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**RED HERRING PROSPECTUS**  
Dated: July 03, 2023  
Please read Section 26 and 32 of the  
Companies Act, 2013  
(This Red Herring Prospectus will be updated  
upon filing with the RoC)  
100% Book Built Issue



**Kaka Industries Limited**  
CIN: U25209GJ2019PLC108782

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Plot No. 67, Bhagwati Nagar, Opp Nilkanth Arcade, Opp. Kathwada GIDC, Kuha-Kanbha Road Ahmedabad -382415 Gujarat, India	Vandana Arun Baldi, Company Secretary & Compliance Officer	<b>E-mail:</b> <a href="mailto:investors@kakaprofile.com">investors@kakaprofile.com</a> <b>Tel No:</b> +91-80004-46524	<a href="http://www.kakaprofile.com">www.kakaprofile.com</a>

#### PROMOTERS OF THE COMPANY

Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya and Rajeshkumar Dhirubhai Gondaliya (HUF)

#### DETAILS OF THE ISSUE

TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	₹ [•] Lakhs	Nil	₹ [•] Lakhs	<b>THIS ISSUE IS BEING MADE IN TERMS OF REGULATION 229 AND 253(1) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.</b>

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

#### RISK IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “*Basis for Issue Price*” on page 74 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 25 of this Red Herring Prospectus.


#### ISSUER’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.


#### LISTING

The Equity Shares Issued through this Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited (“BSE SME”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received “in-principle” approval letter dated June 14, 2023 from BSE Limited (“BSE”) for using its name in the Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).

#### BOOK RUNNING LEAD MANAGER TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
 <b>HEM SECURITIES LIMITED</b>	Mr. Akun Goyal	<b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Tel. No.:</b> +91- 22- 49060000

#### REGISTRAR TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
 <b>BIGSHARE SERVICES PRIVATE LIMITED</b>	Mr. Vinayak Morbale	<b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Tel No:</b> +91-22-62638200

#### ISSUE PROGRAMME

<b>ANCHOR INVESTOR BID/ISSUE PERIOD*:</b> FRIDAY, JULY 07, 2023	<b>BID/ISSUE OPENS ON:</b> MONDAY, JULY 10, 2023	<b>BID/ISSUE CLOSES ON:</b> WEDNESDAY, JULY 12, 2023
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\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.



**Kaka Industries Limited**  
**CIN: U25209GJ2019PLC108782**

Our Company was originally incorporated as a private limited Company under the name of “Kaka Industries Private Limited” on June 21, 2019 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad bearing registration number as 108782. Thereafter, our Company was converted from private limited to public limited and the name of our Company was changed from “Kaka Industries Private Limited” to “Kaka Industries Limited” vide fresh certificate of incorporation dated March 14, 2023, issued by the Registrar of Companies, Ahmedabad, Gujarat.

**Registered Office:** Plot No. 67, Bhagwati Nagar, Opp. Nilkanth Arcade, Opp. Kathwada GIDC,  
Kuha-Kanbha Road, Ahmedabad-382415 Gujarat, India.

**Contact Person:** Vandana Arun Baldi, Company Secretary & Compliance Officer

**Tel No:** +91-80004-46524; **E-mail:** [investors@kakaprofile.com](mailto:investors@kakaprofile.com); **Website:** [www.kakaprofile.com](http://www.kakaprofile.com)

**Promoters of our Company:** Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya and Rajeshkumar Dhirubhai Gondaliya (HUF)

#### DETAILS OF THE ISSUE

**INITIAL PUBLIC OFFER OF UPTO 36,60,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE “EQUITY SHARES”) OF KAKA INDUSTRIES LIMITED (“OUR COMPANY” OR “KIL” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹[●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH 1,92,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 34,68,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.79% AND 25.39% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITION OF BUSINESS STANDARD (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITION OF BUSINESS STANDARD (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND GUJARAT EDITION OF AMDAVAD TODAY, A GUJARATI REGIONAL NEWSPAPER (GUJARATI BEING THE REGIONAL LANGUAGE OF AHMEDABAD WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE (“BSE SME”) FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE**

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50 % of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”, the “QIB Portion”), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount (“ASBA”) process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see “*Issue Procedure*” beginning on page 216 of this Red Herring Prospectus.

#### RISK IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹ 10 each. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “*Basis for Issue Price*” on page 74 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 25 of this Red Herring Prospectus.

#### ISSUER’S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

#### LISTING

The Equity Shares Issued through this Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited (“BSE SME”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received “in-principle” approval letter dated June 14, 2023 from BSE Limited (“BSE”) for using its name in the Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).

#### BOOK RUNNING LEAD MANAGER TO THE ISSUE



**HEM SECURITIES LIMITED**  
904, A Wing, Naman Midtown, Senapati Bapat Marg,  
Elphinstone Road, Lower Parel, Mumbai-400013, India  
**Tel. No.:** +91- 022- 49060000; **Fax No.:** +91- 022- 22625991  
**Email:** [ib@hemsecurities.com](mailto:ib@hemsecurities.com)  
**Investor Grievance Email:** [redressal@hemsecurities.com](mailto:redressal@hemsecurities.com)  
**Website:** [www.hemsecurities.com](http://www.hemsecurities.com)  
**Contact Person:** Mr. Akun Goyal  
**SEBI Regn. No.** INM000010981

#### REGISTRAR TO THE ISSUE



**BIGSHARE SERVICES PRIVATE LIMITED**  
**Address:** S6-2, 6th Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East) Mumbai – 400093, India.  
**Tel No.:** +91 22 6263 8200  
**Facsimile:** +91 22 6263 8299  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Contact Person:** Mr. Vinayak Morbale  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**SEBI Registration Number:** INR000001385

#### ISSUE PROGRAMME

<b>ANCHOR INVESTOR BID/ISSUE PERIOD*:</b> <b>FRIDAY, JULY 07, 2023</b>	<b>BID/ISSUE OPENS ON:</b> <b>MONDAY, JULY 10, 2023</b>	<b>BID/ISSUE CLOSES ON:</b> <b>WEDNESDAY, JULY 12, 2023</b>
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\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

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

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

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

Notwithstanding the foregoing, terms used in of the sections “**Statement of Special Tax Benefits**”, “**Financial Information of the Company**” and “**Main Provisions of the Articles of Association**” on page 80, 130 and 243 respectively, shall have the meaning ascribed to such terms in such sections.

**General Terms**

<b>Terms</b>	<b>Description</b>
“KIL”, “the Company”, “our Company”, “Issuer” and “Kaka Industries Limited”	Kaka Industries Limited, a Company incorporated in India under the Companies Act, 2013, having its Registered office at Plot No.67, Bhagwati Nagar, Opp. Nilkanth Arcade, Opp. Kathwada GIDC, Kuha-Kanbha Road, Ahmedabad-382415 Gujarat.
“we”, “us” and “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue

**Company related and Conventional terms**

<b>Term</b>	<b>Description</b>
AOA/ Articles/ Articles of Association	Articles of Association of our Company, as amended, from time to time
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 as described in the chapter titled “ <b>Our Management</b> ” beginning on page 111 of this Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s. Dinesh R Thakkar & Co., (Firm Registration No. as 102612W).
Bankers to our Company	State Bank of India
Board of Directors/ the Board/ our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <b>Our Management</b> ” beginning on page 111 of this Red Herring Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Chintan Jayantibhai Bodar
Companies Act/ Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Vandana Arun Baldi (M. No.: A37081)
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository’s Participant’s Identity Number
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of the Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see “ <b>Our Management</b> ” on page 111 of this Red Herring Prospectus.
ISIN	International Securities Identification Number. In this case being INE0P3N01018



Term	Description
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations and the Companies Act, 2013. For details, see section titled <b>“Our Management”</b> on page 111 of this Red Herring Prospectus.
LLP	Limited Liability Partnership
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Kaka Industries Limited as amended from time to time.
MD or Managing Director	The Managing Director of our Company, Rajesh Dhirubhai Gondaliya
Materiality Policy	The policy adopted by our Board on March 17, 2023 for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled <b>“Our Management”</b> beginning on page 111 of this Red Herring Prospectus
Non-Executive Director	A Director not being an Executive Director, in our case, Prabhaven Rajeshbhai Gondaliya
NRI / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Promoter(s)	Shall mean promoters of our Company i.e. Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya and Rajeshkumar Dhirubhai Gondaliya (HUF). For further details, please refer to section titled <b>“Our Promoter &amp; Promoter Group”</b> beginning on page 124 of this Red Herring Prospectus.
Promoter Group	Includes such Persons and companies constituting our Promoter Group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section <b>“Our Promoter and Promoter Group”</b> beginning on page 124 of this Red Herring Prospectus.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at Plot No.67, Bhagwati Nagar, Opp. Nilkanth Arcade, Opp. Kathwada GIDC, Kuha-Kanbha Road, Ahmedabad-382415 Gujarat.
Reserve Bank of India/ RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information/ Statements	The Restated Financial statements of our Company comprising of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023 and Restated Standalone Statement of Assets and Liabilities as at March 31 2022 and March 31 2021, the Restated Consolidated Statement of Profit & Loss for the year ended on March 31, 2023 and Restated Standalone Statement of Profit & Loss for the year ended on March 31 2022 and March 31 2021 and the Restated Consolidated Cash Flows Statements for the year ended March 31, 2023 and the Restated Standalone Cash Flows Statements for the year ended March 31 2022 and March 31 2021 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC/ Registrar of Companies	Unless specified otherwise refers to ROC Ahmedabad situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad - 380013, Gujarat.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions, notifications and clarifications issued by SEBI from time to time.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Term	Description
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations/ SEBI Takeover Regulations/ Takeover Regulations/ Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI (PFUTP) Regulations/ PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and as described in the chapter titled " <b>Our Management</b> " beginning on page 111 of this Red Herring Prospectus
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited
Shareholders	Shareholders of our Company from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Bhavin Rajeshbhai Gondaliya, Bhavin Rajeshbhai Gondaliya, Jinal Rajeshbhai Gondaliya, Mohanbhai Varsani Ratilal, Prabhaven Rajeshbhai Gondaliya, and Bhaveshkumar Shambhubhai Gondaliya.

### Issue Related Terms

Terms	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidders as proof of registration of the Application.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful bidders.
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	A successful bidders to whom the Equity Shares are allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.

Terms	Description
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad.
ASBA Bidder	Any prospective investor(s) / Bidder (s) in this Issue who apply(ies) through the ASBA process except Anchor Investor.
ASBA Form/ Bid cum Application	An Application form (with or without UPI ID, as applicable), whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus or the Prospectus.
Banker to the Issue Agreement	Agreement dated May 11, 2023 entered into amongst the Company, Book Running Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue.
Bankers to the Issue/ Public Issue Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being Axis Bank Limited
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 216 of this Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid Lot	[●] equity shares and in multiples of [●] equity shares thereafter.
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in in all editions of Business Standard, an English national newspaper , all editions of Business Standard, a Hindi national newspaper and Ahmedabad Edition of Amdavad Today, a Gujarati daily newspaper (gujarati being the regional language of Ahmedabad, where our Registered Office is located), each with wide circulation, and in case of any revision, the extended Bid/ Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB’s and Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of Business Standard, an English national newspaper , all editions of Business Standard, a Hindi national newspaper and Ahmedabad Edition of Amdavad Today, Gujarati daily newspaper (gujarati being the regional language of Ahmedabad, where our Registered Office is located), each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidder/ Applicant	Any prospective investor who makes a bid pursuant to the terms of the Red Herring Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding	The process of making a Bid.
Bidding/ Collection Centers	Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.

Terms	Description
Book Building Process/ Book Building Method	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue in this case being Hem Securities Limited, SEBI Registered Category I Merchant Banker.
Broker Centres	Broker Centres notified by the Stock Exchanges, where the investors can submit the Bid-cum Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
Client Id	Client Identification Number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agent	Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.
Cut Off Price	The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the applicants such as their Address, PAN, name of the applicants father/husband, investor status, Occupation and Bank Account details.
Depositor/ Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Bid-cum-Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as applicable, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer.
Designated Intermediaries/ Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker	Hem Finlease Private Limited
Designated RTA Locations	Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a> .
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Ltd. ("SME Exchange") ("BSE SME")
DP ID	Depository's Participant's Identity Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996



Terms	Description
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated May 09, 2023 as being filed with BSE SME
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue 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.
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First Bidder/ Applicant/ Bidders	Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI/ Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Managers.
Issue Agreement	The Issue Agreement dated May 05, 2023 between our Company and Book Running Lead Manager, Hem Securities Limited.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Red Herring Prospectus being ₹ [●] per Equity share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled " <i>Objects of the Issue</i> " beginning on page 68 of this Red Herring Prospectus
Issue/ Public Issue/ Issue size/ Initial Public Issue/ Initial Public Offering/ IPO	The Initial Public Issue of upto 36,60,000 Equity shares of ₹ 10/- each at issue price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Lot Size	[●]
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker Reservation Portion	The reserved portion of 1,92,000 Equity Shares of ₹10 each at an Issue price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this issue.
Market Making Agreement	The Market Making Agreement dated May 29, 2023 between our Company, Book Running Lead Manager and Market Maker, Hem Finlease Private Limited.
Mutual Fund Portion	5% of the Net QIB Portion (other than anchor allocation), or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.

Terms	Description
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 34,68,000 equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share (the "Issue Price"), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled " <i>Objects of the Issue</i> " beginning on page 68 of this Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
Non- Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Non-Institutional Bidders	All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, consisting of 5,22,000 Equity Shares, which shall be available for allocation on a proportionate basis to Non Institutional Investors, subject to valid Bids being received at or above the Issue Price.
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalize the Issue Price.
Prospectus	The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013, containing, inter alia, the Issue Price, size of the Issue and certain other information.
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of 17,32,000 Equity Shares aggregating to ₹ [●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Offer Price (for Anchor Investors).
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus / RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date

<b>Terms</b>	<b>Description</b>
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Refund Bank/ Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being Axis Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids
Registrar Agreement	The agreement dated May 05, 2023 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and 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 issued by SEBI.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue, in this case being Bigshare Services Private Limited.
Regulation S	Regulation S under the U.S. Securities Act of 1933, as amended from time to time.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Bidders/ RIBs/ Retail Individual Investors/ RIIs	Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than ₹ 2,00,000/- in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue, consisting of 12,14,000 Equity Shares, available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
SEBI (ICDR) Regulations/ ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Act/ SEBI	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
SME Exchange	SME Platform of the BSE i.e. BSE SME.
Specified Locations	Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time.
Specified Securities	Equity shares offered through this Red Herring Prospectus.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments

Terms	Description
	Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI.
Sub Syndicate Member	A SEBI Registered member of BSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue.
Syndicate	Includes the BRLM, Syndicate Members and Sub Syndicate Members.
Syndicate Agreement	The agreement dated May 29, 2023 entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue.
Syndicate ASBA Bidding Locations	Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi
Syndicate Members/ Members of the Syndicate	Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being Hem Finlease Private Limited.
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Underwriter	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement May 29, 2023 entered between the Underwriter, BRLM and our Company.
UPI	UPI is an instant payment system developed by the NPCI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, 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/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request/ Mandate Request	A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues
UPI PIN	Password to authenticate UPI transaction
Venture Capital Fund/ VCF	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
Working Day	In accordance with Regulation 2(1) (mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of- (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.



**Technical and Industry Related Terms**

<b>Term</b>	<b>Description</b>
B2B	Business to Business
B2C	Business to Customer
BRIC	Brazil, Russia, India, China, and South Africa
CAZRI	Central Arid Zone Research Institute
EAP	East Asia and Pacific
EBITDA	EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
EBITDA Margin	EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
ECA	Europe and Central Asia
EMDE	Emerging Market and Developing Economies
FIDE	International Chess Federation
FPI	Foreign Portfolio Investment
ICAR	Indian Council of Agricultural Research
ICAR-CCARI	Indian Council of Agricultural Research-Central Coastal Agricultural Research Institute
IISF	India International Science Festival
IPQC	In Process Quality Control
IPR	Intellectual Property Rights
IT	Information Technology
KVA	Kilo voltage
KWH	Kilowatt-hour
LAC	Latin America and the Caribbean
LIC	Low-income countries
LMT	Lakh Metric Tonnes
MN	Million
MNA/MENA	Middle East and North Africa
MoSPI	Ministry of Statistics & Programme Implementation
MT	Metric Ton
OTDC	Odisha Tourism Development Corporation
PAT	PAT is calculated as Profit before tax – Tax Expenses
PAT Margin	PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations
P & M	Plant and Machinery
PVC	Polyvinyl Chloride
QA	Quality Assurance
QC	Quality Control
R&D	Research and development
Revenue from operations	Revenue from operations is the total revenue generated by our Company from the sale of products
Return on Capital Employed	Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}
Return on Equity	Return on Equity is ratio of Profit after Tax and Average Shareholder Equity
RM	Raw Material
SAR	South Asia
SKU's	Stock keeping unit
SSA	Sub-Saharan Africa
TAT	Turnaround Time
U.K.	United Kingdom
U.S./U.S.A.	Unites States of America
UNEA	United Nations Environment Programme
uPVC	Unplasticized Polyvinyl Chloride
WHO	World Health Organization
WPC	Wood Plastic Composite

**Conventional terms and Abbreviations**

<b>Abbreviation</b>	<b>Full Form</b>
Rs./ Rupees/ INR/ ₹	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account

<b>Abbreviation</b>	<b>Full Form</b>
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt.	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BRLM	Book Running Lead Manager
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder.
CA	Chartered Accountant
CAIIB	Certified Associate of Indian Institute of Bankers
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
C.P.C.	Code of Civil Procedure, 1908
CrPC	Code of Criminal Procedure, 1973
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EMI	Equated Monthly Installment
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.

<b>Abbreviation</b>	<b>Full Form</b>
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
FTA	Foreign Trade Agreement
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 1994
Fraudulent Borrower	A fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations.
FV	Face Value
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
GoI/Government	Government of India
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GST	Goods and Services Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
HSL	Hem Securities Limited
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IT	Information Technology
IFRS	International Financial Reporting Standards
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
KMP	Key Managerial Personnel
LLB	Bachelor of Law
Ltd.	Limited
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts
MCA	Ministry of Corporate Affairs, Government of India
M. B. A	Master of Business Administration

<b>Abbreviation</b>	<b>Full Form</b>
MAT	Minimum Alternate Tax
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PGDBA	Post Graduate Diploma in Business Administration
PLR	Prime Lending Rate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
P.O.	Purchase Order
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Q.C.	Quality Control
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
STT	Securities Transaction Tax



<b>Abbreviation</b>	<b>Full Form</b>
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
Trade Marks Act	Trade Marks Act, 1999
TIN	Taxpayers Identification Number
UIN	Unique identification number
U.N.	United Nations
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF/ Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Company or person categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from
-, (₹)	Represent Outflow

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

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Special Tax Benefits*”, “*Industry Overview*”, “*Regulations and Policies in India*”, “*Financial Information of the Company*”, “*Outstanding Litigations and Material Developments*” and “*Issue Procedure*”, will have the meaning ascribed to such terms in these respective sections.

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

**Certain Conventions**

All references in the Red Herring Prospectus to “India” are to the Republic of India. All references in the Red Herring Prospectus to the “U.S.,” “USA” or “United States” are to the United States of America.

In this Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

**Use of Financial Data**

Unless stated otherwise, throughout this Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Red Herring Prospectus is derived from our restated financial information prepared for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 130 of this Red Herring Prospectus.

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Peer Review Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 130 of this Red Herring Prospectus. On April 01, 2022, we formed a Joint Venture in the form of partnership firm, i.e. Shri Rang Energy Efficient which is taken into consideration for the purpose of preparing the Restated Consolidated Financial Statements for the year ended March 31, 2023. However, pursuant to partnership deed executed on March 31, 2023, our Company has retired from the said partnership firm pursuant to which it ceased to be the Joint venture of our Company w.e.f. April 01, 2023. Thus, as on date of this Red Herring Prospectus, we do not have any Subsidiary, Associate or Joint Venture. Accordingly, our results of operations in Fiscal 2021 and 2022 are not comparable to that for Fiscal 2023 since our consolidated results of operations in the Fiscal 2023 includes the consolidated results of operations of Shri Rang Energy Efficient. Our fiscal year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

For additional definitions used in this Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 243 of the Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

**Use of Industry & Market Data**

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

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

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled “*Basis for Issue Price*” on page 74 of the Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

## **Currency of Financial Presentation**

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” on page 25, 91 and 177 respectively of this Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

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

## **FORWARD LOOKING STATEMENTS**

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

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Changes in consumer demand;
3. Failure to successfully upgrade our product portfolio, from time to time;
4. Any change in government policies resulting in increases in taxes payable by us;
5. Our ability to retain our key managements persons and other employees;
6. Changes in laws and regulations that apply to the industries in which we operate.
7. Our failure to keep pace with rapid changes in technology;
8. Our ability to grow our business;
9. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
10. general economic, political and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Company’s ability to successfully implement its growth strategy and expansion plans ;
13. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. inability to successfully obtain registrations in a timely manner or at all;
15. occurrence of Environmental Problems & Uninsured Losses;
16. conflicts of interest with affiliated companies, the promoter group and other related parties;
17. any adverse outcome in the legal proceedings in which we are involved;
18. Concentration of ownership among our Promoter;
19. The performance of the financial markets in India and globally;
20. Global distress due to pandemic, war or by any other reason.

