allotment of Securities 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.

### **Migration to Main Board**

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of 2 (two) years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. Our Company may migrate to the Main Board of BSE from the SME Exchange on a later date subject to the following:

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

- If the Paid up Capital of the company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid-Up Capital of our Company is more than ₹10.00 Crore and up to ₹ 25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of BSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE. 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 44 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 ₹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 SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 177 and 186 of the Draft Prospectus.

The Issue comprise of a Public Issue of upto 13,00,000 Equity Shares of Face Value of ₹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 ₹10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of [●] Equity Shares of ₹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
Number of Equity Shares available for allocation	[●] Equity Shares	[●] Equity Shares
Percentage of Issue Size available for allocation	[●] of the Issue Size	[●] of the Issue Size
Basis of Allotment	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 186 of this Draft Prospectus.	Firm Allotment
Mode of Application	Only through the ASBA process (except for Anchor Investors, which shall include the UPI Mechanism for UPI Bidders). In case of UPI Bidders through the UPI Mechanism.	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	<b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of [●] Equity Shares at an Issue price of [●] each, such that the Application Value exceeds ₹ 2,00,000/-. <b><u>For Retail Individuals Investors:</u></b> [●] Equity Shares at an Issue price of [●] Each	[●] Equity Shares
Maximum Application Size	<b><u>For Other than Retails Individual Investors:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable. <b><u>For Retail Individuals Investors:</u></b> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value does not exceed ₹2,00,000/-	[●] Equity Shares

Trading Lot	<input type="checkbox"/> Equity Shares	<input type="checkbox"/> Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Application lot Size	<input type="checkbox"/> Equity Shares thereafter Equity Shares and in multiples of <input type="checkbox"/>	
Terms of Payment	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 183 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:**

<b>ISSUE OPENING DATE</b>	<input type="checkbox"/>
<b>ISSUE CLOSING DATE</b>	<input type="checkbox"/>

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by LM to BSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this draft prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## 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, amended by SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. 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 BSE Limited (“**BSE**”) to act as intermediaries for submitting Application Forms are provided on [www.bseindia.com](http://www.bseindia.com) For details on their designated branches for submitting Application Forms, please see the above mentioned website of BSE.

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**

- a) 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.
- b) 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.
- c) 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 (BSE Limited) i.e. [www.bsesme.com](http://www.bsesme.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

RIs 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:

Category	Colour of Application Form*
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)

Retails 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 national 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 SCSSB 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 SCSSB 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
- (c.) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (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>

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 DPs 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.	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)	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	Not Applicable

Category of Investor	Channel I	Channel II	Channel III	Channel IV
			concerned SCSB for blocking of funds.	

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 26 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 transfer 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 SME Platform of BSE 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.

### **GROUNDS 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 BSE i.e. [www.bseindia.com](http://www.bseindia.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>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXXX	Application Form No. _____
-------------	--	---	----------------------------

<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 _____ _____ 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>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.	<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>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b>	<b>5. CATEGORY</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	<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
(In Figures) _____ (In Words) _____	
<b>ALLOTMENT WILL BE IN DEMAT MODE ONLY<sup>2</sup></b>	
<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.	

<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>	

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>	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: _____, 2019	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1) _____	
	2) _____	
	3) _____	

TEAR HERE

<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - NR</b>	<small>Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</small>	Application Form No. _____
-------------	--	--	----------------------------

DPID / CLID _____	ASBA Bank & Branch _____	PAN of Sole/First Applicant _____
Amount Blocked (₹ in figures) _____	ASBA Bank A/c No./UPI Id _____	<b>Stamp &amp; Signature of SCSB Branch</b>
Received from Mr./Ms. _____	Telephone / Mobile _____ Email _____	

TEAR HERE

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>		In Figures	In Words	Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	<b>Name of Sole / First Applicant</b>
	No. of Equity Shares				
	Amount Blocked (₹)				
	ASBA Bank A/c No. / UPI Id: _____				
Bank & Branch: _____					<b>Acknowledgement Slip for Applicant</b>
					Application Form No. _____

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.