For further discussion of factors that could cause our actual results to differ, see the Section titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 25, 91 and 177 respectively of the Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company or our Directors or our Officers or Book Running Lead Manager or Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.



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

We are a PVC profile brand, focused primarily on manufacturing of polymer-based profiles which finds application in doors, windows, partitions, false ceilings, wall paneling, kitchen cabinets & other interior works. Our product portfolio has over 1200 SKU's covering PVC Profile, uPVC door & window profile, WPC Profile & sheet in various sizes, specifications and colours. We are also engaged in fabrication of factory-made PVC & Solid PVC doors.

**B. OVERVIEW OF THE INDUSTRY**

There have been phenomenal advancements in the petrochemical industry, and combined with the progress in the plastic machinery sector, they have helped forward the plastic processing industry immensely. This has made it easier for plastic processors to increase their capacity to serve both the domestic and international markets. The consumption of plastics in India has significant regional variation, with Western India accounting for 47%, Northern India for 23%, and Southern India for 21%. The plastics industry is currently home to about 50,000 industries, most of which are MSMEs. These enterprises contribute ₹ 3.5 lakh crore (US\$ 42.89 billion) to India's economy and employ more than 50,000 people.

**C. PROMOTERS**

Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya and Rajeshkumar Dhirubhai Gondaliya (HUF) are the Promoters of our Company.

**D. DETAILS OF THE ISSUE**

This is an Initial Public Issue of upto 36,60,000 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs (“**The Issue**”), out of which 1,92,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] lakhs will be reserved for subscription by the market maker to the issue (the “**Market Maker Reservation Portion**”). The Issue less Market Maker Reservation Portion i.e. Issue of 34,68,000 Equity Shares of face value of ₹ 10 each, at an issue price of ₹ [●] per Equity Share for cash, aggregating to ₹ [●] lakhs is hereinafter referred to as the “**Net Issue**”. The Public Issue and Net Issue will constitute 26.79% and 25.39% respectively of the post- issue paid-up Equity Share capital of our Company.

**E. OBJECTS OF THE ISSUE**

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

Sr. No.	Particulars	Amount (₹ in lakhs)
1.	To meet Working Capital requirements	775.00
2.	Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company	730.00
3.	General Corporate Purpose	[●]
	<b>Total</b>	<b>[●]</b>

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

Our Promoters and Promoter Group collectively holds 95,32,000 Equity shares of our Company aggregating to 95.32% of the pre-issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Red Herring Prospectus:-

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters (A)</b>				
1.	Rajesh Dhirubhai Gondaliya	12,80,000	12.80	12,80,000	9.37
2.	Bhavin Rajeshbhai Gondaliya	26,32,000	26.32	26,32,000	19.27
3.	Rajeshkumar Dhirubhai Gondaliya (HUF)	18,60,000	18.60	18,60,000	13.62
	<b>Sub Total (A)</b>	<b>57,72,000</b>	<b>57.72</b>	<b>57,72,000</b>	<b>42.25</b>
	<b>Promoter Group (B)</b>				
4.	Jinal Rajeshbhai Gondaliya	14,90,000	14.90	14,90,000	10.91
5.	Prabhaven Rajeshbhai Gondaliya	12,80,000	12.80	12,80,000	9.37
6.	Bhaveshkumar Shambhubhai Gondaliya	20,000	0.20	20,000	0.15
7.	Kaka Engineering Private Limited	4,85,000	4.85	4,85,000	3.55
8.	Pinaxis Hi-Tech Engineering Private Limited	4,85,000	4.85	4,85,000	3.55

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Sub Total (B)</b>	<b>37,60,000</b>	<b>37.60</b>	<b>37,60,000</b>	<b>27.53</b>
	<b>Total (A) + (B)</b>	<b>95,32,000</b>	<b>95.32</b>	<b>95,32,000</b>	<b>69.78</b>

## G. SUMMARY OF FINANCIAL INFORMATION

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

Particulars	(₹ in lakhs)		
	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share Capital	1,000.00	250.00	250.00
Total Equity	1,956.88	1,241.31	743.65
Total Income	15,887.70	11,709.98	7,879.00
Profit after tax	718.50	497.66	302.51
Earnings per Share (based on weighted average number of shares)	7.19	4.98	4.59
Net Asset Value per Share (based on weighted average number of shares)	19.57	12.41	11.28
Total Borrowings	4,013.66	2,735.55	1,999.00

## H. AUDITOR QUALIFICATIONS

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

## I. SUMMARY OF OUTSTANDING LITIGATIONS

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

### Litigations filed by our Company:-

Nature of Cases	(₹ in lakhs)	
	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Litigation Involving Criminal Law (filed u/s 138 of Negotiable Instruments Act, 1881)	2	23.44

### Litigations involving our Promoter & Directors:-

Nature of Cases	(₹ in lakhs)	
	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Litigation/Matters involving tax Liabilities		
- Direct tax	27	Not Determinable*
-Indirect tax	1	253.16
Litigation Involving Criminal Law (filed u/s 138 of Negotiable Instruments Act, 1881)	5	16.08

\* Search and seizure proceedings u/s 132 of the Income Tax Act, 1961 were carried out by the Income Tax Department on 24<sup>th</sup> October, 2018 on the residential and business premises of our Promoters & Directors, namely Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya and Prabhaben Rajeshbhai Gondaliya; Group Companies, namely, Kaka Engineering Private Limited and Pinaxis Hi-tech Engineering Private Limited and certain other promoter group entities & employees and simultaneously survey action u/s 133A of the Income Tax Act, 1961 were also conducted on promoter group entities and other associate persons. For details, please refer to chapter titled “**Outstanding Litigations and Material Developments**” on page 185 of this Red Herring Prospectus.

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Red Herring Prospectus. For further details, please refer to the chapter titled “**Outstanding Litigations and Material Developments**” on page 185 of this Red Herring Prospectus.

## J. RISK FACTORS

For details on the risks involved in our business, please see the Chapter titled “**Risk Factors**” beginning on page 25 of this Red Herring Prospectus.

**K. SUMMARY OF CONTINGENT LIABILITIES**

Our Company do not have any contingent liabilities as on March 31, 2023. For further details, please refer to Note-23 Contingent Liabilities of the chapter titled “*Financial Information of the Company*” on page 130 of this Red Herring Prospectus.

**L. SUMMARY OF RELATED PARTY TRANSACTIONS**

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

**AA. RELATED PARTY DISCLOSURE**

## a. List of Related parties

Names of the related parties with whom transactions were carried out during the years and description of relationship:

Sr. No.	Name of the Person / Entity	Relation
1	Rajeshkumar Dhirubhai Gondaliya	Director & Key Managerial Personnel
2	Bhavin Rajeshbhai Gondaliya	Director & Key Managerial Personnel
3	Jinal Rajeshbhai Gondaliya	Director & Key Managerial Personnel (ceased to be Director w.e.f. March 16, 2023)
4	Bhavesbhai Shambhubhai Gondaliya	Relative of Key Managerial Personnel/Director
5	Prabhaven Rajeshbhai Patel	Non-Executive Director
6	Chintan Jayantibhai Bodar	Key Managerial Personnel
7	Niraj Davariya	Independent Director
8	Ushakant Narnabhai patel	Independent Director
9	Vihan Corporation	Enterprise under Influence of Relative of Key Managerial Personnel
10	Shreeji Modular Furniture	Proprietorship of Relative of Key Managerial Personnel
11	Shreeji Plast Mart	Proprietorship of Director
12	Rajeshkumar Gondaliya (HUF)	Karta is Director
13	Mohanbhai Ratilal Varsani (HUF)	Karta Was Director
14	PR PVC Profile LLP	Enterprise under Influence of Key Managerial Personnel
15	Pinaxis Polyplmer LLP	Enterprise under Influence of Key Managerial Personnel
16	Pinaxis Polyplast LLP	Enterprise under Influence of Key Managerial Personnel
17	Gondaliya Plast Mart LLP	Enterprise under Influence of Key Managerial Personnel
18	Nicewood Furniture LLP	Enterprise under Influence of Key Managerial Personnel
19	E Plast Build Techno Industries LLP	Enterprise under Influence of Key Managerial Personnel
20	E Plast Industries LLP	Enterprise under Influence of Key Managerial Personnel
21	Nicewood Industries LLP	Enterprise under Influence of Key Managerial Personnel
22	Bakelite Engineering Pvt Ltd	Enterprise under Influence of Key Managerial Personnel
23	Pinaxis Hi-Tech Engineering Pvt. Ltd.	Enterprise under Influence of Key Managerial Personnel
24	Kaka Engineering Private Limited	Enterprise under Influence of Key Managerial Personnel
25	Moon PVC Roofing	Enterprise under Influence of Key Managerial Personnel
26	Shri Rang Energy Efficient	Jointly Controlled Entity

## b. Related Party Transaction:-

(₹ in Lakhs)

Sr No	Name of Party	Nature of Transaction	Consolidated		
			As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
1	Rajeshkumar Dhirubhai Gondaliya	Share Application Money Received	-	-	20.06
		Director Remuneration	15.00	60.00	73.00
		Loan Accepted	59.22	233.14	668.59
		Loan Repaid	64.72	259.09	787.73
		Interest Paid	0.59	1.79	13.23
2	Prabhaven Rajeshbhai Patel	Share Application Money Received	-	-	29.06
		Director Remuneration	-	36.00	45.00
		Remuneration	9.00	-	-
		Loan Accepted	38.59	53.00	1.05
		Loan Repaid	45.36	51.11	66.87
3	Bhavinbhai Rajeshbhai Gondaliya	Interest Paid	0.67	1.08	3.79
		Share Application Money Received	-	-	26.81
		Director Remuneration	96.00	96.00	84.00
		Loan Accepted	294.21	343.56	108.25

Sr No	Name of Party	Nature of Transaction	Consolidated	Standalone	
			As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
		Loan Repaid	296.81	341.14	138.44
		Interest Paid	2.14	3.95	2.52
		Rent Paid	2.50	-	-
4	Jinal Rajeshbhai Gondaliya	Share Application Money Received	-	-	26.81
		Director Remuneration	48.00	60.00	30.50
		Loan Accepted	136.78	119.49	29.00
		Loan Repaid	163.68	117.58	45.53
		Interest Paid	1.96	3.48	1.89
5	Mohanbhai Ratilal Varsani	Share Application Money Received	-	-	20.06
		Loan Accepted	-	-	15.00
		Loan Repaid	-	0.51	15.00
		Interest Paid	-	0.05	0.50
6	Mohanbhai Ratilal Varsani - HUF	Share Application Money Received	-	-	20.25
7	Bhavesbhai Shambhubhai Gondaliya	Share Application Money Received	-	-	54.70
		Loan Accepted	10.00	102.45	78.75
		Loan Repaid	12.53	106.46	120.20
		Interest Paid	0.02	2.83	5.46
		Salary Paid	2.54	-	-
8	Chintan Jayantibhai Bodar	Professional Fees	8.05	-	-
		Managerial Remuneration	4.50	-	-
9	Vihan Corporation	Purchase of Capital Goods	94.00	-	-
10	Rajeshkumar Gondaliya (HUF)	Share Application Money Received	-	-	54.00
		Loan Accepted	290.85	175.10	22.58
		Loan Repaid	366.64	110.74	115.68
		Interest Paid	3.86	7.80	6.87
11	Bakelite Engineering Private Limited	Investment in Shares	-	13.50	-
		Sale of Goods	578.77	0.15	-
		Sale of Capital Goods	15.11	-	-
		Purchase of Goods	1,023.92	-	-
		Loan Granted	-	85.75	-
		Loan Recovered	-	87.10	-
		Interest Income	-	1.69	-
12	Kaka Engineering Private Limited (Earlier Known Kaka PVC Profile Private Limited)	Purchase of Goods	-	-	240.87
		Purchase of Capital Goods	-	-	376.05
		Machinery Rent	-	-	-
		Sale	-	-	0.03
		Loan Accepted	704.85	556.72	849.00
		Loan Repaid	607.07	638.51	723.84
13	Shreeji Plast Mart	Interest Paid	13.48	10.58	6.34
		Rent	58.80	64.80	75.90
14	Nicewood Furniture LLP	Purchase	0.18	1.19	0.70
		Sale	21.47	6.91	4.58
15	E Plast Industries LLP	Purchase	0.75	2.91	7.38
		Sale	388.84	644.25	607.57
16	Pinaxis Hi-Tech Engineering Pvt. Ltd.	Purchase of Capital Goods	97.36	5.75	50.01
		Loan Accepted	743.06	-	-
		Loan Repaid	426.71	-	-
		Loan Granted	-	75.95	-
		Loan Recovered	-	103.95	-
		Interest Expense	6.37	0.06	-
17	Moon PVC Roofing	Purchase	1,392.19	855.29	133.20
		Sale	170.35	244.38	130.92
		Machinery Rent Income	-	-	6.00
		Purchase Of Machinery	35.51	-	79.00
18	Gondaliya Plast Mart LLP	Advance Given	-	-	11.05
		Advance Recovered	-	-	12.05



Sr No	Name of Party	Nature of Transaction	Consolidated	Standalone	
			As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
19	E Plast Build Techno Industries LLP	Purchase	-	-	-
20	Shri Rang Energy Efficient	Purchase	-	-	-
		Rent Income	6.00	-	-
		Interest Income	5.48	-	-
		Capital Contribution	397.91	-	-
		Capital Withdrawal	373.10	-	-

## c. Balance of Related Parties:-

(₹ in Lakhs)

Sr No	Name of Party	As on 31st March, 2023	As on 31st March, 2022	As on 31st March, 2021
1	Rajeshbhai D Gondaliya	0.12	6.11	31.78
		Cr Bal	Cr Bal	Cr Bal
2	Prabhaben R Patel	-	6.17	4.96
		-	Cr Bal	Cr Bal
3	Bhavin R Gondaliya	10.91	12.65	6.36
		Cr Bal	Cr Bal	Cr Bal
4	Jinal R Gondaliya	-	25.14	20.60
		-	Cr Bal	Cr Bal
5	Bhaveshbhai S Gondaliya	-	2.51	3.97
		-	Cr Bal	Cr Bal
6	Rajeshkumar Gondaliya(HUF)	-	72.32	0.94
		-	Cr Bal	Cr Bal
7	Chintan Jayantibhai Bodar	1.50	-	-
		Cr Bal	-	-
8	Vihan Corporation	4.88	-	-
		Dr Bal	-	-
9	Kaka Engineering Pvt Ltd (Formerly known as Kaka Pvc Pvt Ltd )	169.32	59.40	131.67
		Cr Bal	Cr Bal	Cr Bal
10	Nicewood Furniture LLP	9.94	4.57	3.59
		Dr Bal	Dr Bal	Dr Bal
11	E Plast Industries LLP	1.99	140.07	254.06
		Dr Bal	Dr Bal	Dr Bal
12	Pinaxis Hi-Tech Engineering Pvt. Ltd.	350.14	28.05	0.38
		Cr Bal	Cr Bal	Cr Bal
13	Bakelite Engineering Private Limited	7.15	0.17	-
		Dr Bal	Dr Bal	-
14	Mohanbhai Ratilal Varsani	-	-	0.46
		-	-	Cr Bal
15	Moon PVC Roofing	0.01	-	6.91
		Cr Bal	-	Dr Bal
16	Mohanbhai Ratilal Varsani - HUF	-	-	-
		-	-	-
17	Shreeji Plast Mart	-	0.50	-
		-	Cr Bal	-
18	Gondaliya Plast Mart LLP	-	-	-
		-	-	-
19	E Plast Build Techno Industries LLP	-	-	-
		-	-	-
20	Shri Rang Energy Efficient	40.64	-	-
		Dr Bal	-	-

For further details, please refer to the Note 24 – Related Party Disclosures of chapter titled “Financial Information of the Company” on page 162 of this Red Herring Prospectus.

**M. DETAILS OF FINANCING ARRANGEMENTS**

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

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

Sr. No.	Name of the Promoter	No. of Shares acquired in last one year	Weighted Average Price (in ₹)
1.	Rajesh Dhirubhai Gondaliya	10,77,500	5.45
2.	Bhavin Rajeshbhai Gondaliya	24,07,000	8.99
3.	Rajeshkumar Dhirubhai Gondaliya (HUF)	13,95,000	Nil

**O. AVERAGE COST OF ACQUISITION OF SHARES**

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

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Rajesh Dhirubhai Gondaliya	12,80,000	6.17
2.	Bhavin Rajeshbhai Gondaliya	26,32,000	9.25
3.	Rajeshkumar Dhirubhai Gondaliya (HUF)	18,60,000	2.90

**P. PRE-IPO PLACEMENT**

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

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

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

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
February 20, 2023	75,00,000	10.00	Nil	Bonus Issue in the ratio of 3:1	Capitalization of Reserves & Surplus	Bhavin Rajeshbhai Gondaliya	19,74,000
						Rajesh Dhirubhai Gondaliya	9,60,000
						Jinal Rajeshbhai Gondaliya	11,17,500
						Prabhaven Rajeshbhai Gondaliya	9,60,000
						Bhaveskumar Shambhubhai Gondaliya	15,000
						Rajeshkumar Dhirubhai Gondaliya (HUF)	13,95,000
						Kaka Engineering Private Limited	3,63,750
						Pinaxis Hi-Tech Engineering Private Limited	3,63,750
						Chintan Jayantibhai Bodar	93,000
						Swati Rajendra Malpani	97,500
						Jatinkumar Patel	66,000
						Jagrutibahen Alpeshkumar Vaghasiya	15,000
						Ghadiya Yogesh	22,500
						Priyanshi Thakkar	7,500
						Mukeshbhai Manjibhai Thummar	7,500
						Pareshbhai Lilabhai Patel	7,500
						Shashank Khandelwal	4,500
Ishan Jayminbhai Parikh	15,000						
Shitalben Bhargavkumar Kukadiya	15,000						
						<b>TOTAL</b>	<b>75,00,000</b>

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

Our company has not done any split/consolidation/ subdivision of equity shares of the Company since incorporation.

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

As on date of the Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

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

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Red Herring Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 130, 91 and 177 respectively of this Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

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

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

#### **Materiality**

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

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

#### **Note:**

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

In this Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” on page 25 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 177 of this Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “**Restated Financial Statements**”.

#### **INTERNAL RISK FACTORS**

1. **We have a limited operating and financial history, which makes it difficult to accurately assess our future growth prospects. Further, our restated financial statements for Fiscal 2021, 2022 and 2023 are not comparable due to our Company’s Joint Venture being formed in Fiscal 2023.**

Upon incorporation of our Company on June 21, 2019, we acquired the profile sheet machinery setup of our Group Company, Kaka Engineering Private Limited (formerly known as Kaka PVC Profile Private Limited) in 2019 and started manufacturing profile sheets in the same year itself. As such, we have a limited operating history, and our success is dependent on our ability to effectively implement our business strategies. Our limited financial and operating history may not provide an accurate basis for investors to understand our business and financial history for comparative analysis and evaluate our future business and financial prospects.

In addition, until Fiscal 2022, our Company did not have any subsidiaries, associates and joint ventures, and no consolidated financial statements were prepared. On April 01, 2022, we formed a Joint Venture in the form of partnership firm, i.e. Shri Rang Energy Efficient which is taken into consideration for the purpose of preparing the Restated Consolidated Financial Statements for Fiscal 2023. Accordingly, our results of operations in Fiscal 2021 and 2022 are not comparable to that for Fiscal 2023 since our consolidated results of operations for Fiscal 2023 includes the consolidated results of operations of Shri Rang Energy Efficient.

However, w.e.f April 01, 2023, our Company has retired from the said partnership firm pursuant to which it ceased to be the Joint venture of our Company. Assessing the future prospects of our business is challenging in light of both known and unknown risks and difficulties we may encounter, and could place significant demands on the management team and our other resources. While we may have experienced success in initial years, there is no assurance that we will succeed in the long term. Consequently, any reduction in demand of Polymer-based profiles or decrease in production of profiles, could result in significant loss which in turn will lead to lower revenues and gross and operating margins resulting into material adverse effect on our business, financial condition and results of operation. Although, our Promoter, Chairman & Managing Director, Mr. Rajesh Dhirubhai Gondaliya has more than 20 years of experience in the field of PVC profile and related products, we are still subject to all the business risks and uncertainties associated with setting up any new business venture, which may adversely affect our business, prospects, results of operations and financial condition.