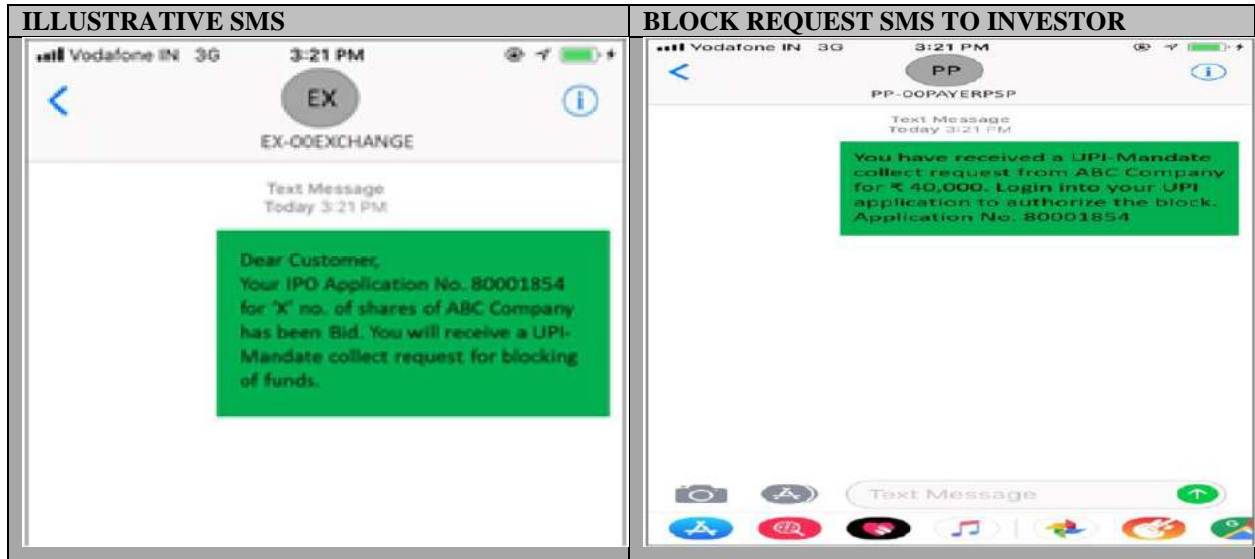
**Payment instructions for Applicants (other than Anchor Investors)**

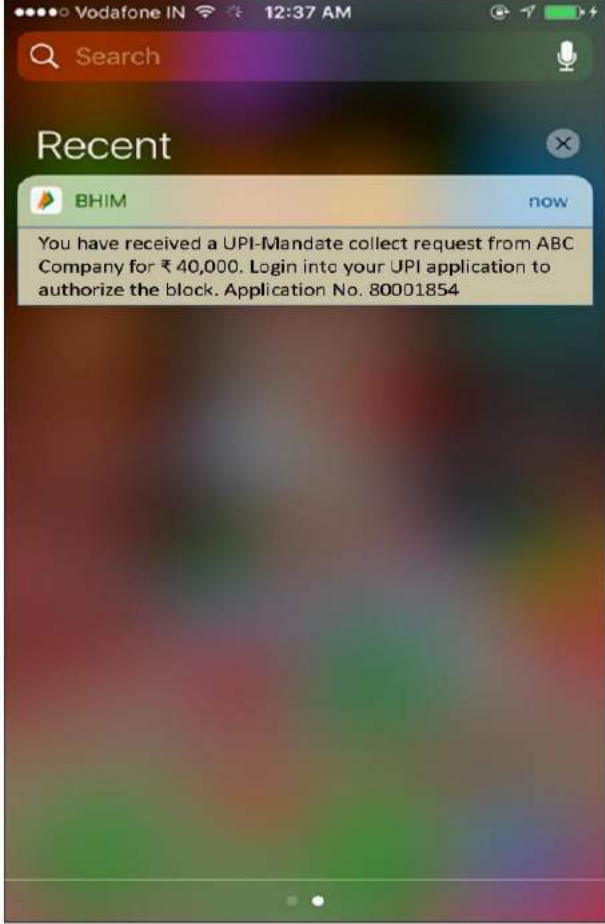
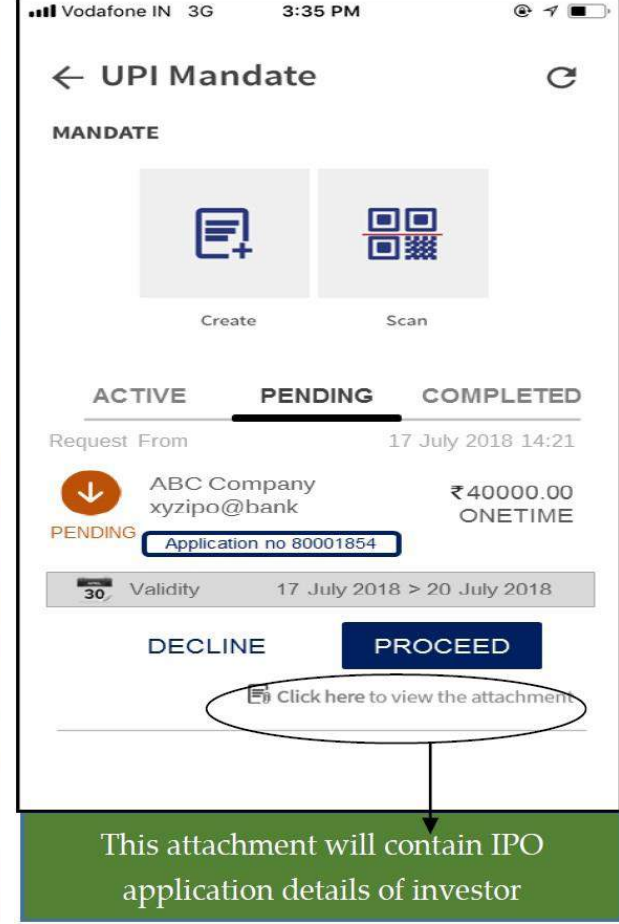
a.) From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

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 finds 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	Not Applicable

Category of Investor	Channel I	Channel II	Channel III	Channel IV
			concerned SCSB for blocking of funds.	

Please see below a graphical illustrative process of the investor receiving and approving the UPI mandate request:



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 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	-	

**BLOCK REQUEST SMS TO INVESTOR**

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**

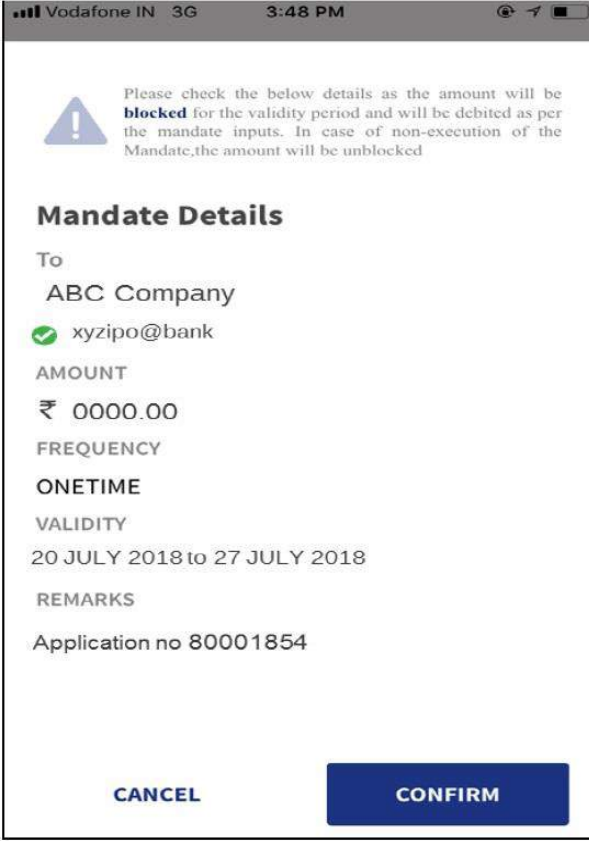

Users account will be debited within validity period.