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

We operate in PVC profile industry wherein the purchasing decisions of consumers are highly influenced by the product price. We may not always be able to offer our products at price points which represent value for money and is competitive in the market. Accordingly, PVC profile companies like us need to be able to reduce their operating costs in order to maintain profitability while maintaining rigorous quality standards. Our dealers also negotiate for monetary benefits as the volume of their sales increase. Our ability to maintain and enhance our competitiveness through our competitive pricing strategy will have a direct effect on our business, financial condition and results of operations. There can be no assurance that price hikes will not take place in the future. If we are unable to maintain our pricing competitiveness and are not able to effectively respond to competition from existing manufacturers and prospective entrants and consequent pricing pressures our business, financial condition and results of operations can be adversely affected.

**3. *Our Promoters, Directors and Promoter group entities have been subject to search and seizure operations conducted by the Income tax department. Any adverse outcome of such proceedings could have an adverse effect on our business, future prospects, financial condition, results of operations and reputation.***

Search and seizure proceedings u/s 132 of the Income Tax Act, 1961 were carried out by the Income Tax Department on 24<sup>th</sup> October, 2018 on the residential and business premises of our Promoters & Directors, namely Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya and Prabhaben Rajeshbhai Gondaliya; Group Companies, namely, Kaka Engineering Private Limited and Pinaxis Hi-tech Engineering Private Limited and certain other promoter group entities & employees and simultaneously survey action u/s 133A of the Income Tax Act, 1961 were also conducted on promoter group entities and other associate persons. During the course of search operations, certain assets, documents, records, hard discs, cash etc., were seized and sworn statements of Directors and employees were recorded. Thereafter, notices u/s 153A, 142(1), 143(2) and 143(3) of the Income Tax Act, 1961 were issued by the Income tax department for A.Y. 2013-14 to 2019-20, and subsequently show cause notices u/s 153A seeking reasons for not making certain additions to total income and penalty notices u/s 271 of the Income Tax Act, 1961 were issued by the Income Tax department for the said assessment years. During this course, the Promoters, Mr. Rajesh Dhirubhai Gondaliya and Mrs. Prabhaben Rajeshbhai Gondaliya along with Group Company, Kaka Engineering Private Limited (“KEPL”), filed the Settlement Applications u/s 245C on 24.03.2021 before the Income Tax Settlement Commission (now Interim Board for Settlement), disclosing the additional income of Rs. 1010.00 lakhs, Rs. 260.00 lakhs and Rs. 225.00 lakhs respectively and resultant additional income tax payable (along with interest) as Rs. 603.75 lakhs, Rs. 131.49 lakhs and Rs. 87.20 lakhs respectively. Mr. Rajesh Dhirubhai Gondaliya, Mrs. Prabhaben Rajeshbhai Gondaliya and KEPL paid an amount of ₹ 614 lakhs (including 100 lakhs as cash seized by IT Department), ₹ 137 lakhs and ₹ 90.25 lakhs (including 3.25 lakhs as cash seized by IT Department) respectively towards the said declared income tax liability. These settlement applications are currently pending adjudication and hearing before the Interim Board for Settlement, New Delhi.

The PCIT(Central), Ahmedabad has furnished its report dated July 05, 2022 to the Interim Board of Settlement under Rule 9 of Income tax Settlement Commission (Procedure) Rule, 1997 objecting inter-alia, that the assesses additional undisclosed income offered in the Settlement Application is not true and correct as well as below the actual undisclosed income earned by the applicant(s). In response to the report issued by PCIT, our Directors and Group Company has filed their reply to Rule 9 Report on January 15, 2023 and January 19, 2023 to the Interim Board. There can be no assurance that the Interim Board of Settlement will accept the settlement terms(including proposed additional income, applicable tax, waiver and other explanations) proposed under the settlement by Mr. Rajesh Dhirubhai Gondaliya, Mrs. Prabhaben Rajeshbhai Gondaliya and KEPL, and that there will be no additional tax liability or other charges imposed on them either by the Income Tax Authorities or any other statutory/regulatory authorities.

Although our Company is not directly impleaded or involved in the aforementioned income tax matter, however any adverse determination in such proceedings against the Promoters, Directors and Promoter Group entities, could have a material adverse effect on the financial condition and reputation of Promoters, Directors, Group Companies and entire Promoter Group and could divert management attention, which could result in a material adverse effect on our business, future prospects, financial condition, results of operations and reputation. For further details, please refer to the chapter titled “**Outstanding Litigations and Material Developments**” on page 185 of this Red Herring Prospectus.



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

We face increasing competition from our existing and potential competitors in India and in overseas markets that may have substantially greater brand recognition, longer operating histories, greater financial, product development, sales, marketing, more experienced management, access to a cheaper cost of capital and other resources than we do. Some of our significant competitors in the organized segment includes Dhabriya Polywood Limited, Sintex Plastics Technology Limited and Fenesta Building Systems - (A division of DCM Shriram Limited). Our competitors may have lower costs, or be able to offer lower prices and a larger variety of products in order to gain market share. Our competitors may also make acquisitions or establish cooperative or other strategic relationships, among themselves or with third parties, including dealers of our products, thereby increasing their ability to address the needs of our targeted customers and offering lower cost products than we do which may have a negative effect on our sales. Further, new competitors may emerge at any time. Our competitors may be able to respond more quickly to new or emerging technologies or customer requirements, and may bring with them customer loyalties that may limit our ability to compete, which could decline our sales. Further, if the Government reduces the import duty on PVC profile in India, we may face increased competition from international players, which may have higher appeal to consumers in terms of variety and pricing. In addition, a variety of known and unknown events could have a material adverse impact on our ability to compete. The success of our products as well as our ability to maintain or increase our sales may also depend upon the effectiveness of our marketing initiatives which may adversely affect our ability to compete effectively.

Competition in our industry is based on a range of factors including pricing, marketing, delivery time, payment terms etc. To remain competitive, we must continue to invest significant resources in capital expenditure, research and development, sales and marketing and customer support. There can be no assurance that we shall have sufficient resources to make these investments or that we shall be able to make the technological advances necessary to be competitive. In case we fail to effectively compete, including any delays in responding to changes in the industry and the market, we may also have to incur additional costs and expenses to conduct marketing campaigns, market research and investing in newer technologies and infrastructure to effectively compete. Increased competition could result in, amongst other things, a slowdown in the growth of our corporate accounts, a loss of our market share, price reductions, reduced demand for our Products, reductions in revenue and reduced margins and profitability.

Further, we may be subject to risk of consolidation amongst our competitors who may leverage their financial strength and market dominance to secure financing at competitive terms. Such a consolidation shall enable these market players to take aggressive steps, including but not limited to, making additional acquisitions, investing more aggressively in product development and capacity and displacing demand for our Products. The market in which we operate is fragmented and in case there is a trend of consolidation in future, our business could be at a comparatively disadvantageous position and as a result our business, results of operations, financial condition and prospects could be materially and adversely affected.

- 5. We face competition from substitutes of our products and if consumers' preferences for any of these substitutes increases it could lead to a reduction in the demand for our products, which could have a material adverse effect on our business, financial condition and results of operations.**

In addition to competition from players in the polymer profile industry, we also face competition from substitutes for many of our products. For instance, the doors made up from PVC, WPC or uPVC profile competes with wooden doors, glass doors, aluminium doors and other type of doors. Increases in consumers' preferences for any of these substitutes could lead to a reduction in the demand for our products, which could have a material adverse effect on our business, financial condition and results of operations. Customer preferences in the markets we operate are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage.

- 6. Majority of our revenue is dependent on single business segment i.e. polymer based profiles. An inability to anticipate or adapt to evolving upgradation of these products or inability to ensure product quality or reduction in the demand of these products may adversely impact our revenue from operations and growth prospects**

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

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

One of our primary raw materials comprise PVC resin, which is derived from crude oil by-products. Crude oil prices are volatile and any major upward movement in the price of crude oil leads to increases in the prices of the PVC resin. The prices of these raw materials may also fluctuate based on exchange rate, customs & duties levied on imports or changes in government policies with

respect to these materials or the countries supplying the same. We may be unable to make adequate provisions for the price fluctuations and, consequently, any adverse fluctuations that we have not factored in or provided for may adversely affect the results of our operations and our financial conditions.

We procure PVC resin mainly from Reliance Industries Limited, with whom we do not have any long-term supply contracts and therefore, we cannot assure you that we shall always have a steady supply of raw material at prices favourable to us. Inadequate supply of such raw materials caused either by a sudden change in the prices or imposition of any new taxes or for any other reason could have a material adverse effect on our business operations and financial condition. In case of loss of any of our existing major vendors for any reason, it would have a material adverse effect on our business operations and profitability. For Fiscals 2021, 2022 and 2023, our cost of materials consumed (on standalone basis) were ₹ 5596.42 lakhs, ₹ 9191.58 lakhs and ₹ 11,029.24 lakhs, respectively, representing 71.07%, 78.59% and 71.65% of our Revenue from Operations respectively. If we cannot fully offset increases in the cost of raw materials, through increases in the prices for our products, we would experience lower margins and profitability, which would have a material adverse effect on our financial condition and results of operations.

Further, we do not have long term agreements with any of our raw material suppliers and we acquire such raw materials pursuant to our purchase orders from suppliers. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, tariff disputes, transportation and labour costs, labour unrest, natural disasters, competition, import duties, the outbreak of infectious diseases such as COVID-19, tariffs and currency exchange rates and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Further, discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations. There can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for our key products and to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Any delay in the supply or delivery of raw materials to us by our suppliers in may in turn delay our process of manufacture and delivery of products to our customers and this may have an adverse effect on our business, cash flows and results of operations. Additionally, our inability to predict market conditions may result in us placing supply orders for inadequate quantities of such raw materials. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them and on commercially acceptable terms.

Our suppliers may be unable to provide us with a sufficient quantity of raw materials, at prices acceptable to us. Further, we may not be able to renegotiate our pricing or delivery terms on a reasonable basis or find suitable alternative suppliers in the future, which may affect our business, financial condition, cash flows and results of operations. Any extended interruption in the supply of raw materials could disrupt our operations and can have a material adverse effect on our business, results of operations or financial condition. Although we believe we have maintained stable relationships with our suppliers in the past, we cannot assure you that, we will be able to source adequate quantities of raw materials in a timely manner from our existing suppliers in the future or we will be able to find alternative suppliers at acceptable prices and quality levels. Our inability to do so may adversely affect our reputation, business, results of operations and cash flows.

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

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained those 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, financial condition and results of operations.

Our Company is not in possession of certain Government Approvals which inter-alia includes (a) consent to operate and consent to establish from Gujarat Pollution Control Board in respect of its manufacturing facilities and fabrication unit, (b) Professional tax registration for certain of its business premises situated in Gujarat and Hyderabad (c) Registration under the Shop & Establishment Act in the respective state laws for depots located at Gagilapur (Telangana), Dadri (Uttar Pradesh) and Surat (Gujarat) and all the Godowns (d) ESIC registration for all the factory workers/ employees in the manufacturing facilities & godowns at Gandhinagar, Gujarat and (e) Fire NOC in respect of registered office and other applicable premises. Upon cognizance being taken by the appropriate authority, the Company and its officers in default may face penalties and/or prosecution under the extant provisions, which could have an adverse impact on our business, results of operations and cash flows. Also, our Company is in the process of making application for change in name in all the permits, licenses and approvals, which are under Company's former name. For details regarding pending approvals, please refer to section titled "**Government and Other Approvals**" beginning on page 188 of the Red Herring Prospectus. In addition, as we are setting up a new manufacturing facility, we will need to obtain certain statutory licences/approvals including but not limited to, factory licence and consent to establish and consent to operate from Pollution Control Board etc. There can be no assurance that the relevant authorities will issue these approvals or licenses in a timely manner, or at all.

In the event of any unanticipated delay in receipt of such approvals, the proposed capacity expansion plan may extend and any such delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

The approvals required by our Company are subject to numerous conditions and there can be no assurance that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

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

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

**Litigations filed by our Company:-**

Nature of Cases	No. of Outstanding Cases	(₹ in lakhs)
		Amount in dispute/demanded to the extent ascertainable
Litigation Involving Criminal Law (filed u/s 138 of Negotiable Instruments Act, 1881)	2	23.44

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

Nature of Cases	No. of Outstanding Cases	(₹ in lakhs)
		Amount in dispute/demanded to the extent ascertainable
Litigation/Matters involving tax Liabilities		
(a) Direct tax	27	Not Determinable*
(b) Indirect tax	1	253.16
Litigation Involving Criminal Law (filed u/s 138 of Negotiable Instruments Act, 1881)	5	16.08

**Litigations involving our Group Companies which can materially impact our Company:-**

Nature of Cases	No. of Outstanding Cases	(₹ in lakhs)
		Amount in dispute/demanded to the extent ascertainable
Litigation/Matters involving tax Liabilities		
(a) Direct tax	4	Not Determinable*

\* Search and seizure proceedings u/s 132 of the Income Tax Act, 1961 were carried out by the Income Tax Department on 24<sup>th</sup> October, 2018 on the residential and business premises of our Promoters & Directors, namely Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya and Prabhaben Rajeshbhai Gondaliya; Group Companies, namely, Kaka Engineering Private Limited and Pinaxis Hi-tech Engineering Private Limited and certain other promoter group entities & employees and simultaneously survey action u/s 133A of the Income Tax Act, 1961 were also conducted on promoter group entities and other associate persons. For details, please refer to chapter titled “**Outstanding Litigations and Material Developments**” on page 185 of this Red Herring Prospectus.

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Red Herring Prospectus. For further details, please refer to the chapter titled “**Outstanding Litigations and Material Developments**” on page 185 of this Red Herring Prospectus.

**10. Our company has not complied with certain statutory provisions of the Companies Act, 2013. Such non-compliance may attract penalties against our Company which could impact the financial position of us to that extent.**

Our Company has not complied with certain statutory provisions under the Companies Act 2013, for instance, our Company has commenced its business before filing of the form INC-20A which is in non-compliance of the provisions of Section 10A of the Companies Act, 2013. Further, our Company has made some clerical errors in documents and form filed with RoC, in respect of Form DPT-3, Form AOC-4 and has made inadequate disclosures in Board Reports and its annexures. In addition, our Company has not filed e-form CHG-1 for creation of charge on certain vehicle loans and business mortgage loan, which is a non-compliance of Section 77 of the Companies Act, 2013. Further the company has not filed Form MSME for FY 2019-20 to FY 2022-23 for details of MSME Creditors whose dues were pending for more than 45 days which was required to be filed Pursuant to Order 2 and 3 dated January 22, 2019 issued under Section 405 of the Companies Act, 2013.

Also, our company has made errors in complying with certain Accounting Standards in the past such as AS-15 (Employee Benefits), however the same have been duly complied by the company in the restated financial statements. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

**11. Demand for our products (polymer-based profile sheets) is closely tied to the levels of residential and non-residential construction activity in India. Any reduction in the activity in one or both of these markets could have a material adverse effect on our business, results of operations and financial condition.**

Our business is heavily dependent on the performance and market trends of the construction & real estate sector (residential and non-residential) in India. Our polymer-based profiles find application in doors, windows, partitions, false ceilings, wall paneling, kitchen cabinets & other interior and exterior works, which is directly related to construction and real estate segment. The real estate and construction sector may be affected by various factors outside our control, including prevailing general economic and market conditions, changes in the applicable governmental regulations, demographic trends, employment and income levels and interest rates, among other factors. In the event of any downturn or cyclical fluctuation in the construction sector affecting the demand of polymer -based profiles or any developments that make our products less economically beneficial, could have an adverse impact on our business, financial condition and results of operations.

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

Our registered office, manufacturing facilities and godowns from which we carry out our business activities are being taken by us on rent from third parties. In the event of termination/non-renewal of said agreements, we may be required to vacate the said premises which may cause disruption in our inventory management, corporate affairs and business and impede our effective operations which could lead temporarily impact our business operations until we get suitable alternative premises. For details on the duration of existing rent/lease agreements for our premises, please refer to the section titled “**Our Business-Properties**” beginning on page 91 of this Red Herring Prospectus.

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

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

Further, we have made investment in certain properties, which are not currently giving us any monthly rental income. In case, we are not able to generate any significant returns from such invested properties, our results of operations and financial condition can be adversely affected.

**13. Substantial portion of our revenues has been dependent upon few customers, with which we do not have any firm commitments. The loss of any one or more of our major customer would have a material adverse effect on our business, cash flows, results of operations and financial condition.**

The substantial portion of our revenues has been dependent upon few customers, which are mainly our dealers. For instance, our top ten customers for the F.Y. ended March 31, 2023 and March 31, 2022 accounted for 32.67% and 37.68% of our revenue from operations for the respective period/year. Our reliance on a limited number of customers for our business exposes us to risks, that may include, but are not limited to, reductions, delays or cancellation of orders from our significant customers, a failure to negotiate favourable terms with our key customers or the loss of these customers, all of which would have a material adverse effect on the business, financial condition, results of operations, cash flows and future prospects of our Company.

The contribution of our top ten customers in our sales as a percentage of the revenue from operations during Fiscal 2023 are disclosed hereunder:-

S. No.	Customer	% contribution in the revenue from operations for Fiscal 2023
1	Customer 1	5.02%
2	Customer 2	4.62%
3	Customer 3	3.76%

S. No.	Customer	% contribution in the revenue from operations for Fiscal 2023
4	Customer 4	3.69%
5	Customer 5	3.43%
6	Customer 6	3.26%
7	Customer 7	2.62%
8	Customer 8	2.12%
9	Customer 9	2.10%
10	Customer 10	2.06%
	<b>Total</b>	<b>32.67%</b>

In addition, we have not entered into long term agreements with our customers and the success of our business is accordingly significantly dependent on maintaining good relationship with them. The loss of one or more of these significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, there is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers. In order to retain some of our existing customers, we may also be required to offer terms to such customers which may place restraints on our resources. Additionally, our revenues may be adversely affected if there is an adverse change in any of our customers' supply chain strategies or a reduction in their outsourcing of products we offer, or if our customers decide to choose our competitors over us or if there is a significant reduction in the volume of our business with such customers.

We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. Further, the sales volume may vary due to our customers' attempts to manage their inventory, market demand, product and supply pricing trends, change in customer preferences etc., which may result in decrease in demand or lack of commercial success of our products, which could reduce our sales and adversely affect our business, cash flows, results of operations and financial condition.

In addition, we are exposed to payment delays and/or defaults by our major customers and our financial position and financial performance are dependent on the creditworthiness of our customers. There is no guarantee that all or any of our customers will honor their outstanding amounts in time and whether they will be able to fulfill their obligations, due to any financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. Such defaults/ delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

***14. We have not registered the trademarks which we are using for our business. If we are unable to protect our intellectual property against third party infringement or are found to infringe on the intellectual property rights of others, it could have a material adverse effect on our business, results of operations and financial condition.***

We have not registered the trademarks which we are using for our business. However, few of the trademarks are being registered in the name of the sole proprietorship, Shreeji Plast Mart which is owned by our Promoter, Rajesh Dhirubhai Gondaliya, which is used by us in the modified form. In respect of such trademarks, we have not entered into any assignment agreement or license agreement with him as permitted under the Trade Marks Act 1999, however, we have been permitted by the owner of the trademark namely Rajesh Dhirubhai Gondaliya, to use the aforementioned trademark. While we believe that the NOC shall continue to remain in place and will be renewed from time-to-time basis, we cannot assure that the same will not be revoked in future. We may not be able to protect our rights in the said trademarks assigned to us through NOC instead of executing formal Assignment Agreement or License Agreement as it may not be acceptable in legal proceedings under the extant provisions of trade marks law. Further, in the event of non-renewal/ revocation of NOC, we may be forbidden from using this trademark and this may affect our brand image adversely. There can be no assurance that we will be able to register the trademarks in future or that, third parties will not infringe 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 our intellectual property.

In addition, the use of similar trade names by third parties may result in confusion among our customers, and we are exposed to the risk that entities in India and elsewhere could pass off their products as our products, including imitation products, which may adversely affect sale of our products, resulting in a decrease in market share due to a decrease in demand for our products. Such imitation products may not only result in loss of sales but also adversely affect our reputation and consequently our future sales and results of operations. In the event of such unauthorized use, we may be compelled to pursue legal action for the protection of our brand and intellectual property, which may divert our attention and resources thereby affecting our business operations. Any litigation, whether or not it is resolved in our favour, could result in significant expense to us and divert the efforts of our technical



and management personnel, which may adversely affect our business operations or financial results. For any of these reasons, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property.

For further details on above and other trademarks, please refer to chapter titled “**Our Business**” beginning on page 91 of this Red Herring Prospectus.

**15. Setting up of a new manufacturing facility requires substantial capital outlay before we realize any benefits or returns on investments.**

In order to capitalize on the future demand, we currently are in process of setting up a new manufacturing plant in village Lasundra, Kheda district (Gujarat), in order to increase our manufacturing capabilities. The land on which the said plant is being constructed comprises of over 49,000 sq. mtrs. area and is obtained by us on lease from our Promoter Director, Mr. Bhavin Rajeshbhai Gondaliya for a period of 30 years till March 26, 2053. The total cost for setting up new manufacturing plant is estimated to be ₹ 27 crores. In order to finance the said project, we have been sanctioned a term loan of ₹ 20 crores from SIDBI. Further, the remaining cost is expected to be funded from the promoter’s contribution and/or any other source as may deem fit by the Board of Directors.

We expect our long-term capital requirements to increase significantly to fund our intended growth and we cannot assure that we shall efficiently be able to obtain sufficient capital resources for these expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs and adversely affect our access to capital. Further, in case we decide to raise additional funds through the issuance of equity or equity-linked instruments, the interests of our shareholders may be diluted. Further, if we decide to meet our capital requirements through debt financing, our interest obligations shall increase and we may be subject to additional restrictive covenants under our respective financing arrangements. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected. Additionally, on account of such expansion, our finance cost, depreciation and other related expenses shall increase in the near future which can adversely impact our results of operations, cash flows and financial condition.

Our expansion plans remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays, labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, environment and ecology costs and other external factors which may not be within the control of our management. There can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects.

The proposed expansion will require us to obtain various statutory approvals or amend existing statutory approvals, including consent to establish, consent to operate, factory licence etc. There can be no assurance that we will be able to obtain these registrations and approvals including approvals in relations to power and water procurement in a timely manner or at all, which in turn may materially and adversely affect our growth prospects, financial condition, results of operations and cash flows.

Our expansion plans and business growth could also strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to attract, expand, train, motivate, retain and manage our workforce. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Any of these factors may cause us to delay, modify or forego some or all aspects of our expansion plans.

Our return on our investment depends upon, among other things, successful implementation of our strategy, competition, demand of our products, government policies, interest rates and general economic conditions. If our return on investment does not meet our or market expectations, this could materially and adversely affect our business, cash flows, results of operations and financial condition.

**16. We are subject to strict quality requirements and are consequently required to incur significant expenses to maintain our product quality. Any failure to comply with such quality standards may lead to cancellation of existing and future orders which may adversely affect our reputation, financial conditions, cash flows and results of operations.**

Given the nature of our products and the sector in which we operate, our customers have high and exacting standards for product quality as well as delivery schedules. Adherence to quality standards is a critical factor in our manufacturing process as any defects in the products manufactured by our Company or failure to comply with the technical specifications regarding the raw material composition may lead to cancellation of the orders placed by our customers. Further, any failure to make timely deliveries of products in the desired quantity as per our customers’ requirements could also result in the cancellation of orders placed by our

customers, product liability claims and may adversely affect our reputation and goodwill. In addition, our customers may demand, among others, price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, or replace their existing products with alternative products, any of which may have an adverse effect on our business, cash flows, results of operations and financial condition.

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

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

**18. Any failure on our part to effectively manage our inventory may result in an adverse effect on our business, revenue from manufacturing operations and financial condition.**

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

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

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

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

As on the date of this Red Herring Prospectus, we have three manufacturing facilities at village Zak, Gandhinagar district, Gujarat, which has a cumulative production capacity of 15,425 MT for manufacturing PVC profile, 2,995 MT for WPC profile & sheet, 2,022 MT for uPVC door & window profile. In Fiscals 2023, 2022 and 2021, our overall capacity utilization is detailed below:

**PVC Profile**

Particulars	2020-21	2021-22	2022-23	Existing Installed Capacity (p.a.)
Installed Capacity (in Mt)	11,719	15,425	15,425	15,425
Actual Production (in Mt)	7,159	8,570	8,584	
Capacity Utilization (in %)	61.09%	55.56%	55.65%	

**WPC Profile & Sheet**

Particulars	2020-21	2021-22	2022-23	Existing Installed Capacity (p.a.)
Installed Capacity (in Mt)	1,872	2,995	2,995	2,995
Actual Production (in Mt)	1424	1755	2,679	
Capacity Utilization (in %)	76.07%	58.60%	89.45%	

**uPVC Door and Window Profile**

Particulars	2020-21	2021-22	2022-23	Existing Capacity (p.a.)	Installed Capacity (p.a.)
Installed Capacity (in Mt)	599	1273	2022	2,022	
Actual Production (in Mt)	109	606	705		
Capacity Utilization (in %)	18.27%	47.62%	34.88%		

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

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

We have obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, stock insurance, workman compensation insurance, property insurance (building, furniture & fixture and plant & machinery), keyman insurance and vehicle insurance in respect of certain of our premises and vehicles. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks such as cash in transit, machinery breakdown, keyman insurance (other than Mr. Rajesh Dhirubhai Gondaliya), group personal accident or mediclaim policy. Further, we have not taken insurance in respect of certain premises that includes (i) manufacturing facility at Supreme -2, Industrial Park, Zak (ii) godown at Block No 339, Industrial Area Zak, (iii) godown at Plot No 1 and 2, Survey No. 282, Zak and (iv) fabrication unit at Survey No. 65 to 71, Bhagwati Nagar, Village Kathwada, Taluka Dascroi, District Ahmedabad. Also, we have not taken insurance for construction material kept at the development site at Lasundra, Kheda. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our insurance policies will be adequate to cover the losses/ damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

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

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

We cannot assure you that we will be able to effectively manage our growth, that our current personnel, infrastructure, systems, procedures and controls or any measures to enhance them will be adequate and successful to support our expanding operations or that our strategies and new business initiatives will be executed successfully. If we are not able to manage our growth or execute our strategies effectively, our expansion may not be successful and our business and prospects may be materially and adversely affected. We have experienced certain operating/ distribution/ manufacturing difficulties in the past in ramping up certain production/ delivery/ in a timely manner to meet the increasing demand and purchase orders from our customers. As we continue to expand, we may experience similar difficulties if we are unable to manage our growth, which may adversely affect our reputation and results of operations.

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

Our success heavily depends upon the continued services of our Promoters and Key managerial personnel, particularly Rajesh Dhirubhai Gondaliya and Bhavin Rajeshbhai Gondaliya. The loss of any of our Promoter and Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to

retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section **“Our Management”** on page 111 of this Red Herring Prospectus.

**23. Our future success depends on our ability to promote our brand and protect our reputation. Our failure to establish and promote our brand and any damage to our reputation will hinder our growth.**

We believe that the market perception of our brands is one of the key factors for the sustained demand of our products amongst consumers. We have consistently allocated significant resources to establish and strengthen the “Kaka” brand and increase our brand recall through various marketing initiatives. As a part of our marketing strategy, we employ various marketing techniques such as TV Ad on regional channels, participation in trade fairs & exhibitions, presence over B2B marketplace (such as tradeindia.com), etc. We have also recently carried advertisement in the cricket match stadium of Rajkot, Gujarat, during the match between India v/s South Africa. Our Company also organizes dealer meets from time to time in order to promote our sales. The advertisement & marketing expenses incurred by our Company in Fiscal 2021, 2022 and 2023 were ₹ 97.25 Lakhs, ₹ 136.70 Lakhs and ₹ 259.38 Lakhs, respectively. Our sales & distribution network is aided by our capable in-house sales and marketing team of 16 employees, which liaise with the dealers on a regular basis for customer inputs, market demands as well as positioning of our products vis-à-vis products of our competitors. We have invested, and will need to continue to dedicate, significant time, efforts and resources to advertising and market promotion initiatives. We may need to devote an even greater portion of our resources to continue to strengthen our brand recognition and build our user base, which may impact our profitability. We cannot guarantee that our marketing efforts will ultimately be successful, as it is affected by numerous factors, including the effectiveness of our marketing campaigns, our ability to provide consistent, high-quality products and services, consumers' satisfaction with our products, as well as supports and services we provide, among others.

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

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on March 31, 2023, our total outstanding indebtedness was ₹ 4013.66 Lakhs.

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

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

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse affect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see **“Statement of Financial Indebtedness”** on page 170 of this Red Herring Prospectus.

**25. Our business operations are majorly concentrated in certain geographical regions and any adverse developments affecting our operations in these regions could have a significant impact on our revenue and results of operations.**

We carry our entire manufacturing operations from our unit located in village Zak, Gandhinagar district, Gujarat. Due to the geographical concentration of our manufacturing operations primarily in Zak, our operations are susceptible to local, regional and environmental factors, such as social and civil unrest, regional conflicts, civil disturbances, economic and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials, loss of key managerial personnel, and/or otherwise adversely affect our business, financial condition and results of operations.

In addition, we generate major domestic sales through our dealers and customers situated in Gujarat. For the Fiscal 2023, we derived major portion of our revenue from the state of Gujarat (i.e. 63.73%), followed by Telangana (8.67%), Maharashtra (7.49%) and Karnataka (4.61%). Such geographical concentration of our business in these region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region, which may adversely affect our business prospects, financial conditions and results of operations.

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

prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

**26. One of our Group Company has incurred losses in the past, which could not be perceived positively by external parties.**

Our Group Company, Bakelite Engineering Private Limited has incurred losses in the past, the details of which is given below:

Group Company	For the year ended		
	March 31, 2022	March 31, 2021	March 31, 2020
Bakelite Engineering Private Limited	(32.35)	(0.24)	0.21

(₹ in Lakhs)

Any operating losses/negative networth may not be perceived positively by external parties such as customers, bankers, suppliers and other stakeholders which could adversely affect our credibility and the overall operations of the group and financial conditions and also divert the attention of the management and promoters towards the group company which could have an adverse affect on our operations and financials. For more information, regarding the Company, please refer chapter titled “*Our Group Companies*” beginning on page 193 of this Red Herring Prospectus.

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

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

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

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group members/entities. These transactions, inter-alia includes, sales, purchase, remuneration, loans and advances, purchase of fixed assets, payment of commission etc. For details, please refer to *Note 24- Related Party Transactions*” under Section titled “*Financial Information of the Company*” and Chapter titled “*Capital Structure*” beginning on page 162 and 57 respectively of this Red Herring Prospectus. Our Company has entered into such transactions due to easy proximity and quick execution. While we believe that all such transactions have been conducted on an arm’s length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties.

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

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

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

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

As per our Restated Financial Statements, our cash flows from operating activities is as set out below:-

Particulars	For The Year Ended 31st March		
	2023 (Consolidated)	2022 (Standalone)	2021 (Standalone)
Net cash from operating activities (A)	839.78	(48.77)	(497.01)

(₹ in Lakhs)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay



dividends, repay loans and make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

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

The average cost of acquisition of Equity Shares of our Promoters are lower than the face value of Equity Shares i.e. ₹ 10/-. For further details regarding the average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares of our Promoters in our Company, please see Chapter titled “*Capital Structure*” beginning on page 57 of this Red Herring Prospectus.

**32. *We have not made any provision for decline in the value of investments made by our Company. Any significant decline in the value of investments made by our company may impact our financial results and condition.***

The value of investment made by our company as of March 31, 2023 stood at ₹ 251.62 lakh. There have been no provisions made by the management for fluctuation in the value of investments. Any loss or profit on the sale of the said investment will be included in the account only when the said investments are sold which may have a material impact on our financial conditions and results of operations.

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

Our business requires significant amount of working capital and major portion of our working capital is utilized towards inventories, trade receivables and cash & cash equivalents. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials. For further details regarding working capital requirement, please refer to the section “*Objects of the Issue*” on page 68 of this Red Herring Prospectus.

**34. *Failure to effectively manage labour or failure to ensure availability of sufficient labour could affect the business operations of the Company.***

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

**35. *The Promoters (including Promoter Group) and Directors hold 95.32% of the Equity Shares of our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.***

Our Promoters and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company or their relatives, dividend entitlement, properties given by them on lease/rental basis or loans advanced by them to the Company, and benefits deriving from the directorship in our Company. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. For instance, our Promoter may terminate the lease deed in respect of the main manufacturing unit, which may adversely impact our business operations, results and financial condition. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. For further information, please refer to the chapters/section titled “*Our Business*”, “*Our Promoters and Promoter Group*” and “*Note 24 - Related Party Transactions*”, beginning on pages 91, 124 and 162 respectively of this Red Herring Prospectus.

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

Our Promoters, Directors and Promoter Group entities/members, namely Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya, Rajeshkumar Dhirubhai Gondaliya (HUF), Prabhaven Rajeshbhai Gondaliya and Jinal Rajeshbhai Gondaliya along with certain other parties have extended personally guarantee towards loan facilities taken by our Company. Any default or failure by us to repay the loans in a timely manner, or at all could trigger repayment obligations of our guarantors in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations as Promoters/Directors of our Company, thereby having an effect on our business, results of operation and financial condition. Furthermore, in the event that these individuals withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts

outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “*Statement of Financial Indebtedness*” on page 170 of this Red Herring Prospectus.

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

Our Company has availed unsecured loans which may be recalled by lenders at any time with or without the existence of an event of default, on short or no notice. As of March 31, 2023, such loans amounted to ₹ 571.74 Lakhs. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially affect our business, cash flows, financial condition and results of operations. For further details, please see the section entitled “*Statement of Financial Indebtedness*” on page 170 of this Red Herring Prospectus

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

The proposed fund requirement for our Working Capital requirements, as detailed in the section titled “*Objects of the Issue*” is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled “*Objects of the Issue*” beginning on page 68 of this Red Herring Prospectus.

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

The deployment of funds as stated in the “*Objects of the Issue*” beginning on page 68 of this Red Herring Prospectus is entirely at the discretion of our management and has not been appraised by any independent agency. Further, the purposes for which the Net Proceeds are to be utilised have not been appraised by an independent entity and are based on our estimates and on third-party quotations. In the event, for whatsoever reason, we are unable to execute our plans, we could have a significant amount of unallocated net proceeds. In such a situation, we would have broad discretion in allocating these net proceeds from the Issue without any action or approval of our shareholders. In case the assumptions on which these estimates have been made are not correct or they become un-realistic then there will be a variation in the estimates and the actual expenditure incurred which could result in execution delays and have an adverse effect on our operations and profitability.

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

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Red Herring Prospectus. For further information, see the section titled “*Our Business*” on page 91 of this Red Herring Prospectus.

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

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

**42. *Relevant copies of educational qualification of four of our directors are not traceable.***

Relevant copies of the educational qualification of our Directors, namely, Rajesh Dhirubhai Gondaliya, Prabhaben Rajeshbhai Gondaliya and Niraj Davariya is not traceable. In accordance with the disclosure requirements in respect of brief biographies of the Directors, we have relied on affidavits provided by such Directors for the purpose of disclosure in the section entitled “*Our Management*” on page 111 of this Red Herring Prospectus.

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

The loan agreements entered into by us with banks contain specific covenants which require us to obtain the prior approval/ permission from the banks on the occurrence of certain events such as formulation of any scheme of amalgamation or reconstruction, undertaking of any new project or expansion, making any substantial change in our management set up, any change in our capital structure resulting in reduction of capital, etc. We are required to obtain consent/ approval from our lender before undertaking any such steps which have been mentioned in the loan agreements. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see “*Statement of Financial Indebtedness*” on page 170 of this Red Herring Prospectus.

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

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

**45. We will continue to be controlled by our Promoters after the completion of the Issue.**

After the completion of the Issue, our Promoters will hold majority of our outstanding Equity Shares. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot guarantee that our Promoters and Promoter Group will act in our interest while exercising their rights

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, working capital requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” on page 129 of this Red Herring Prospectus.

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

Pursuant to the requirements of the SEBI ICDR Regulations, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the “*Basis for Issue Price*” beginning on page 74 of the Red Herring Prospectus. Although this information is sourced from and relied upon on the consolidated audited financial statements of the relevant listed industry peers as available on the websites of the Stock Exchanges, including the annual reports of the respective companies submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There maybe different methodologies and formulas used to compute the various ratios.

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

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

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

We are currently engaged in the manufacture and supply of polymer based profiles which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with ESI and Provident Fund. Any demand or penalty raised by the concerned authority in future for any previous years or current year will affect the financial position of the Company.

**50. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which we operate contained in the Red Herring Prospectus.**

While facts and other statistics in the Red Herring Prospectus relating to India, the Indian economy and the industry in which we operate has been based on various governmental and organizational web site data that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “**Industry Overview**” beginning on page 82 of this Red Herring Prospectus. Due to possibly flawed 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, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**51. Certain data mentioned in this Red Herring Prospectus has not been independently verified.**

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

**EXTERNAL RISK FACTORS**

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

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

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter “**Government and Other Approvals**” on page 188 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse affect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, the Government has proposed a comprehensive national goods and services

tax (“GST”) regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

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

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

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

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

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

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

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

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

***57. If certain labour laws become applicable to us, our profitability may be adversely affected.***

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

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

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse affect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will



continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

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

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

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

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

The issue price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "**Basis for Issue Price**" beginning on page 74 of the Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

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

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

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

<b>PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue<sup>(1)(2)</sup></b>	Issue of upto 36,60,000 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 ₹ [●] Lakhs.
<b>Out of which:</b>	
<b>Issue Reserved for the Market Makers</b>	1,92,000 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 ₹ [●] Lakhs.
<b>Net Issue to the Public</b>	34,68,000 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 ₹ [●] Lakhs.
<b>Out of which</b>	
A. QIB Portion <sup>(3)(4)</sup>	Not more than 17,32,000 Equity Shares aggregating up to ₹ [●] lakhs.
<b>Out of which</b>	
i) Anchor Investor Portion	Upto 10,38,000 Equity Shares aggregating up to ₹ [●] lakhs.
ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Upto 6,94,000 Equity Shares aggregating up to ₹ [●] lakhs.
<b>Out of which</b>	
a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Upto 34,000 Equity Shares aggregating up to ₹ [●] lakhs
b) Balance of QIB Portion for all QIBs including Mutual Funds	Upto 6,60,000 Equity Shares aggregating up to ₹ [●] lakhs
B. Non-Institutional Portion	Not less than 5,22,000 Equity Shares aggregating up to ₹ [●] lakhs
C. Retail Portion	Not less than 12,14,000 Equity Shares aggregating up to ₹ [●] lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	1,00,00,000 Equity Shares of face value of ₹ 10 each
<b>Equity Shares outstanding after the Issue</b>	Upto 1,36,60,000 Equity Shares of face value ₹ 10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 68 of this Red Herring Prospectus.

<sup>(1)</sup> Public issue upto 36,60,000 Equity Shares face value of ₹ 10.00 each for cash at a price of ₹ [●] per Equity Share of our Company aggregating to ₹ [●] Lakhs. This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section “*Issue Structure*” beginning on page 213 of this Red Herring Prospectus.

\*Subject to finalisation of the Basis of Allotment, number of shares may need to be adjusted for lot size upon determination of Issue price.

Notes:

- The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on March 17, 2023 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on March 18, 2023.
- The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders.
- Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the

discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “*Issue Procedure*” beginning on page 216 of this Red Herring Prospectus.