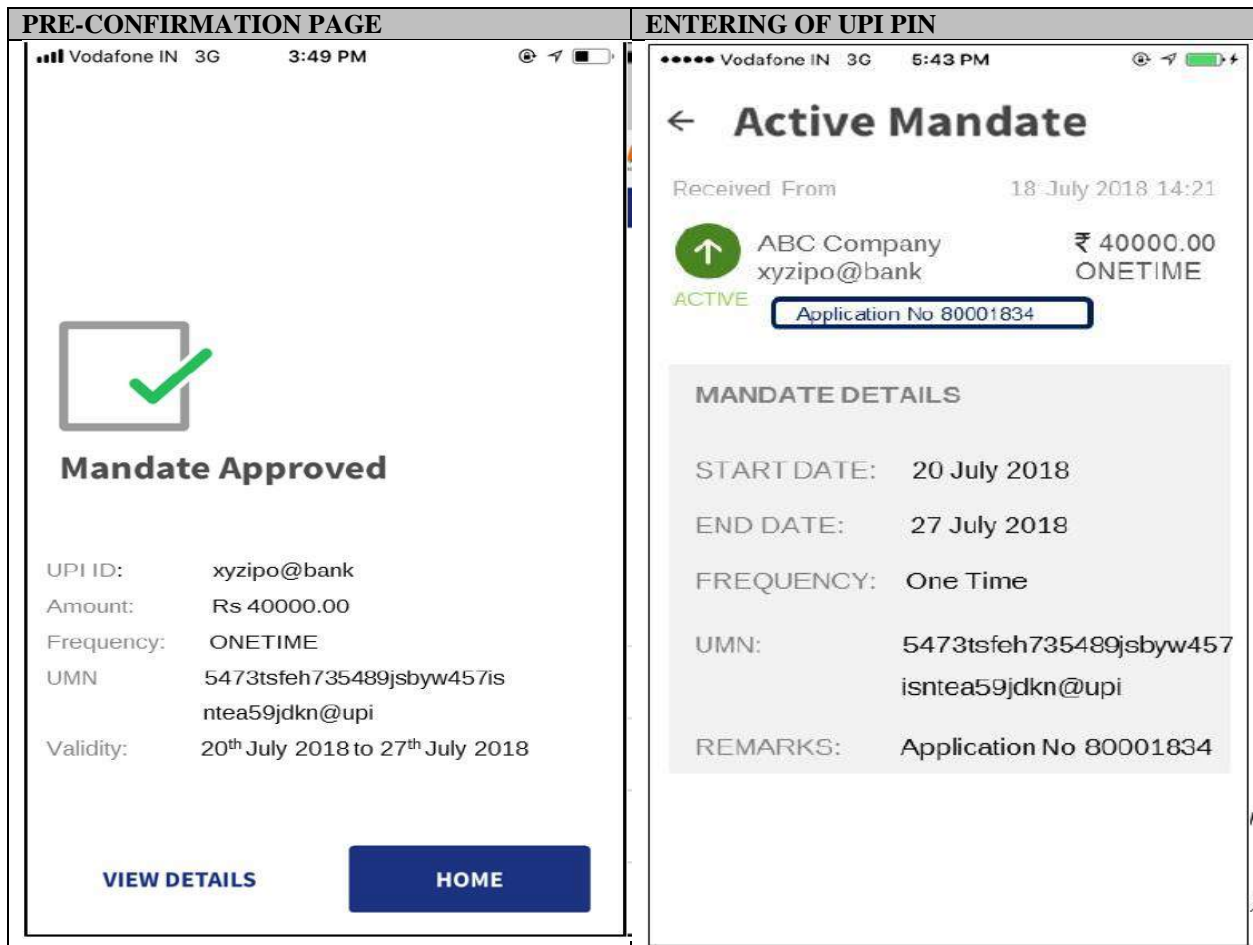
REMARKS

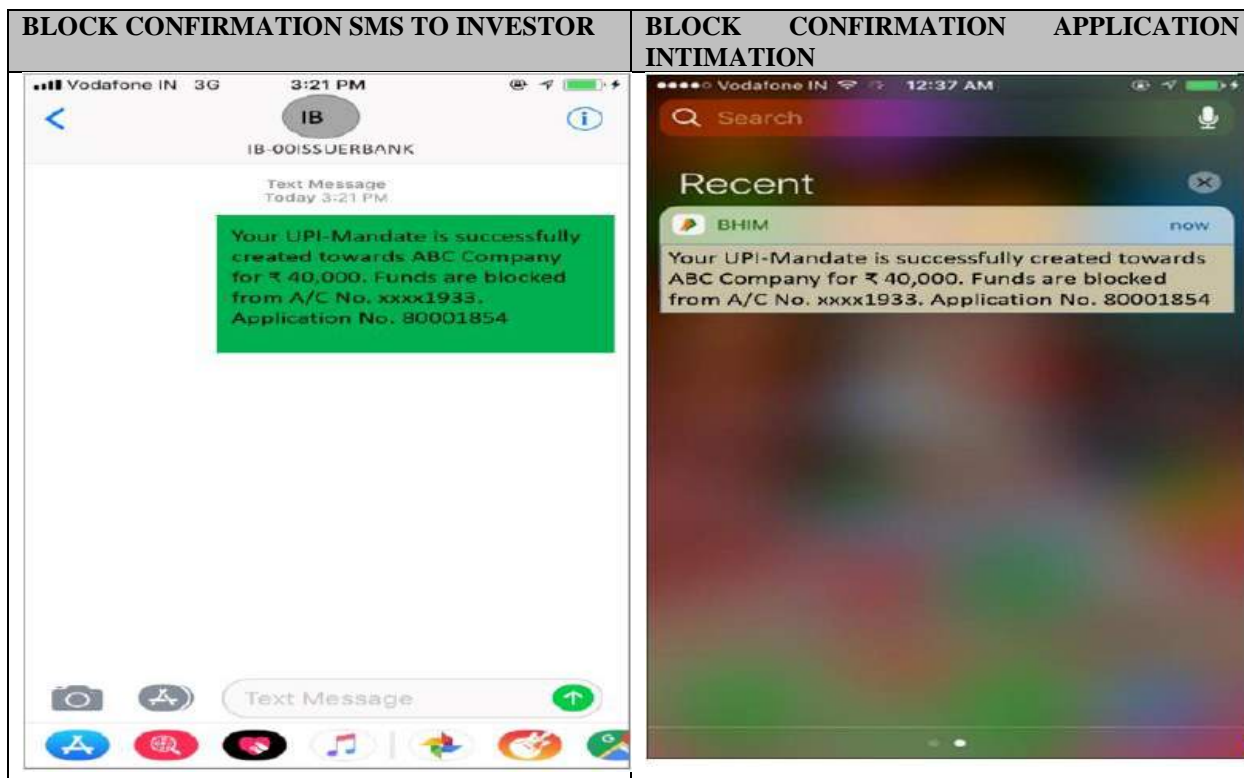
Application no 80001834

Click here to view the attachment

**PROCEED**

PRE-CONFIRMATION PAGE	ENTERING OF UPI PIN												
 <p>Vodafone IN 3G 3:48 PM</p> <p>Please check the below details as the amount will be <b>blocked</b> 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</p> <p><b>Mandate Details</b></p> <p>To ABC Company</p> <p>xyzipo@bank</p> <p>AMOUNT ₹ 0000.00</p> <p>FREQUENCY ONETIME</p> <p>VALIDITY 20 JULY 2018 to 27 JULY 2018</p> <p>REMARKS Application no 80001854</p> <p>CANCEL CONFIRM</p>	 <p>Vodafone IN 3G 1:39 AM</p> <p>CANCEL</p> <p>STATE BANK OF INDIA</p> <p>ABC Company ₹ 40000</p> <p>ENTER UPI PIN</p> <p>-----</p> <table border="1"> <tbody> <tr> <td>1</td> <td>2</td> <td>3</td> </tr> <tr> <td>4</td> <td>5</td> <td>6</td> </tr> <tr> <td>7</td> <td>8</td> <td>9</td> </tr> <tr> <td>✕</td> <td>0</td> <td>SUBMIT</td> </tr> </tbody> </table>	1	2	3	4	5	6	7	8	9	✕	0	SUBMIT
1	2	3											
4	5	6											
7	8	9											
✕	0	SUBMIT											
CONFIRMATION PAGE	APPROVED MANDATES VISIBLE IN UPI APPLICATION												





- b.) QIB and NII Applicants may submit the Application Form either;
- i. 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
  - ii. 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:



Registered Office:  
Tel. No.:      Fax No.:      Email:      Website:  
Contact Person:      CIN:

<b>LOGO</b>	<b>TO,</b> THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXX	<b>Application Form No.</b>
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<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"/>
		For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