**SUMMARY OF OUR FINANCIALS****RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(₹ in Lakhs)

Particulars		Consolidated	Standalone	
		31/03/2023	As At	
			31/03/2022	31/03/2021
<b>A)</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1.</b>	<b>Shareholders' Funds</b>			
(a)	Share Capital	1,000.00	250.00	250.00
(b)	Reserves & Surplus	956.88	991.31	493.65
		<b>1,956.88</b>	<b>1,241.31</b>	<b>743.65</b>
<b>2.</b>	<b>Non-Current Liabilities</b>			
(a)	Long Term Borrowings	2,257.50	1,232.27	591.74
(b)	Deferred Tax Liabilities (Net)	17.52	16.56	14.11
(c)	Long Term Provisions	25.35	18.28	9.18
		<b>2,300.36</b>	<b>1,267.11</b>	<b>615.02</b>
<b>3.</b>	<b>Current Liabilities</b>			
(a)	Short Term Borrowings	1,756.16	1,503.28	1,407.26
(b)	Trade Payables			
	(A) outstanding dues of micro enterprises and small enterprises; and	176.47	280.43	265.72
	(B) Outstanding dues of other than micro enterprises and small enterprises.	256.81	174.19	378.83
(c)	Other Current Liabilities	180.30	140.41	97.97
(d)	Short Term Provisions	140.02	8.01	59.57
		<b>2,509.76</b>	<b>2,106.34</b>	<b>2,209.35</b>
	<b>Total</b>	<b>6,767.00</b>	<b>4,614.76</b>	<b>3,568.02</b>
<b>B)</b>	<b><u>ASSETS</u></b>			
<b>1.</b>	<b>Non-Current Assets</b>			
(a)	Property, Plant and Equipment and Intangible assets			
	I) Property, Plant and Equipment			
	(i) Gross Block	1,412.67	1,108.36	837.02
	(ii) Depreciation	299.49	168.18	68.87
	(iii) Net Block	1,113.18	940.18	768.14
	II) Intangible Assets	18.60	8.09	8.72
	III) Capital Work-in-Progress	798.62	-	-
		<b>1,930.39</b>	<b>948.27</b>	<b>776.87</b>
(b)	Non-Current Investment	251.62	201.02	0.20
		<b>251.62</b>	<b>201.02</b>	<b>0.20</b>
<b>2.</b>	<b>Current Assets</b>			
(a)	Inventories	1,510.37	1,849.45	1,146.18
(b)	Trade Receivables	1,861.68	1,407.96	1,452.37
(c)	Cash and Cash equivalents	715.29	9.82	11.44
(d)	Other Current Assets	497.66	198.23	180.97
		<b>4,584.99</b>	<b>3,465.46</b>	<b>2,790.95</b>
	<b>Total</b>	<b>6,767.00</b>	<b>4,614.76</b>	<b>3,568.02</b>

## ANNEXURE – II

## RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars		Consolidated	Standalone	
		FOR THE YEAR		
		31/03/2023	31/03/2022	31/03/2021
1	Revenue From Operations	15,849.89	11,695.92	7,874.89
2	Other Income	37.81	14.06	4.12
	<b>Total Income (1+2)</b>	<b>15,887.70</b>	<b>11,709.98</b>	<b>7,879.00</b>
<b>3</b>	<b>Expenditure</b>			
(a)	Raw Material Consumption & Cost of Goods Sold	11,450.89	9,191.58	5,596.42
(b)	Change in inventories of finished goods, work in progress and stock in trade	365.75	(561.23)	2.35
(c)	Employee Benefit Expenses	974.99	892.24	722.07
(d)	Finance Cost	252.63	213.13	156.99
(e)	Depreciation and Amortisation Expenses	135.59	106.70	67.40
(f)	Other Expenses	1,703.88	1,201.10	917.20
<b>4</b>	<b>Total Expenditure 3(a) to 3(f)</b>	<b>14,883.73</b>	<b>11,043.53</b>	<b>7,462.43</b>
<b>5</b>	<b>Profit/(Loss) Before Exceptional &amp; extraordinary items &amp; Tax (2-4)</b>	<b>1,003.97</b>	<b>666.45</b>	<b>416.57</b>
6	Exceptional and Extra-ordinary items	-	-	-
<b>7</b>	<b>Restated Profit/(Loss) Before Tax (5-6)</b>	<b>1,003.97</b>	<b>666.45</b>	<b>416.57</b>
<b>8</b>	<b>Tax Expense:</b>			
(a)	Tax Expense for Current Year	(284.51)	(166.34)	(101.16)
(b)	Deferred Tax (Expense)/ Income	(0.96)	(2.45)	(12.90)
	<b>Net Current Tax Expenses</b>	<b>(285.47)</b>	<b>(168.79)</b>	<b>(114.06)</b>
<b>9</b>	<b>Restated Profit/(Loss) for the Year (7-8)</b>	<b>718.50</b>	<b>497.66</b>	<b>302.51</b>
<b>Basic, computed on the basis of Restated Profit/(loss) attributable to equity holders</b>				
	Equity shares, Nominal value of ₹ 10 each	<b>7.19</b>	<b>4.98</b>	<b>4.59</b>
<b>Diluted, computed on the basis of Restated Profit/(loss) attributable to equity holders</b>				
	Equity shares, Nominal value of ₹ 10 each	<b>7.19</b>	<b>4.98</b>	<b>4.59</b>

## ANNEXURE III

## RESTATED CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars	Consolidated		
	FOR THE YEAR		
	31/03/2023	31/03/2022	31/03/2021
<b>A) Cash Flow From Operating Activities:</b>			
<b>Net Profit before tax</b>	1,003.97	666.45	416.57
Adjustment for:			
Depreciation and amortization	135.59	106.70	67.40
Finance Cost	252.63	213.13	156.99
(Profit)/ Loss on Sale of Fixed Assets	0.12	1.80	0.17
Dividend Income	(0.04)	(0.02)	-
Interest Income	(8.76)	(4.44)	-
Provision for Gratuity Expense	7.08	-	-
Provision for Doubtful Trade Receivable	34.64	-	-
Earlier income tax written off	(0.06)	-	-
Goodwill arising on account of investment in jointly controlled entity	(2.93)	-	-
<b>Operating profit before working capital changes</b>	<b>1,422.23</b>	<b>983.63</b>	<b>641.13</b>
Changes in Working Capital			
(Increase)/Decrease in Trade Receivables	(488.36)	44.41	(378.27)
(Increase)/Decrease in Inventory	339.09	(703.27)	(187.57)
(Increase)/Decrease in Other Current Asset	(306.16)	(9.80)	(147.65)
Increase/(Decrease) in Trade Payables	(21.35)	(189.93)	(418.92)
Increase/(Decrease) in Other Current Liabilities & Provision	93.64	39.76	76.31
Cash generated from operations	1,039.08	164.81	(414.97)
Taxes Paid	(199.30)	(213.58)	(82.04)
<b>Net cash flow from operating activities</b>	<b>A</b>	<b>839.78</b>	<b>(48.77)</b>
<b>B) Cash Flow From Investing Activities:</b>			
Purchase of Fixed Assets including of CWIP	(1,148.25)	(354.49)	(735.91)
Sale of Fixed Assets	30.43	74.58	1.00
Investment Purchase/ (Sold) during the year	(50.60)	(200.82)	-
Dividend Income	0.04	0.02	-
Interest Income	8.59	4.44	-
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>(1,159.79)</b>	<b>(734.91)</b>
<b>C) Cash Flow From Financing Activities :</b>			
Proceeds from Issue of Share Capital	-	-	299.00
Increase/(Decrease) in Short Term Borrowings	252.87	96.02	881.85
Increase/(Decrease) in Long Term Borrowings	1,025.23	640.53	204.57
Interest Paid	(252.63)	(213.13)	(156.99)
<b>Net cash flow from financing activities</b>	<b>C</b>	<b>1,025.48</b>	<b>523.42</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	<b>(A+B+C)</b>	<b>705.47</b>	<b>(1.62)</b>
Cash equivalents at the beginning of the year	9.82	11.44	14.93
<b>Cash equivalents at the end of the year</b>	<b>715.29</b>	<b>9.82</b>	<b>11.44</b>

Notes:

**A. Component of Cash and Cash equivalents**

(₹ in Lakhs)

Sr. No.	Particulars	31/03/2023	31/03/2022	31/03/2021
a	Cash on hand	5.29	7.84	11.30
b	Balance With banks	710.00	1.98	0.14
c	Other Bank Balance	-	-	-
	<b>Total cash and cash equivalents</b>	<b>715.29</b>	<b>9.82</b>	<b>11.44</b>

**B.** Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated summary financial information (Annexure IV) are an integral part of this statement.



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

Our Company was originally incorporated as a private limited Company under the name of “Kaka Industries Private Limited” on June 21, 2019 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad, bearing registration number as 108782. Thereafter, our Company was converted from private limited to public limited and the name of our Company was changed from “Kaka Industries Private Limited” to “Kaka Industries Limited” vide fresh certificate of incorporation dated March 14, 2023, issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate identification number of our Company is U25209GJ2019PLC108782.

For further details please refer to chapter titled “*History and Corporate Structure*” beginning on page 109 of this Red Herring Prospectus.

<b>Registered Office</b>	Plot No.67, Bhagwati Nagar, Opp. Nilkanth Arcade, Opp. Kathwada GIDC, Kuha-Kanbha Road, Ahmedabad-382415 Gujarat. <b>Tel. No.:</b> +91-80004-46524 <b>Email:</b> <a href="mailto:accounts@kakaprofile.com">accounts@kakaprofile.com</a> <b>Website:</b> <a href="http://www.kakaprofile.com">www.kakaprofile.com</a> <b>CIN:</b> U25209GJ2019PLC108782 <b>Registration Number:</b> 108782
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**Address of the RoC:****Registrar of Companies, Ahmedabad**

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

**Phone:** 079- 27438531

**Email:** [roc.ahmedabad@mca.gov.in](mailto:roc.ahmedabad@mca.gov.in)

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

**Board of Directors:**

The Board of Directors of our Company as on the date of filing of this Red Herring Prospectus consists of:

<b>Name of Director</b>	<b>Designation</b>	<b>Address</b>	<b>DIN</b>
Rajesh Dhirubhai Gondaliya	Chairman & Managing Director	3, Shreedhar Kutir Bunglows, Opp. Shivpujan Tenement, Nikol Naroda Road, Nikol, Ahmedabad-382350, Gujarat India	03454540
Bhavin Rajeshbhai Gondaliya	Whole-Time Director	3, Shreedhar Kutir Bunglows, Opp. Shivpujan Tenement, Nikol Naroda Road, Nikol, Ahmedabad-382350, Gujarat, India	07965097
Prabhaben Rajeshbhai Gondaliya	Non-Executive Director	3, Shreedhar Kutir Bunglows, Opp. Shivpujan Tenement, Nikol Naroda Road, Nikol, Ahmedabad-382350, Gujarat, India	06851276
Jaimish Govindbhai Patel	Independent Director	412-2306, Gujrat Housing Board Nr, Navarang Flat, Bapunagar, Ahmedabad City, Gujarat – 380 024, India.	09647742
Niraj Davariya	Independent Director	128, Suryam Flora, Vrundavan Party Plot, Nikol, Gandhinagar-382350, Gujarat, India	09371601

For further details in relation to our Directors, please refer to chapter titled “*Our Management*” on page 111 of this Red Herring Prospectus.

<b>Chief Financial Officer</b>	<b>Company Secretary and Compliance Officer</b>
<b>Chintan Jayantibhai Bodar</b> <b>Kaka Industries Limited</b> <b>Address:</b> Plot No.67, Bhagwati Nagar, Opp. Nilkanth Arcade, Opp. Kathwada GIDC, Kuha-Kanbha Road, Ahmedabad-382415 Gujarat. <b>Tel. No.:</b> +91-80004-46524 <b>Email:</b> <a href="mailto:chintan@kakaprofile.com">chintan@kakaprofile.com</a>	<b>Vandana Arun Baldi</b> <b>Kaka Industries Limited</b> <b>Address:</b> Plot No.67, Bhagwati Nagar, Opp. Nilkanth Arcade, Opp. Kathwada GIDC, Kuha-Kanbha Road, Ahmedabad-382415 Gujarat. <b>Tel. No.:</b> +91-97253-33718 <b>Email:</b> <a href="mailto:investors@kakaprofile.com">investors@kakaprofile.com</a>

**Investor Grievances:**

Investors can contact the Company Secretary and Compliance Officer, the BRLM 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, noncredit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

All grievances relating to the ASBA process 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, details of UPI IDs (if applicable), address of the Applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant.

Further, the investors 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 and Our Company:**

<b>Book Running Lead Manager of the Issue</b>	<b>Legal Advisor to the Issue</b>
<b>Hem Securities Limited</b> <b>Address:</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India <b>Tel No.:</b> +91-22-4906 0000 <b>Fax No.:</b> +91-22-22625991 <b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Contact Person:</b> Mr. Akun Goyal <b>SEBI Reg. No.:</b> INM000010981	<b>Vedanta Law Chambers</b> <b>Address:</b> 1st Floor, SSK House, B-62, Sahakar Marg, LalKothi, Jaipur-302015 Rajasthan, India <b>Tel:</b> +91- 141 -2740911, 4014091 <b>Fax:</b> +91- 141 -2740911 <b>Website:</b> <a href="http://www.vedantalawchambers.com">www.vedantalawchambers.com</a> <b>Email:</b> <a href="mailto:vedantalawchambers@gmail.com">vedantalawchambers@gmail.com</a> <b>Contact Person:</b> Advocate Nivedita Ravindra Sarda
<b>Registrar to the Issue</b>	<b>Statutory Auditor</b>
<b>Bigshare Services Private Limited</b> <b>Address:</b> S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, India. <b>Telephone:</b> +91 22 6263 8200 <b>Facsimile:</b> +91 22 6263 8299 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Mr. Vinayak Morbale <b>SEBI Registration Number:</b> INR000001385 <b>CIN:</b> U99999MH1994PTC076534	<b>Dinesh R Thakkar &amp; Co.</b> <b>Chartered Accountants,</b> <b>Address:</b> A-403, Shapath IV, Opp. Karnavati Club, Near Chimanbhai Patel Institute, S.G. Highway, Prahladnagar, Ahmedabad-380015 Gujarat India <b>Tel No.:</b> +91-79460-16546 <b>Email:</b> <a href="mailto:cadrt18@gmail.com">cadrt18@gmail.com</a> <b>Firm Registration No.:</b> 102612W <b>Contact Person:</b> Dineshchandra Ranchhodlal Thakkar <b>Peer Review Certificate No.:</b> 012422
<b>Bankers to the Company</b>	<b>Advisors to the Issue</b>
<b>State Bank of India</b> <b>Address:</b> State Bank of India, SME S G Highway Branch, Opposite Gurudwara, S G Highway Ahmedabad- 380054 Gujarat <b>Tel:</b> +91 76000-99744 <b>Email:</b> <a href="mailto:Kalpesh.zala@sbi.co.in">Kalpesh.zala@sbi.co.in</a> ; <a href="mailto:sbi.05146@sbi.co.in">sbi.05146@sbi.co.in</a> <b>Website:</b> <a href="http://www.sbi.co.in">www.sbi.co.in</a> <b>Contact Person:</b> Mr. Kalpesh Zala <b>Designation:</b> Chief Manager & RM SME	<b>JJ IPO Advisor Private Limited</b> <b>Address:</b> 303, Shilp-II, Near Income Tax, Ashram Road, Ahmedabad – 380009 Gujarat <b>Tel:</b> 079-27541850; +91- 9662143429; +91-9825065031 <b>Email:</b> <a href="mailto:info@jjipoadvisors.com">info@jjipoadvisors.com</a> <b>Contact Person:</b> Mr. Chetan Jagetiya/Mr. Jeevan Jagetiya
<b>Bankers to the Issue/ Refund Banker/ Sponsor Bank</b>	<b>Syndicate Member</b>
<b>Axis Bank Limited</b> <b>Address:</b> Axis Bank Ltd., SG Highway Branch, Ground Floor, Opp. Rajpath Club, SG Highway, Ahmedabad – 380 054 Gujarat <b>Mobile No.:</b> +91-8758101081 <b>Email:</b> <a href="mailto:archita.shah@axisbank.com">archita.shah@axisbank.com</a> <b>Contact Person:</b> Archita Shah <b>Website:</b> <a href="http://www.axisbank.com">www.axisbank.com</a> <b>SEBI Registration Number:</b> INBI00000017	<b>Hem Finlease Private Limited</b> <b>Address:</b> 203, Jaipur Tower, M. I. Road, Jaipur-302001 Rajasthan <b>Tel No.:</b> +91-0141-4051000 <b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Contact Person:</b> Mr. Ashok Soni <b>SEBI Registration Number:</b> INZ000167734

## **Designated Intermediaries:**

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

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link.  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>;  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

Investors are requested to refer the SEBI website for updated list of SCSBs and their 33 designated branches.

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

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

### **Syndicate SCSB Branches**

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

### **Registered Brokers**

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

### **Registrar and Share Transfer Agents**

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

### **Collecting Depository Participants**

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

### **Brokers to the Issue**

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

### **Expert Opinion**

Except the report of the Auditor on statement of special tax benefits and report on restated financial statements prepared for the financial year ended March 31, 2023, 2022 and 2021 as included in this Red Herring Prospectus, our Company has not obtained any expert opinion.

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

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

### **Appraisal and Monitoring Agency**

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹ 10,000 Lakh. Since the Issue size is below ₹ 10,000 Lakh, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

## **Credit Rating**

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

## **IPO Grading**

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

## **Debenture Trustees**

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

## **Filing of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with the SEBI/ RoC**

The Red Herring Prospectus is being filed with BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 Maharashtra, India.

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

A copy of the Red Herring Prospectus/ Prospectus, along with the documents required to be filed under Section 26 & 32 of the Companies Act, 2013 will be filed to the RoC Office situated at Registrar of Companies, Ahmedabad, Ministry of Corporate Affairs, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat.

## **Book Building Process**

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Ahmedabad Edition of Regional newspaper Amdavad Today where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are:-

- Our Company;
- The Book Running Lead Manager in this case being Hem Securities Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE Ltd. and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue and;
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “**Anchor Investor Portion**”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB 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 BRLM and the Designated Stock Exchange.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period**

**and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.**

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be 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 Book Running Lead Manager and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

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, 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. For details in this regards, specific attention are invited to the chapter titled “**Issue Procedure**” beginning on page 216 of the Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “**Issue Procedure**” on page 216 of this Red Herring Prospectus.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “**Issue Procedure**” on page 216 of this Red Herring Prospectus;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

#### Bid/ Issue Program:

Event	Indicative Dates
Bid/ Issue Opening Date	Monday, July 10, 2023
Bid/ Issue Closing Date	Wednesday, July 12, 2023



Event	Indicative Dates
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about Monday, July 17, 2023
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or about Tuesday, July 18, 2023
Credit of Equity Shares to Demat accounts of Allottees	On or about Wednesday, July 19, 2023
Commencement of trading of the Equity Shares on the Stock Exchange	On or about Thursday, July 20, 2023

*Note <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations*

*<sup>2</sup>Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running 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 Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band 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.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/Issue Closing Date maybe extended in consultation with the BRLM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from 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 Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs / DPs / stock brokers, as the case may be, for the rectified data.

### **Withdrawal of the Issue**

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

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

If our Company withdraws the Issue after the Bid/Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Draft Red Herring 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 registration of Prospectus with RoC.



**Underwriting**

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten by the underwriter Hem Securities Limited in the capacity of Underwriter to the Issue.

Pursuant to the terms of the Underwriting Agreement dated May 29, 2023 entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
<b>Hem Securities Limited</b> <b>Address:</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai 400013, India <b>Tel No.:</b> +91-22-4906 0000 <b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Contact Person:</b> Mr. Rohit Sharma <b>SEBI Registration Number.:</b> INM000010981	36,60,000	[●]	100%

\*Includes 1,92,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, Hem Finlease Private Limited in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

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

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

There have been no change in our Company's auditors in the last three (3) years.

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

Our Company and the BRLM has entered into Market Making Agreement dated May 29, 2023 with the following Market Maker, to fulfill the obligations of Market Making for this issue:

<b>Name</b>	Hem Finlease Private Limited
<b>Correspondence Address</b>	203, Jaipur Tower, M I Road, Jaipur-302001 Rajasthan, India
<b>Tel No.</b>	+91-141-4051000
<b>E-mail</b>	<a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a>
<b>Website</b>	<a href="http://www.hemsecurities.com">www.hemsecurities.com</a>
<b>Contact Person</b>	Mr. Ashok Soni
<b>SEBI Registration No.</b>	INZ000167734
<b>Market Maker Registration No.</b>	SMEMM0674109092020

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

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

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the BSE SME and SEBI from time to time.
- 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(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of BSE (in this case currently the minimum trading lot size is [●] equity shares; however the same may be changed by the SME platform of BSE from time to time).

- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market-for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.

- **Risk containment measures and monitoring for Market Makers:** BSE SME will have all margins, which are applicable on BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** SBE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **Price Band and Spreads:** The 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.
- Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

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

The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 Crores, the applicable price bands for the first day shall be:

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

Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME platform.

<b>S. No.</b>	<b>Market Price Slab (in ₹)</b>	<b>Proposed Spread (in % to sale price)</b>
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

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

**CAPITAL STRUCTURE**

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Red Herring Prospectus.

(₹ in Lakhs, except share data)			
Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 1,40,00,000 Equity Shares having Face Value of ₹ 10/- each	1,400.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 1,00,00,000 Equity Shares having Face Value of ₹10/- each	1,000.00	-
C	<b>Present Issue in terms of this Red Herring Prospectus*</b> Upto 36,60,000 Equity Shares having Face Value of ₹ 10/-each at a price of ₹ [●] per share	366.00	[●]
	<i>Which comprises of:</i>		
D	<b>Reservation for Market Maker Portion</b> 1,92,000 Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share reserved as Market Maker Portion	19.20	[●]
E	<b>Net Issue to Public</b> Net Issue to Public of 34,68,000 Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share to the Public	346.80	[●]
F	<b>Issued, Subscribed and Paid-up Equity Share Capital after the Issue</b> Upto 1,36,60,000 Equity Shares of face value of ₹10/- each	1366.00	
G	<b>Securities Premium Account</b> Before the Issue (as on date of this Red Herring Prospectus)	50.00	
	After the Issue	[●]	

\*The Present Issue of upto 36,60,000 Equity Shares in terms of this Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated March 17, 2023 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members held on March 18, 2023.

**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 Red Herring Prospectus.

**NOTES TO THE CAPITAL STRUCTURE:****1. Changes in Authorized Equity Share Capital of our Company:**

Sr. No.	Particulars	Cumulative No. of Equity Shares	Face Value of Equity Share	Cumulative Authorized Share Capital ( ₹ in lakhs)	Date of Meeting	Whether AGM/ EGM
1.	On incorporation	10,000	10/-	1.00	On Incorporation	N.A.
2.	Increase in Authorized Share Capital from ₹1.00 Lakh to ₹300.00 Lakhs	30,00,000	10/-	300.00	August 10, 2020	EGM
3.	Increase in Authorized Share Capital from ₹300.00 Lakhs to ₹1,400.00 Crores	1,40,00,000	10/-	1,400.00	January 25, 2023	EGM

**2. Equity Share Capital History of our Company:**

a) The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable) (₹)	Consideration Cash/ Other than Cash	Nature of Allotment	Cumulative No. of Equity Shares
Upon Incorporation	10,000	10/-	10/-	Cash	Subscription to MOA <sup>(i)</sup>	10,000
September 09, 2020	22,40,000	10/-	10/-	Cash	Right Issue <sup>(ii)</sup>	22,50,000

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable) (₹)	Consideration Cash/ Other than Cash	Nature of Allotment	Cumulative No. of Equity Shares
March 25, 2021	2,50,000	10/-	30/-	Cash	Right Issue <sup>(iii)</sup>	25,00,000
February 20, 2023	75,00,000	10/-	Nil	Nil	Bonus issue in the Ratio of 3:1 <sup>(iv)</sup>	1,00,00,000

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

(i) Initial Subscribers to the Memorandum of Association subscribed 10,000 Equity Shares of Face Value of ₹ 10/- each, details of which are given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Bhavin Rajeshbhai Gondaliya	1,900
2.	Rajesh Dhirubhai Gondaliya	1,900
3.	Jinal Rajeshbhai Gondaliya	1,900
4.	Mohanbhai Varsani Ratilal	1,900
5.	Prabhaven Rajeshbhai Gondaliya	1,900
6.	Bhaveskumar Shambhubhai Gondaliya	500
	<b>Total</b>	<b>10,000</b>

(ii) Allotment of 22,40,000 Equity Shares of Face Value of ₹ 10/- each on Right Issue basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Bhavin Rajeshbhai Gondaliya	2,00,600
2.	Rajesh Dhirubhai Gondaliya	2,00,600
3.	Jinal Rajeshbhai Gondaliya	2,00,600
4.	Mohanbhai Varsani Ratilal	2,00,600
5.	Prabhaven Rajeshbhai Gondaliya	2,90,600
6.	Bhaveskumar Shambhubhai Gondaliya	2,02,000
7.	Rajeshkumar Dhirubhai Gondaliya (HUF)	4,27,500
8.	Chintan Jayantibhai Bodar	1,12,500
9.	Mohan R Varsani HUF	2,02,500
10.	Jatinkumar Patel	2,02,500
	<b>Total</b>	<b>22,40,000</b>

(iii) Allotment of 2,50,000 Equity Shares of Face Value of ₹ 10/- each on Right Issue basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Bhavin Rajeshbhai Gondaliya	22,500
2.	Jinal Rajeshbhai Gondaliya	22,500
3.	Bhaveskumar Shambhubhai Gondaliya	1,15,000
4.	Rajeshkumar Dhirubhai Gondaliya (HUF)	37,500
5.	Chintan Jayantibhai Bodar	52,500
	<b>Total</b>	<b>2,50,000</b>

(iv) Bonus issue of 75,00,000 Equity Shares of Face Value of ₹ 10/-each in the ratio of 3:1 i.e. Three (3) Bonus Equity Share for every One (1) Equity Shares held by shareholders. (refer point no. 4 below for allottees list):

b) As on the date of this Red Herring Prospectus, our Company does not have any Preference Share Capital.

3. Except as mentioned in point number 4 below, the Company has not issued any Equity Share in the last two years preceding the date of the Red Herring Prospectus.

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

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

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
February 20, 2023	75,00,000	10.00	Nil	Bonus Issue in		Bhavin Rajeshbhai Gondaliya	19,74,000
						Rajesh Dhirubhai Gondaliya	9,60,000

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
				the ratio of 3:1	Capitalization of Reserves & Surplus	Jinal Rajeshbhai Gondaliya	11,17,500
						Prabhaben Rajeshbhai Gondaliya	9,60,000
						Bhaveshkumar Shambhubhai Gondaliya	15,000
						Rajeshkumar Dhirubhai Gondaliya (HUF)	13,95,000
						Kaka Engineering Private Limited	3,63,750
						Pinaxis Hi-Tech Engineering Private Limited	3,63,750
						Chintan Jayantibhai Bodar	93,000
						Swati Rajendra Malpani	97,500
						Jatinkumar Patel	66,000
						Jagrutibahen Alpeshkumar Vaghasiya	15,000
						Ghadiya Yogesh	22,500
						Priyanshi Thakkar	7,500
						Mukeshbhai Manjibhai Thummar	7,500
						Pareshbhai Lilabhai Patel	7,500
						Shashank Khandelwal	4,500
						Ishan Jayminbhai Parikh	15,000
						Shitalben Bhargavkumar Kukadiya	15,000
						<b>TOTAL</b>	<b>75,00,000</b>

5. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
7. Except for bonus issue made on February 20, 2023, our Company has not issued Equity shares at price below the Issue price within last one year from the date of the Red Herring Prospectus.
8. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
9. **Shareholding Pattern of the Company**

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



## I - Our Shareholding Pattern:-

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Outstanding convertible	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of ₹10/- each^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII	XIII	XIV		
(A)	Promoters & Promoter Group	8	95,32,000	-	-	95,32,000	95.32	95,32,000	-	95,32,000	95.32	-	95.32	-	-	95,32,000		
(B)	Public	11	4,68,000	-	-	4,68,000	4.68	4,68,000	-	4,68,000	4.68	-	4.68	-	-	4,68,000		
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	<b>Total</b>	<b>19</b>	<b>1,00,00,000</b>	-	-	<b>1,00,00,000</b>	<b>100.00</b>	<b>1,00,00,000</b>	-	<b>1,00,00,000</b>	<b>100.00</b>	-	<b>100.00</b>	-	-	<b>1,00,00,000</b>		

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

**Notes:**

- As on date of this Red Herring Prospectus 1 Equity share holds 1 vote.
- We have only one class of Equity Shares of face value of ₹ 10/- each.
- We have entered into tripartite agreement dated March 09, 2023 and March 10, 2023 with CDSL & NSDL respectively.
- Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the BSE before commencement of trading of such Equity Shares.

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

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

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre Issue paid up Share Capital
1.	Bhavin Rajeshbhai Gondaliya	26,32,000	26.32
2.	Rajeshkumar Dhirubhai Gondaliya (HUF)	18,60,000	18.60
3.	Jinal Rajeshbhai Gondaliya	14,90,000	14.90
4.	Rajesh Dhirubhai Gondaliya	12,80,000	12.80
5.	Prabhaven Rajeshbhai Gondaliya	12,80,000	12.80
6.	Kaka Engineering Private Limited	4,85,000	4.85
7.	Pinaxis Hi-Tech Engineering Private Limited	4,85,000	4.85
8.	Swati Rajendra Malpani	1,30,000	1.30
9.	Chintan Jayantibhai Bodar	1,24,000	1.24
	<b>Total</b>	<b>97,66,000</b>	<b>97.66</b>

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

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre Issue paid up Share Capital
1.	Bhavin Rajeshbhai Gondaliya	26,32,000	26.32
2.	Rajeshkumar Dhirubhai Gondaliya (HUF)	18,60,000	18.60
3.	Jinal Rajeshbhai Gondaliya	14,90,000	14.90
4.	Rajesh Dhirubhai Gondaliya	12,80,000	12.80
5.	Prabhaven Rajeshbhai Gondaliya	12,80,000	12.80
6.	Kaka Engineering Private Limited	4,85,000	4.85
7.	Pinaxis Hi-Tech Engineering Private Limited	4,85,000	4.85
8.	Swati Rajendra Malpani	1,30,000	1.30
9.	Chintan Jayantibhai Bodar	1,24,000	1.24
	<b>Total</b>	<b>97,66,000</b>	<b>97.66</b>

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

Sr. No.	Names of Shareholders*	Shares held (Face Value of ₹ 10 each)	% Pre Issue paid up Share Capital
1.	Rajeshkumar Dhirubhai Gondaliya (HUF)	4,65,000	18.60
2.	Bhaveskumar Shambhubhai Gondaliya	3,17,500	12.70
3.	Prabhaven Rajeshbhai Gondaliya	2,92,500	11.70
4.	Bhavin Rajeshbhai Gondaliya	2,25,000	9.00
5.	Jinal Rajeshbhai Gondaliya	2,25,000	9.00
6.	Rajesh Dhirubhai Gondaliya	2,02,500	8.10
7.	Mohanbhai Varsani Ratilal	2,02,500	8.10
8.	Mohan R Varsani HUF	2,02,500	8.10
9.	Jatinkumar Patel	2,02,500	8.10
10.	Chintan Jayantibhai Bodar	1,65,000	6.60
	<b>Total</b>	<b>25,00,000</b>	<b>100.00</b>

\*Details of shares held on July 03, 2022 and percentage held has been calculated based on the paid up capital of our Company as on July 03, 2022.

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

Sr. No.	Names of Shareholders*	Shares held (Face Value of ₹ 10 each)	% Pre Issue paid up Share Capital
1.	Rajeshkumar Dhirubhai Gondaliya (HUF)	4,65,000	18.60
2.	Bhaveshkumar Shambhubhai Gondaliya	3,17,500	12.70
3.	Prabhabeen Rajeshbhai Gondaliya	2,92,500	11.70
4.	Bhavin Rajeshbhai Gondaliya	2,25,000	9.00
5.	Jinal Rajeshbhai Gondaliya	2,25,000	9.00
6.	Rajesh Dhirubhai Gondaliya	2,02,500	8.10
7.	Mohanbhai Varsani Ratilal	2,02,500	8.10
8.	Mohan R Varsani HUF	2,02,500	8.10
9.	Jatinkumar Patel	2,02,500	8.10
10.	Chintan Jayantibhai Bodar	1,65,000	6.60
	<b>Total</b>	<b>25,00,000</b>	<b>100.00</b>

\*Details of shares held on July 03, 2021 and percentage held has been calculated based on the paid up capital of our Company as on July 03, 2021.

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

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

### 13. Capital Build-up in respect of Shareholding of our Promoters

As on the date of this Red Herring Prospectus, Our Promoters Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya and Rajeshkumar Dhirubhai Gondaliya (HUF) hold 57,72,000 Equity Shares of our Company. None of the Equity Shares held by our Promoters is subject to any pledge.

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

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
<b>Rajesh Dhirubhai Gondaliya</b>							
June 21, 2019	1,900	10	10	Cash	Subscription to MOA	0.02	0.01
September 09, 2020	2,00,600	10	10	Cash	Right Issue	2.01	1.47
September 11, 2022	1,17,500	10	50	Cash	Acquisition by way of Transfer of Shares <sup>(a)</sup>	1.18	0.86
February 20, 2023	9,60,000	10	Nil	Nil	Issue of Bonus Shares in ratio of 3:1	9.60	7.03
<b>Total (A)</b>	<b>12,80,000</b>					<b>12.80</b>	<b>9.37</b>
<b>Bhavin Rajeshbhai Gondaliya</b>							
June 21, 2019	1,900	10	10	Cash	Subscription to MOA	0.02	0.01

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
September 09, 2020	2,00,600	10	10	Cash	Right Issue	2.01	1.47
March 25, 2021	22,500	10	30	Cash	Right Issue	0.23	0.16
September 11, 2022	4,33,000	10	50	Cash	Acquisition by way of Transfer of Shares <sup>(b)</sup>	4.33	3.17
February 20, 2023	19,74,000	10	Nil	Nil	Issue of Bonus Shares in ratio of 3:1	19.74	14.45
<b>Total (B)</b>	<b>26,32,000</b>					<b>26.32</b>	<b>19.27</b>
<b>Rajeshkumar Dhirubhai Gondaliya (HUF)</b>							
September 09, 2020	4,27,500	10	10	Cash	Right Issue	4.28	3.13
March 25, 2021	37,500	10	30	Cash	Right Issue	0.38	0.27
February 20, 2023	13,95,000	10	Nil	Nil	Issue of Bonus Shares in ratio of 3:1	13.95	10.21
<b>Total (C)</b>	<b>18,60,000</b>					<b>18.60</b>	<b>13.62</b>
<b>Grand Total</b>	<b>57,72,000</b>					<b>57.72</b>	<b>42.25</b>

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

(a) Details of Acquisition by Rajesh Dhirubhai Gondaliya by way of Transfer of 1,17,500 equity shares.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	September 11, 2022	Mohan R Varsani HUF	1,17,500
		<b>Total</b>	<b>1,17,500</b>

(b) Details of Acquisition by Bhavin Rajeshbhai Gondaliya by way of Transfer of 4,33,000 equity shares.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	September 11, 2022	Bhaveskumar Shambhubhai Gondaliya	3,12,500
2.	September 11, 2022	Mohanbhai Varsani Ratilal	1,20,500
		<b>Total</b>	<b>4,33,000</b>

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

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Rajesh Dhirubhai Gondaliya	12,80,000	6.17
2.	Bhavin Rajeshbhai Gondaliya	26,32,000	9.25
3.	Rajeshkumar Dhirubhai Gondaliya (HUF)	18,60,000	2.90

15. Shareholding of Promoters & Promoter Group

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

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters (A)</b>				
1.	Rajesh Dhirubhai Gondaliya	12,80,000	12.80	12,80,000	9.37
2.	Bhavin Rajeshbhai Gondaliya	26,32,000	26.32	26,32,000	19.27

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
3.	Rajeshkumar Dhirubhai Gondaliya (HUF)	18,60,000	18.60	18,60,000	13.62
	<b>Sub Total (A)</b>	<b>57,72,000</b>	<b>57.72</b>	<b>57,72,000</b>	<b>42.25</b>
	<b>Promoter Group (B)</b>				
4.	Jinal Rajeshbhai Gondaliya	14,90,000	14.90	14,90,000	10.91
5.	Prabhaben Rajeshbhai Gondaliya	12,80,000	12.80	12,80,000	9.37
6.	Bhaveshkumar Shambhubhai Gondaliya	20,000	0.20	20,000	0.15
7.	Kaka Engineering Private Limited	4,85,000	4.85	4,85,000	3.55
8.	Pinaxis Hi-Tech Engineering Private Limited	4,85,000	4.85	4,85,000	3.55
	<b>Sub Total (B)</b>	<b>37,60,000</b>	<b>37.60</b>	<b>37,60,000</b>	<b>27.53</b>
	<b>Total (A) + (B)</b>	<b>95,32,000</b>	<b>95.32</b>	<b>95,32,000</b>	<b>69.78</b>

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

Date of Allotment/ Transfer	Name of Shareholder	No. of Equity Share	% of Pre issue Capital	Allotment/ Acquire/ Transfer	Category of Allottees (Promoters/ Promoter Group/ Director)
February 20, 2023	Bhavin Rajeshbhai Gondaliya	19,74,000	19.74	Allotment of Bonus Shares	Promoter & Director
February 20, 2023	Rajesh Dhirubhai Gondaliya	9,60,000	9.60		Promoter & Director
February 20, 2023	Rajeshkumar Dhirubhai Gondaliya (HUF)	13,95,000	13.95		Promoter
February 20, 2023	Prabhaben Rajeshbhai Gondaliya	9,60,000	9.60		Promoter Group & Director
February 20, 2023	Jinal Rajeshbhai Gondaliya	11,17,500	11.18		Promoter Group
February 20, 2023	Bhaveshkumar Shambhubhai Gondaliya	15,000	0.15		Promoter Group
February 20, 2023	Kaka Engineering Private Limited	3,63,750	3.64		Promoter Group
February 20, 2023	Pinaxis Hi-Tech Engineering Private Limited	3,63,750	3.64		Promoter Group

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

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

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

As on the date of this Red Herring Prospectus, our Promoters hold 57,72,000 Equity Shares constituting 42.25% of the Post-Issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoters, Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya and Rajeshkumar Dhirubhai Gondaliya (HUF), have given written consent to include 27,50,000 Equity Shares held by them and subscribed by them as part of Promoters Contribution constituting 20.13% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
<b>Rajesh Dhirubhai Gondaliya</b>						
February 20, 2023	6,00,000	10	Nil	Bonus Issue	4.39	3 years
<b>Bhavin Rajeshbhai Gondaliya</b>						
September 09, 2020	2,00,600	10	10	Right Issue	1.47	3 years
February 20, 2023	5,99,400	10	Nil	Bonus Issue	4.39	3 years
<b>Rajeshkumar Dhirubhai Gondaliya (HUF)</b>						

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
February 20, 2023	13,50,000	10	Nil	Bonus Issue	9.88	3 years
<b>Total</b>	<b>27,50,000</b>				20.13	

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

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

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

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

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

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 72,50,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

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

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

- In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-



banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter's contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.

2. 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 transferred 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 SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
  3. Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoters or any person of the Promoter Group or a new promoters or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
19. Neither, we nor our Promoters, Directors and the BRLM to this Issue have entered into any buyback and/ or standby arrangements and/ or similar arrangements for the purchase of our Equity Shares from any person.
  20. As on the date of this Red Herring Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up Equity Shares.
  21. The BRLM i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Red Herring Prospectus.
  22. As on the date of this Red Herring Prospectus, we do not have any Employees Stock Option Scheme/ Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
  23. We have 19 (Nineteen) shareholders as on the date of filing of this Red Herring Prospectus.
  24. As on the date of filing of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
  25. Our Company has not raised any bridge loan against the proceeds of the Issue.
  26. As on the date of this Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
  27. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
  28. An over-subscription to the extent of 1% 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 1% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
  29. 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 BRLM and Designated Stock Exchange i.e. BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
  30. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
  31. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.

32. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
33. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
34. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
35. There are no Equity Shares against which depository receipts have been issued.
36. Other than the Equity Shares, there is no other class of securities issued by our Company.
37. There are no safety net arrangements for this public issue.
38. As per RBI regulations, OCBs are not allowed to participate in this issue.
39. Our Promoters and Promoter Group will not participate in this Issue.
40. This Issue is being made through Book Building Method.
41. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
42. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

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

**OBJECTS OF THE ISSUE**

The Issue includes a fresh Issue of up to 36,60,000 Equity Shares of our Company at an Issue Price of ₹ [●] per Equity Share. We intend to utilize the net proceeds of the Issue to meet the following objects:

1. To meet Working Capital requirements
2. Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company
3. General Corporate Purpose

(Collectively referred as the “Objects”)

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

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

**Net Proceeds**

The details of the Net Proceeds are set forth below:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds of the Issue	[●]
Less: Issue related expenses in relation to Issue	[●]
Net Proceeds	[●]

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

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

S. No.	Particulars	Amount (₹ in Lakhs)
1.	To meet Working Capital requirements	775.00
2.	Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company	730.00
3.	General Corporate Purpose	[●]
	<b>Total</b>	[●]

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

**Means of Finance**

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

Particulars	Amount (₹ in Lakhs)
Net Issue Proceeds	[●]
<b>Total</b>	[●]

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

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

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 25 of this Red Herring Prospectus.