**PLEASE CHANGE MY APPLICATION**  **PHYSICAL**

**4. FROM (as per last Application or Revision)**

Options	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share)							Price per Equity Share (₹) [•]												"Cut-off" (Please ✓ tick)
	(In Figures)							(In Figures)												
	7	6	5	4	3	2	1	Issue Price			Discount, if any			Net Price						
Option 1	ORIGINAL APPLICATION							ORIGINAL APPLICATION												
(OR) Option 2																				
(OR) Option 3																				

**5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off")**

Options	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share)							Price per Equity Share (₹) [•]												"Cut-off" (Please ✓ tick)
	(In Figures)							(In Figures)												
	7	6	5	4	3	2	1	Issue Price			Discount, if any			Net Price						
Option 1	REVISED APPLICATION							REVISED APPLICATION												
(OR) Option 2																				
(OR) Option 3																				

**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 \_\_\_\_\_  
(Maximum 45 characters)

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>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: _____, 2019	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	

----- TEAR HERE -----

<b>LOGO</b>	<b>XYZ LIMITED</b> REVISION FORM - INITIAL PUBLIC ISSUE - NR	<b>Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Application Form No.</b>
DPID / CLID	ASBA Bank & Branch	PAN	
Additional Amount Blocked (₹ in figures)	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 - NR INITIAL PUBLIC ISSUE - NR</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: _____					<b>Acknowledgment Slip for Applicant</b>
Bank & Branch: _____					
Application Form No.					

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

## **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 (1<sup>st</sup> 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.

## **GROUNDS 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 January 31, 2022 with NSDL, our Company and Registrar to the Issue;
- b. a tripartite agreement dated January 31, 2022 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE0KQQ01011

- 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>Shashank Poddar</b>  1, Prabhu Kutir Complex,  Sandesh Press Road, Vastrapur,  Ahmedabad – 380 015,  Gujarat, India.  <b>Telephone:</b> +91 77780 43457  <b>E-mail:</b> grievance@mafiastores.com</p>	<p><b>To the Registrar to the Issue</b>  <b>Link Intime India Private Limited</b>  C-101, 247 Park, 1st Floor, L.B.S. Marg,  Vikhroli West, Mumbai – 400 083  Maharashtra, India  <b>Contact Person :</b> Shanti Gopalkrishnan  <b>Tel:</b> +91 22 4918 6200  <b>Email:</b> mafia.ipo@linkintime.co.in  <b>Investor grievance e-mail:</b> mafia.ipo@linkintime.co.in  <b>URL of SEBI website:</b>  <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=10">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=10</a>  <b>Website:</b> www.linkintime.co.in</p>
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## **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 SME Platform of BSE 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 BSE (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 SME Platform of BSE.

#### **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 SME Platform of BSE – 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 FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion) (“**DPIIT**”).

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular and shall be subject to FEMA Rules.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

The foreign investment in our Company is governed by inter alia the FEMA, as amended, the FEMA Rules, the FDI Policy issued and amended by way of press notes. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. 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 number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## SECTION VIII - DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

*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.

### Interpretation

- I.**
- (1) In these regulations –
    - (a) “the Act” means the Companies Act, 2013,
    - (b) “the seal” means the common seal of the company.
  - (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### Share capital and variation of rights

- II.**
1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
  2.
    - (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
      - (a) one certificate for all his shares without payment of any charges; or
      - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
    - (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
    - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
  3.
    - (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
    - (ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.
8. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to

# Amended vide resolution passed in Extra-ordinary General Meeting dated 22 November 2021.

Recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.



5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. Or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

## Lien

9. (i) The company shall have a first and paramount lien—
  - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company;
 Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
 

Provided that no sale shall be made—

  - (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

## **Calls on shares**

- 13.** (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
- 14.** A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
- 15.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 16.** (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 17.** (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 18.** The Board—
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

## **Transfer of shares**

- 19.** (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- 20.** The Board may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.
- 21.** The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
- 22.** On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:  
Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

## Transmission of shares

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

## Forfeiture of shares

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
28. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30. (i) A forfeited share may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- 32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- 33. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### **Alteration of capital**

- 34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- 35. Subject to the provisions of section 61, the company may, by ordinary resolution,—
  - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
- 36. Where shares are converted into stock,—
  - (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (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, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
- 37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
  - (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