### Details of Utilization of Net Proceeds

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

#### 1. To Meet Working Capital Requirements

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

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

Details of Estimation of Working Capital requirement are as follows:

S. No.	Particulars	Audited (Restated Standalone)			Estimated
		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
I	<b>Current Assets</b>				
	Inventories	1,146.18	1,849.45	1,478.07	1,925.61
	Trade receivables	1,452.37	1,407.96	1,769.76	2,553.00
	Other current assets	180.97	198.23	484.98	430.04
	<b>Total (A)</b>	<b>2,779.52</b>	<b>3,455.64</b>	<b>3,732.81</b>	<b>4,908.65</b>
II	<b>Current Liabilities</b>				
	Trade payables	644.55	454.63	358.23	396.94
	Other current liabilities	97.97	140.41	176.88	224.06
	Short-term provisions	59.57	8.01	138.52	359.70
	<b>Total (B)</b>	<b>802.09</b>	<b>603.05</b>	<b>673.63</b>	<b>980.71</b>
III	<b>Total Working Capital Gap (A-B)</b>	<b>1,977.42</b>	<b>2,852.59</b>	<b>3,059.18</b>	<b>3,927.95</b>
IV	Funding Pattern				
	Borrowings & Internal Accruals	<b>1,977.42</b>	<b>2,852.59</b>	<b>3,059.18</b>	<b>3,152.95</b>
	<b>IPO Proceeds</b>				<b>775.00</b>

#### Key assumptions for working capital projections made by Our Company:

Particulars	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
<b>Inventories (Days)</b>	53	58	35	38
<b>Debtors (Days)</b>	67	44	43	50
<b>Creditors (Days)</b>	41	18	12	11

#### Justification:

<b>Inventories</b>	Inventory levels are maintained by our Company depending upon the demand and delivery schedules. We have assumed Inventories turnover days to be around 38 days for F.Y. 2023-24 as compared to 35 days in F.Y. 2022-23, 58 days in F.Y. 2021-22 and 53 days in F.Y. 2020-21. Our inventories are significant and are expected to grow in line with the growth in our business
<b>Debtors</b>	Our Company's general credit terms vary across type of customer. We expect Debtors Holding days to be around 50 days for F.Y. 2023-24, as compared to 42 days in F.Y. 2022-23, 44 days in F.Y. 2021-22 and 67 days in F.Y. 2020-21. In order to increase the turnover, we expect to increase the debtors collection period from existing 44 days to 50 days.

<b>Creditors</b>	Our Creditors payments days for the F.Y. 2020-21, F.Y. 2021-22 and F.Y. 2022-23 were 21 days, 18 days and 12 days respectively and we expect to maintain it at around 11 days for F.Y. 2023-24.
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## 2. Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company

As on March 31, 2023, our total outstanding fund-based borrowings amounted to ₹ 4,013.66 Lakhs. Our Company proposes to utilise an estimated amount of ₹ 730 lakhs proceeds towards full or partial repayment or pre-payment of certain borrowings availed from the lenders by our Company.

Our Company has entered into various financial arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company include borrowing in the form of, *inter alia*, term loans and working capital facility from various lenders. For further details, see “**Statement of Financial Indebtedness**” on page 170. Our Company proposes to utilise an estimated amount of ₹ 730 lakhs from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings, listed below, availed from the lenders by our Company. Pursuant to the terms of the financing arrangements, prepayment of certain borrowings may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will be funded from the internal accruals of our Company.

We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The details of the borrowings availed by our Company, which are proposed to be fully or partially repaid or pre-paid from the Net Proceeds is mentioned below:-

Sr. No.	Name of the lender	Nature of the borrowing	Sanctioned amount (in ₹ lakhs)	Amount Outstanding as at May 01, 2023 (in ₹ lakhs)	Rate of interest (%)	Repayment date/ Schedule	Prepayment Penalty	Purpose for which the loan was sanctioned*
1	State Bank of India	Guaranteed Emergency Credit Line (GECL)	420.00	420.00	EBLR + 0.75% p.a Present Effective Rate 7.40% p.a.	36 monthly EMI from Dec'23	As per bank's extant instructions	Augment net working capital, meet operational liabilities, restart business and overcome stress faced due to Covid-19 crisis.
2	Saraspur Nagrik Co Op Bank Limited	Business Mortgage Loan	423.00	359.63	9.75% p.a.	84 monthly EMI from Dec.'21	Not specified	General

Note: The details included in the above table have been certified by our Statutory Auditors pursuant to their certificate dated May 09, 2023.

\*Our Statutory Auditors by way of their certificate dated May 09, 2023, have confirmed that the borrowings specified above has been utilized for the purposes availed, as per the sanction letters/loan agreements issued by the respective banks.

## 3. General Corporate Purpose

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

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

#### 4. Public Issue Expenses

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

Activity	(₹ in Lakh)	As a % of Estimates Issue Expenses	As a % of Issue Size
Book Running Lead Manger Fees	[●]	[●]	[●]
Underwriting Commission	[●]	[●]	[●]
Brokerage and selling commission	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable for Advertising and Publishing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Payment for Printing & Stationery, Postage, etc.	[●]	[●]	[●]
Fees Payable to Statutory Auditor, Legal Advisors and other Professionals	[●]	[●]	[●]
Others (Commission/processing fee for SCSBs, Sponsor Bank and Banker(s) to the Issue and brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs and Miscellaneous Expenses)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

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

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

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

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

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

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

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

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

Members of the Syndicate/ RTAs/ CDPs (uploading charges)	₹ 10 per valid application (plus applicable taxes)
Sponsor Bank, Axis Bank Limited	₹ 7 per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, other agreements and other applicable laws.

\*For each valid application by respective Sponsor Bank

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

(5) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type



accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

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

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

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

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

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

\* Based on valid applications

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

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

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

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

#### Proposed Schedule of Implementation:

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

(₹ in Lakhs)		
S. No.	Particulars	Amount to be deployed and utilized in F.Y. 23-24
1.	To meet Working Capital requirements	775.00
2.	Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company	730.00
3.	General Corporate Purpose	[●]
4.	Issue Expenses	[●]
	<b>Total</b>	[●]

#### Funds Deployed and Source of Funds Deployed:

Dinesh R. Thakkar & Co., Chartered Accountants vide their certificate dated June 14, 2023 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

(₹ in Lakhs)	
Particulars	Amount
Issue Expenses	16.44
<b>Total</b>	16.44

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

Dinesh R. Thakkar & Co., Chartered Accountants vide their certificate dated June 14, 2023 have confirmed that as on date of certificate the following source of financing has been used for the proposed object of the Issue:

(₹ in Lakhs)

Particulars	Amount
Internal Accruals	16.44
<b>Total</b>	<b>16.44</b>

### Appraisal

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

### Shortfall of Funds

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

### Bridge Financing Facilities

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

### Monitoring Utilization of Funds

As the size of the Issue will not exceed ₹ 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 Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

### Interim Use of Proceeds

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

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

### Variation in Objects

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

### Other confirmations

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

**BASIS FOR ISSUE PRICE**

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 25, 91 and 130 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

Price Band/ Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the upper end of the Price Band.

**QUALITATIVE FACTORS**

We believe the following business strengths allow us to successfully compete in the industry:

- Extensive network of dealers covering major parts of India;
- Wide Range of Products;
- Stringent quality control mechanism ensuring standardized product quality;
- In-house Manufacturing capabilities;
- Synergy of young and experienced management team with a committed employee base.

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 91 of this Red Herring Prospectus.

**QUANTITATIVE FACTORS**

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 130 of this Red Herring Prospectus.

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

**1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):**

As per the Restated Financial Statements:-

Sr. No	F.Y./Period	Basic & Diluted (₹)	Weights
1.	Financial Year ending March 31, 2023	7.19	3
2.	Financial Year ending March 31, 2022	4.98	2
3.	Financial Year ending March 31, 2021	4.59	1
	<b>Weighted Average</b>	6.02	<b>6</b>

**Notes:**

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

**2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of Face Value of ₹ 10/- each fully paid up:**

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2023	[●]	[●]

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]
<b>Industry P/E Ratio*</b>	<b>(P/E) Ratio</b>	
<b>Industry Average</b>	22.26	

\* For the purpose of industry, we have considered those companies which are engaged in the similar line of business segment as of our Company, however, they may not be exactly comparable in terms of product portfolio or the size of our Company. The peers have been included for the purpose of broad comparison.

**Note:**

- i) The P/E ratio of our Company has been computed by dividing Issue Price with EPS.
- ii) P/E Ratio of the peer company is based on the Consolidated Audited Results for the F.Y. 2022-23 and stock exchange data dated June 12, 2023.

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

Sr. No	Period	RONW (%)	Weights
1	Year ending March 31, 2023	36.72%	3
2	Year ending March 31, 2022	40.09%	2
3	Year ending March 31, 2021	40.68%	1
	<b>Weighted Average</b>	<b>38.50%</b>	<b>6</b>

**Note:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/period
- iii. Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

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

Sr. No.	NAV per Equity Share	(Amount in ₹)
1.	As at March 31, 2021	11.28
2.	As at March 31, 2022	12.41
3.	As at March 31, 2023	19.57
4.	NAV per Equity Share after the Issue	
	(i) At Floor Price	[●]
	(ii) At Cap Price	[●]
5.	Issue Price	[●]

\*The above NAV has been calculated based on weighted number of shares outstanding at the end of the respective year/period.

**Notes:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. NAV per share=Restated Net worth at the end of the year/period divided by weighted average number of equity shares outstanding at the end of the year/period
- iii. Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
- iv. Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

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

Name of Company	Current Market Price (₹)	Face Value	EPS		PE	RoNW (%)	Book Value (₹)	Total Income (₹ In lakhs)
			Basic	Diluted				
Kaka Industries Limited	[●]	10	7.19	7.19	[●]	36.72%	19.57	15,887.70
<b>Peer Group</b>								
Dhabriya Polywood Limited <sup>(i)</sup>	174.55	10.00	7.84	7.84	22.26	12.33%	63.60	17,146.97

(₹ In lakhs)

Name of Company	Current Market Price (₹)	Face Value	EPS		PE	RoNW (%)	Book Value (₹)	Total Income (₹ In lakhs)
			Basic	Diluted				
Sintex Plastics Technology Limited <sup>(i)</sup>	1.34	1.00	(8.88)	(8.81)	-	(251.50%)	(3.53)	315.00

## Notes:

- (i) Source – All the financial information for listed industry peers mentioned above is sourced from the Financial Results of the aforesaid companies for the year ended March 31, 2023 and stock exchange data dated June 12, 2023 to compute the corresponding financial ratios. For our Company, we have taken Current Market Price as the issue price of equity share. Further, P/E Ratio is based on the current market price of the respective scrips.
- (ii) The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Financial Statements for the Financial Year 2022-23.
- (iii) NAV per share is computed as the closing net worth divided by the weighted average number of paid up equity shares as on March 31, 2023.
- (iv) RoNW has been computed as net profit after tax divided by closing net worth.
- (v) Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- (vi) The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

## 6. Key Performance Indicators

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

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated June 14, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs herein have been certified by Dinesh R. Thakkar & Co., Chartered Accountants, by their certificate dated June 14, 2023.

The KPIs of our Company have been disclosed in the sections titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators*” on pages 91 and 177, respectively. We have described and defined the KPIs as applicable in “*Definitions and Abbreviations*” on page 1.

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

### Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	FY 2022-23 (Consolidated)	FY 2021-22 (Standalone)	FY 2020-21 (Standalone)
Revenue from operations <sup>(1)</sup>	15,849.89	11,695.92	7,874.89
EBITDA <sup>(2)</sup>	1,345.26	956.05	604.73
EBITDA Margin <sup>(3)</sup>	8.49%	8.17%	7.68%
PAT <sup>(4)</sup>	718.50	497.66	302.51
PAT Margin <sup>(5)</sup>	4.53%	4.26%	3.84%
RoE(%) <sup>(6)</sup>	44.93%	50.14%	68.30%
RoCE (%) <sup>(7)</sup>	20.83%	21.62%	19.64%

## Notes:

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

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

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

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

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

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

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ Fund + Long term borrowing + Short term borrowing+ Deferred Tax Liability.

**Explanation for KPI metrics:**

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

**7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:***(₹ In Lakhs except percentages and ratios)*

Key Financial Performance	Kaka Industries Limited			Dhabriya Polywood Limited			Sintex Plastics Technology Limited		
	FY 2022-23	FY 2021-22	FY 2020-21	FY 2022-23	FY 2021-22	FY 2020-21	FY 2022-23*	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	15,849.89	11695.92	7874.89	17,117.22	13,363.95	10,643.45	313.00	93,513	85,837
EBITDA <sup>(2)</sup>	1345.26	956.05	604.73	1842.04	1,341.94	1,312.75	(54716.00)	(31,305)	31
EBITDA Margin (%) <sup>(3)</sup>	8.49%	8.17%	7.68%	10.76%	10.04%	12.33%	(17481%)	(33.48%)	0.37%
PAT <sup>(4)</sup>	718.50	497.66	302.51	848.81	508.73	447.27	(56460)	(42786)	(6,4831)
PAT Margin (%) <sup>(5)</sup>	4.53%	4.26%	3.84%	4.96%	3.81%	4.20%	(18038%)	(45.75%)	(75.53%)
RoE(%) <sup>(6)</sup>	44.93%	50.14%	68.30%	13.31%	8.82%	8.48%	(976.65%)	(97.91%)	(55.88%)
RoCE (%) <sup>(7)</sup>	20.83%	21.62%	19.64%	11.77%	9.26%	10.68%	(800.06%)	(16.36%)	(1.17%)

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

\*Financial data of Sintex Plastics Technology Limited for F.Y. 2022-23 is based on standalone financials as available on BSE website and for F.Y. 2020-21 and 2021-22 is based on consolidated financials.

**8. Weighted average cost of acquisition**

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

There has been no issuance of Equity Shares other than Equity Shares issued pursuant to a bonus issue on February 20, 2023, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more



than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

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

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

Date of transfer	Name of transferor	Name of transferee	No. of Equity shares	Price Per Equity Share (₹)	Adjusted Price per equity share (post bonus)*	Nature of transaction	Total Consideration (₹ in lakhs)
September 11, 2022	Mohanbhai Varsani Ratilal	Jinal Rajeshbhai Gondaliya	82,000	50.00	12.50	Cash	41.00
		Bhavin Rajeshbhai Gondaliya	1,20,500	50.00	12.50	Cash	60.25
	Bhaveshkumar Shambhubhai Gondaliya	Bhavin Rajeshbhai Gondaliya	3,12,500	50.00	12.50	Cash	156.25
	Chintan Jayantibhai Bodar	Pinaxis Hi-Tech Engineering Private Limited	70,000	50.00	12.50	Cash	35.00
	Jatinkumar Patel	Kaka Engineering Private Limited	1,21,250	50.00	12.50	Cash	60.63
		Jinal Rajeshbhai Gondaliya	59,250	50.00	12.50	Cash	29.63
	Mohanbhai Varsani Ratilal (HUF)	Pinaxis Hi-Tech Engineering Private Limited	51,250	50.00	12.50	Cash	25.63
		Rajesh Dhirubhai Gondaliya	1,17,500	50.00	12.50	Cash	58.75
		Prabhaben Rajeshbhai Gondaliya	27,500	50.00	12.50	Cash	13.75
		Jinal Rajeshbhai Gondaliya	6,250	50.00	12.50	Cash	3.13

\*Adjusted price is determined post taking impact of bonus issue of shares allotted by the Company on February 20, 2023 in the ratio of 3:1.

Weighted average cost of acquisition & Issue price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA^	NA^	NA^
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	12.50**	[●] times	[●] times

Note:

^There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of this Red Herring Prospectus.

\* To be updated at Prospectus stage.

\*\* Post adjustment of bonus shares.

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Ahmedabad edition of Regional newspaper Amdavad Today where the registered office of the company is situated each with wide circulation.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above mentioned information along with “***Our Business***”, “***Risk Factors***” and “***Restated Financial Statements***” on pages 91, 25 and 130 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “***Risk Factors***” or any other factors that may arise in the future and you may lose all or part of your investments.

**STATEMENT OF SPECIAL TAX BENEFITS**

**To,**  
**The Board of Directors,**  
**Kaka Industries Limited**  
Plot No.67, Bhagwati Nagar, Opp. Nilkanth Arcade,  
Opp. Kathwada GIDC, Kuha-Kanbha Road,  
Ahmedabad-382415 Gujarat

Dear Sir,

**Sub: Statement of Tax Benefits ('The Statement') available to Kaka Industries Limited ('The Company') and its shareholders under the Direct and Indirect Tax Laws in India**

We hereby report that the enclosed annexure prepared by the management of **Kaka Industries Limited**, states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act") presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

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

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Offer Document/Offer Document or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For, Dinesh R Thakkar & Co.**  
**Chartered Accountants**  
**FRN: 102612W**

**Sd/-**  
**per Dinesh R. Thakkar**  
**(Partner)**  
**M. No. 038216**  
**UDIN: 230382158G2QEM8591**  
**Place: Ahmedabad**  
**Date: April 11, 2023**

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

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

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

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

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

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

**Notes:**

1. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
2. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## **SECTION V – ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

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

#### **GLOBAL ECONOMY**

Global growth is expected to decelerate sharply to 1.7 percent in 2023—the third weakest pace of growth in nearly three decades, overshadowed only by the global recessions caused by the pandemic and the global financial crisis. This is 1.3 percentage points below previous forecasts, reflecting synchronous policy tightening aimed at containing very high inflation, worsening financial conditions, and continued disruptions from Russia’s invasion of Ukraine. The United States, the euro area, and China are all undergoing a period of pronounced weakness, and the resulting spillovers are exacerbating other headwinds faced by Emerging Market and Developing Economies (EMDEs). The combination of slow growth, tightening financial conditions, and heavy indebtedness is likely to weaken investment and trigger corporate defaults. Further negative shocks such as higher inflation, even tighter policy, financial stress, deeper weakness in major economies, or rising geopolitical tensions could push the global economy into recession. In the near term, urgent global efforts are needed to mitigate the risks of global recession and debt distress in EMDEs. Given limited policy space, it is critical that national policy makers ensure that any fiscal support is focused on vulnerable groups, that inflation expectations remain well anchored, and that financial systems continue to be resilient. Policies are also needed to support a major increase in EMDE investment, which can help reverse the slowdown in long-term growth exacerbated by the overlapping shocks of the pandemic, the invasion of Ukraine, and the rapid tightening of global monetary policy. This will require new financing from the international community and from the repurposing of existing spending, such as inefficient agricultural and fuel subsidies.

#### ***Regional prospects***

The forecast for growth in 2023 and 2024 combined has been downgraded for every EMDE region. Monetary policy tightening, and restrictive global financial conditions are slowing growth, especially in LAC, SAR and SSA. Persistently elevated energy prices are expected to dampen outlooks for energy importers in all regions, while falling metals prices will weigh on terms of trade in LAC and SSA. The projected slowdown in advanced economy import demand is expected to especially impact EAP and ECA. Added to the pandemic recession and incomplete recovery, the outlook implies feeble per capita income growth in LAC, MNA and SSA in the half decade to 2024. Risks to the baseline forecasts are skewed to the downside in all regions. They include the possibility of financial stress and greater spillovers from major advanced economy weakness (especially in EAP, ECA, LAC and SSA), commodity price shocks (especially in ECA, EAP and SAR), conflict (particularly in ECA, MNA, and SSA), and natural disasters (with elevated risk in sub regions in EAP, LAC and SAR).

#### ***Investment growth after the pandemic***

Investment growth in EMDEs is expected to remain below its average rate of the past two decades through the medium term. This subdued outlook follows a geographically widespread investment growth slowdown in the decade before the COVID-19 pandemic. During the past two decades, investment growth was associated with strong real output growth, robust real credit growth, terms of trade improvements, growth in capital inflows, and investment environment reform spurts. All of these factors have seen a declining trend since the 2007-09 global financial crisis. Weak investment growth is a concern because it dampens potential growth, is associated with weak trade, and makes achieving development and climate-related goals more difficult. Policies to boost investment growth need to be tailored to country circumstances but include comprehensive fiscal and structural reforms, including repurposing of expenditure on inefficient subsidies. Given EMDEs’ limited fiscal space, the international community will need to significantly scale up international cooperation and official financing and grants as well as help leverage private sector financing for sufficient investment to materialize.

#### ***Global risks and policy challenges***

Risks are tilted to the downside. Central banks may need to tighten more than expected to bring inflation under control. Given already-weak global growth, this could result in a sharper slowdown or even a global recession this year. A rising number of people are affected by food insecurity, especially in low-income countries. Fiscal challenges in emerging market and developing economies (EMDEs) have become more acute, as exemplified by a precipitous drop in bond issuance. The long-term effects of the adverse shocks of the past three years have led to substantial losses, particularly for EMDE investment and output, which could grow larger if downside scenarios materialize.

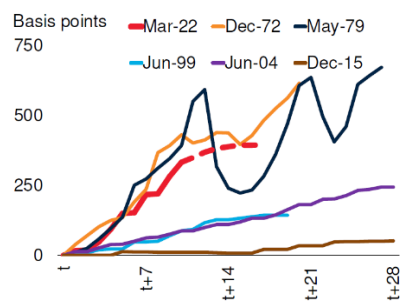
Global growth has slowed to the extent that the global economy is perilously close to falling into recession defined as a contraction in annual global per capita income only three years after emerging from the pandemic-induced recession of 2020. Very high inflation has triggered unexpectedly rapid and synchronous monetary policy tightening around the world to contain it, including across major advanced economies (figure A). Although this tightening has been necessary for price stability, it has contributed to a significant worsening of global financial conditions, which is exerting a substantial drag on activity. This drag is set to deepen given the lags between changes in monetary policy and its economic impacts, and the fact that real rates are expected to continue to increase.