### **Capitalisation of profits**

- 38. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of shares**

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **General meetings**

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.
42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **Proceedings at general meetings**

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

### **Adjournment of meeting**

47.
  - (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
  - (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
  - (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
  - (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **Voting rights**

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
  - (a) on a show of hands, every member present in person shall have one vote; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50.
  - (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
  - (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
54.
  - (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
  - (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### **Proxy**

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **Board of Directors**

58. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
- 1) **RAJENDRA SINGH RAJPUROHIT**
  - 2) **MAHENDRA SINGH RAJPUROHIT**
59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - (b) in connection with the business of the company.
60. The Board may pay all expenses incurred in getting up and registering the company.
61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
62. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
64. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

### **Proceedings of the Board**

65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
66. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
69. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 70.
  - (i) A committee may elect a Chairperson of its meetings.
  - (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 71.
  - (i) A committee may meet and adjourn as it thinks fit.
  - (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- 73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

- 74. Subject to the provisions of the Act,—
  - (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- 75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **The Seal**

- 76.
  - (i) The Board shall provide for the safe custody of the seal.
  - (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **Dividends and Reserve**

- 77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
- 79.
  - (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.



- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 80. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
  - (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
- 82. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- 85. No dividend shall bear interest against the company.

#### Accounts

- 86. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### Winding up

- 87. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
  - (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
  - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
  - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### Indemnity

- 88. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## SECTION IX - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Prospectus until the Issue Closing Date.

#### 1. Material Contracts for the Issue

- (i) Issue Agreement dated May 10, 2022 entered into between our Company and the LM.
- (ii) Registrar Agreement dated May 13, 2022 entered into amongst our Company and the Registrar to the Issue.
- (iii) Tripartite Agreement dated March 07, 2022 between our Company, NSDL and the Registrar to the Issue.
- (iv) Tripartite Agreement dated February 08, 2022 between our Company, CDSL and the Registrar to the Issue.
- (v) Banker to the Issue Agreement dated [●] among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
- (vi) Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
- (vii) Underwriting Agreement dated [●] amongst our Company and the Underwriters.

#### 2. Material Documents

- (i) Certificate of Incorporation dated February 07, 2017 under the Companies Act, 2013 issued by Registrar of Companies, Gujarat.
- (ii) Fresh Certificate of Incorporation dated January 12, 2022 under the Companies Act, 2013 issued by Registrar of Companies, Gujarat at Ahmedabad, consequent upon conversion of our Company from a private limited company to a public limited company and subsequent change of name to "*Mafia Trends Limited*".
- (iii) Resolution of the Board of Directors dated April 05, 2022 in relation to the Issue.
- (iv) Shareholders' resolution dated April 11, 2022 in relation to the Issue.
- (v) Resolutions of the Board of Directors of the Company dated [●], taking on record and approving this Draft Prospectus.
- (vi) The examination reports dated May 11, 2022 of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Draft Prospectus.
- (vii) Copies of the annual reports of our Company for the Fiscals 2019, 2020 and 2021.
- (viii) Statement of Tax Benefits dated May 11, 2022 from the Statutory Auditor included in this Draft Prospectus.
- (ix) Consent of the Promoters, Directors, the LM, Legal Counsel, Registrar to the Issue, Market Maker Bankers to our Company, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.

- (x) Consent letter dated May 24, 2022 of the Statutory Auditor to include their names as experts in relation to their report dated May 11, 2022 on the Restated Financial Information and the Statement of Tax Benefits dated May 11, 2022 included in this Draft Prospectus.
- (xi) Due Diligence Certificate dated [●] issued the LM.
- (xii) In principle listing approvals dated [●] issued by BSE.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Prospectus are true and correct.

## SIGNED BY THE DIRECTORS OF OUR COMPANY

**Rajendra Singh Rajpurohit** *Chairman and  
Managing Director*

**Mahendra Singh Rajpurohit** *Whole-time  
Director*

**Divya Savjibhai Thakor** *Non-Executive  
Director*

**Pankaj Baid**  
*Independent Director*

**Harsh Singrodia** *Independent Director*

**Nikundra Harjibhai Desai** *Chief Financial  
Officer*

Place: Ahmedabad, Gujarat

Date: June 27, 2022