Inflation remains high worldwide and well above central bank targets in almost all inflation targeting economies. Although inflation is likely to gradually moderate over the course of the year, there are signs that underlying inflation pressures could be becoming more persistent. In response, central banks around the world have been tightening policy faster than previously expected. Monetary policy tightening in advanced economies, a strong U.S. dollar, geopolitical tensions, and high inflation have dampened risk appetite and led to widespread capital outflows and slowing bond issuance across EMDEs. Financial conditions have particularly worsened for less creditworthy EMDEs, especially if they are also energy importers (figure B).

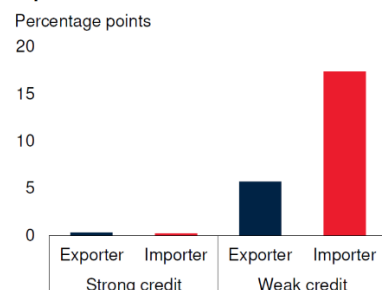
Global growth is forecast to slow to 1.7 percent in 2023 (figure C). This pace of growth would be the third weakest in nearly three decades, overshadowed only by the global recessions caused by the pandemic in 2020 and the global financial crisis in 2009. This forecast is 1.3 percentage points lower than in June, largely reflecting more aggressive monetary policy tightening, deteriorating financial conditions, and declining confidence. Growth projections have been downgraded for almost all advanced economies and about two-thirds of EMDEs in 2023, and for about half of all countries in 2024 (figure D). Global trade is also expected to slow sharply alongside global growth, despite support from a continued recovery in services trade. Downgrades to growth projections mean that global activity is now expected to fall even further below its pre-pandemic trend over the forecast horizon, with EMDEs accounting for most of the shortfall from trend (figure E). This suggests that the negative shocks of the past three years; namely the pandemic, the invasion of Ukraine, and the rapid increase in inflation and associated tightening of monetary policy worldwide are having a lasting impact on economic prospects.

As a result of the sharp slowdown in global growth, per capita income is not expected to surpass 2019 levels until at least 2024 in about one-third of EMDEs. Per capita income growth is expected to be slowest where poverty is highest (figure F). In Sub-Saharan Africa which accounts for about 60 percent of the world’s poor growth in per capita income over 2023-24 is forecast to average only 1.2 percent, far less than the pace that would be needed over the remainder of the decade to reach a 3 percent poverty rate by 2030.

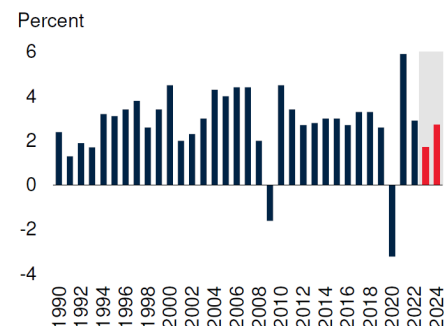
**A. G7 policy rates**



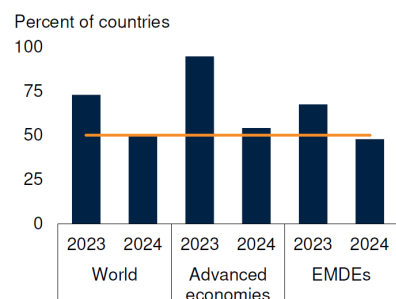
**B. EMDE sovereign spread changes in 2022, by credit rating and energy exporter status**



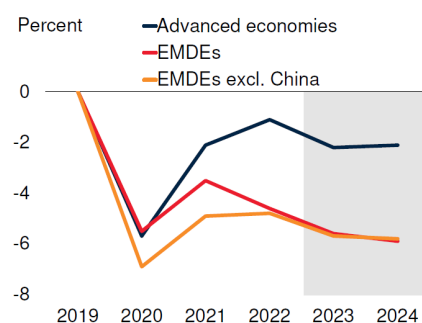
**C. Global growth**



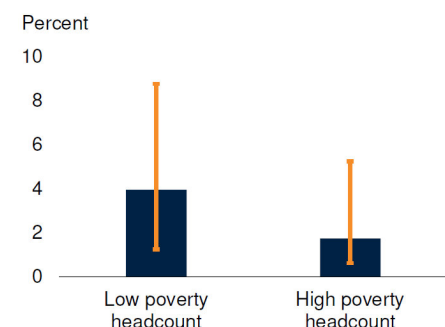
**D. Share of countries with downgrades in growth forecasts**



**E. Deviation of output from pre-pandemic trends**



**F. EMDE per capita GDP growth, by bottom and top quartile poverty headcount ratio**



In EMDEs, growth prospects have worsened materially, with the forecast for 2023 downgraded 0.8 percentage point to a subdued 3.4 percent. The downward revision results in large part from weaker external demand and tighter financing conditions. EMDE growth is anticipated to remain essentially unchanged in 2023 relative to last year, as a pickup in China offsets a decline in other EMDEs. Excluding China, EMDE growth is forecast to decelerate from 3.8 percent in 2022 to 2.7 percent in 2023 as significantly



weaker external demand is compounded by high inflation, tighter financial conditions, and other domestic headwinds. The deviation between EMDE investment and its pre-pandemic trend is expected to remain substantial. EMDE investment growth is envisaged to remain below its 2000-21 average pace, dampened significantly by weakening activity, heightened uncertainty, and rising borrowing costs. Low-income countries (LICs) are expected to grow 5.1 percent in 2023, with forecasts downgraded in about 65 percent of countries. Cost-of-living increases and a deterioration in the external environment are weighing heavily on activity in many LICs and compounding weakness in LICs with fragile and conflict affected situations (FCS).

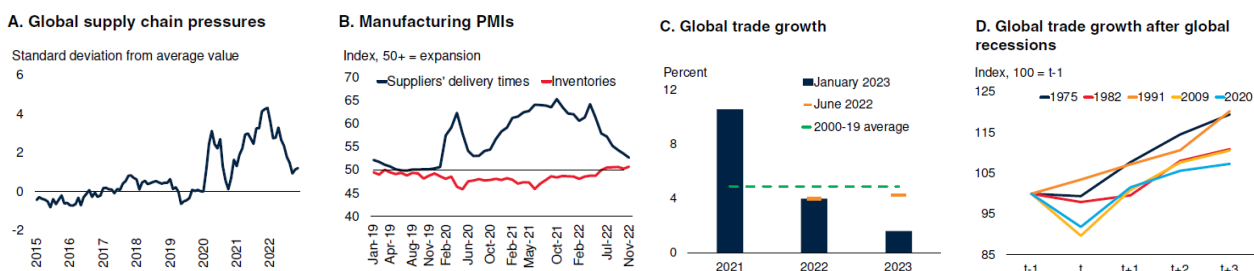
As a result of the sharp slowdown in global growth, per capita income is not expected to surpass 2019 levels until at least 2024 in about one-third of EMDEs. Per capita income growth is expected to be slowest where poverty is highest (figure 1.1.F). In Sub-Saharan Africa—which accounts for about 60 percent of the world’s poor growth in per capita income over 2023-24 is forecast to average only 1.2 percent, far less than the pace that would be needed over the remainder of the decade to reach a 3 percent poverty rate by 2030.

**Global risks and policy challenges**

Risks are tilted to the downside. Central banks may need to tighten more than expected to bring inflation under control. Given already-weak global growth, this could result in a sharper slowdown or even a global recession this year. A rising number of people are affected by food insecurity, especially in low-income countries. Fiscal challenges in emerging market and developing economies (EMDEs) have become more acute, as exemplified by a precipitous drop in bond issuance. The long-term effects of the adverse shocks of the past three years have led to substantial losses, particularly for EMDE investment and output, which could grow larger if downside scenarios materialize.

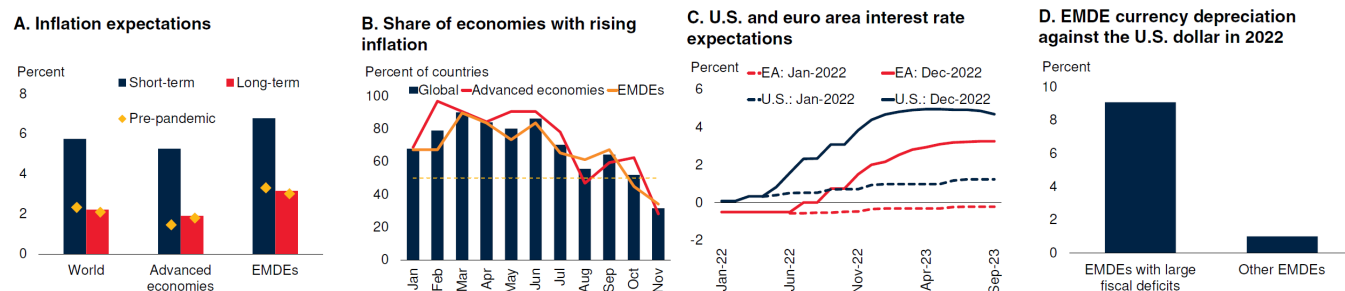
**Global trade**

Supply chain pressures continue to ease and are returning to historical averages amid rising inventories and falling shipping costs, while supplier delivery times are increasing at a slower pace. Global trade growth has been revised down substantially, in part reflecting deteriorating global demand. The recovery of global trade following the 2020 global recession is on course to be substantially weaker than the rebounds seen after previous global recessions.



**Global inflation and financial developments**

Global inflation surged in 2022. Short-term inflation expectations have risen in most countries; however, long-term expectations have been more stable. Global inflation has started to abate as fewer countries experience accelerating price increases. Amid faster-than-expected advanced economy monetary policy tightening, the currencies of emerging market and developing economies (EMDEs) with large fiscal deficits have depreciated sharply. Bond issuance in EMDEs has also declined markedly, while sovereign borrowing spreads have risen particularly sharply in energy importers with weak credit ratings.



(Source: <https://openknowledge.worldbank.org/bitstream/handle/10986/38030/GEP-January-2023.pdf>)

**INDIAN ECONOMY**

In general, global economic shocks in the past were severe but spaced out in time. This changed in the third decade of this millennium. At least three shocks have hit the global economy since 2020. It all started with the pandemic-induced contraction of the global output, followed by the Russian-Ukraine conflict leading to a worldwide surge in inflation. Then, the central banks across economies led by the Federal Reserve responded with synchronised policy rate hikes to curb inflation.

The Indian economy, however, appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target in November 2022. However, the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increases in policy rates by the US Fed.

Despite these, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilisation across sectors. The rebound in consumption was engineered by the near-universal vaccination coverage overseen by the government that brought people back to the streets to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, among others. The world's second-largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption. Vaccinations have facilitated the return of migrant workers to cities to work in construction sites as the rebound in consumption spilled over into the housing market. This is evident in the housing market witnessing a significant decline in inventory overhang to 33 months in Q3 of FY23 from 42 months last year.

The Capital Expenditure (Capex) of the central government, which increased by 63.4 per cent in the first eight months of FY23, was another growth driver of the Indian economy in the current year, crowding in the private Capex since the January-March quarter of 2022. On current trend, it appears that the full year's capital expenditure budget will be met. A sustained increase in private Capex is also imminent with the strengthening of the balance sheets of the Corporates and the consequent increase in credit financing it has been able to generate. India's economic growth in FY23 has been principally led by private consumption and capital formation. It has helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund. Still, private capex soon needs to take up the leadership role to put job creation on a fast track. Recovery of MSMEs is proceeding apace, as is evident in the amounts of GST they pay, while the ECGLS is easing their debt servicing concerns.

Global growth has been projected to decline in 2023 and is expected to remain generally subdued in the following years as well. The slowing demand will likely push down global commodity prices and improve India's CAD in FY24. However, a downside risk to the Current Account Balance stems from a swift recovery driven mainly by domestic demand and, to a lesser extent, by exports. Growth is expected to be brisk in FY24 as a vigorous credit disbursal, and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporate and banking sectors.

**Table I.1: Global economic challenges led to a downward revision in growth forecast across countries**

	Growth Projections (per cent)		Change from WEO Update (July 2022) (per cent)	
	2022	2023	2022	2023
<b>World</b>	3.2	2.7	0	-0.2
<b>Advanced Economies</b>	2.4	1.1	-0.1	-0.3
<b>United States</b>	1.6	1	-0.7	0
<b>Euro Area</b>	3.1	0.5	0.5	-0.7
<b>UK</b>	3.6	0.3	0.4	-0.2
<b>Japan</b>	1.7	1.6	0	-0.1
<b>Emerging Market Economies</b>	3.7	3.7	0.1	-0.2
<b>China</b>	3.2	4.4	-0.1	-0.2
<b>India*</b>	<b>6.8</b>	<b>6.1</b>	<b>-0.6</b>	<b>0</b>

Source: IMF

Note: \*Projection for India is for its fiscal year (Apr-Mar), while for the other economies, it is from Jan-Dec.

(Source: <https://www.indiabudget.gov.in/economicssurvey/doc/eschapter/echap01.pdf>)

## Market Size

India's nominal gross domestic product (GDP) at current prices is estimated to be at ₹ 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.

## Recent Developments

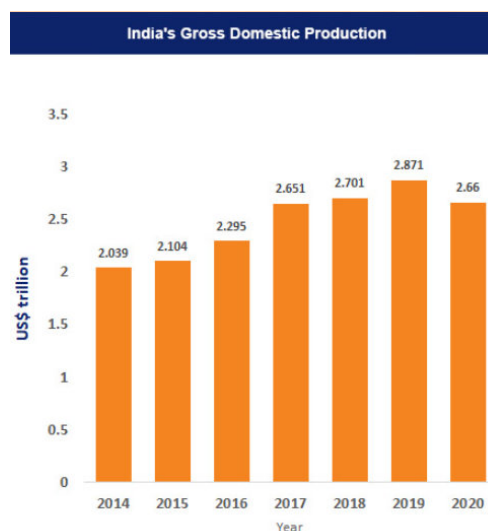
India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy.

- As of September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at ₹ 147,686 crore (US\$ 17.92 billion).
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at ₹ 58,762 crore (US\$ 7.13 billion).

## Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports.

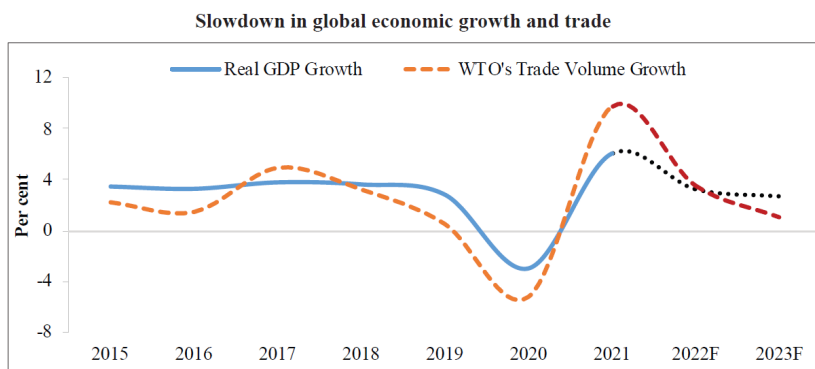
- Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at ₹ 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- In August 2022, a Special Food Processing Fund of ₹ 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of ₹ 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.



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

### Growth Outlook: 2023-24

India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. The current growth trajectory will be supported by multiple structural changes that have been implemented over the past few years. The private sector – financial and non-financial – was repairing balance sheets, which led to a slowdown in capital formation in the previous decade. The financial system stress experienced in the second decade of the millennium, evidenced by rising nonperforming assets, low credit growth and declining growth rates of capital formation, caused by excessive lending witnessed in the first decade-plus, is now behind us. Aided by healthy financials, incipient signs of a new private sector capital formation cycle are visible. More importantly, compensating for the private sector's caution in capital expenditure, the government raised capital expenditure substantially. Budgeted capital expenditure rose 2.7X in the last seven years, from FY16 to FY23, re-invigorating the Capex cycle. Structural reforms such as the introduction of the Goods and Services Tax and the Insolvency and Bankruptcy Code enhanced the efficiency and transparency of the economy and ensured financial discipline and better compliance.



Source: IMF, WTO  
Note: F stands for Forecast

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

### Growth Magnets in this Decade (2023-2030)

After a long period of balance sheet repair in the financial and corporate sector, the financial cycle is poised to turn upward. As the health and economic shocks of the pandemic and the spike in commodity prices in 2022 wear off, the Indian economy is thus well placed to grow at its potential in the coming decade, similar to the growth experience of the economy after 2003. This is the primary reason for expecting India's growth outlook to be better than it was in the pre-pandemic years. The sound and healthy financial system developed over the last few years will ensure efficient credit provisioning, contributing to higher growth in the coming years through higher investments and consumption. Thanks to India's digital revolution and formalisation, banks have far more information about their customer's credit risks than before, thus being able to make credit and pricing decisions better than before.

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

### Road Ahead

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022–23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

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

## INDUSTRY SCENARIO

Due to the enormous potential of the Indian market, local businesses have been encouraged to develop their technical skills, meet high-quality requirements, and expand their capabilities across a wide range of sectors of the growing plastics industry.



There have been phenomenal advancements in the petrochemical industry, and combined with the progress in the plastic machinery sector, they have helped forward the plastic processing industry immensely. This has made it easier for plastic processors to increase their capacity to serve both the domestic and international markets. Currently, the Indian plastic processing industry comprises approximately 30,000 units that use injection molding, blow molding, extrusion, and calendaring to create a wide range of products. Plastic material is becoming increasingly important across various industries, and per capita consumption is rising quickly. Traditional materials are being quickly replaced by plastic technology, processing equipment, expertise, and cost-effective manufacturing. The ability to serve international markets results from the skills developed in most of this industry's areas combined with inherent abilities. The Indian plastics industry has advanced significantly over the past few decades, becoming one of the nation's most significant sectors with a considerable base.

The consumption of plastics in India has significant regional variation, with Western India accounting for 47%, Northern India for 23%, and Southern India for 21%. The end-use sectors of automotive, packaging (including bulk packaging), plastics applications, electronic appliances, etc., account for the majority of consumption in Northern India and are located mostly in Uttar Pradesh and Delhi-NCR. However, other regions, including Rajasthan, Punjab, Haryana, Uttarakhand, J&K, and Himachal Pradesh, are anticipated to see growth in plastic processing due to increasing feedstock supply and a greater focus on the manufacturing sector.

The use of plasticulture can significantly reduce costs, which can result in increased crop quality and yield. Applications of plasticulture provide advantages in terms of conservation of water, water use efficiency and fertiliser use efficiency. Each application can significantly reduce water use by 30% to 100%. The total loss of water due to seepage may be reduced to zero in the case of agricultural ponds walled with plastic film, which is very advantageous. Additionally, effective fertiliser usage may reduce expenses, which is again beneficial to farmers.

The plastics industry is currently home to about 50,000 industries, most of which are micro, small, and medium-sized enterprises (MSMEs). These enterprises contribute ₹ 3.5 lakh crore (US\$ 42.89 billion) to India's economy and employ more than 50,000 people. The country recycles plastic at a rate of 60%, which is higher than that of developed nations. The "Make in India," "Skill India," "Swachh Bharat," and "Digital India" initiatives of the government are increasing plastic production, and by 2027, it is expected that the plastics industry will generate ₹ 10 lakh billion (US\$ 122.54 billion) annual revenue, with two lakh tonnes of exports.

Plastics is essentially a set of materials, not just one, which is why it seems that it may be utilized almost anywhere. There are a vast variety of plastic material types, and many of them, like polyethylene, PVC, acrylic, etc., have efficient and adaptable qualities.

Polyethylene Terephthalate (PET): Often known as polyethylene terephthalate, is the primary material used to make plastics in category one. Because of its vast utility, it is ranked first. Due to its powerful ability to stop oxygen from getting in and tainting the goods within, it is mostly used for food and beverage packaging.



Low-Density Polyethylene (LDPE): Unlike HDPE, LDPE is characterized by low-density molecules, giving this resin a thinner and more flexible design. It has the simplest structure of all plastics, making it easy and cheap to produce. Used in plastic bags, six-pack rings, various containers, dispensing bottles, and most famously for plastic wraps, it is not often recycled through curbside programs.

Polyvinyl Chloride (PVC): As a synthetic plastic polymer, polyvinyl chloride is the world's third most extensively manufactured plastic. There are essentially two types of it: stiff and flexible. PVC is frequently used in buildings and construction to create pipes and profiles for doors and windows. It may be softer and more flexible when combined with other materials and used for flooring, wiring, and plumbing insulation. PVC is currently replacing conventional building materials, including wood, metal, concrete, rubber, ceramics, etc., in various applications because of its adaptable qualities, such as lightness, durability, and ease of processing. PVC is still scarcely recyclable despite its many benefits and the plastics industry's attempts to make it more recyclable; as a result, it should be avoided wherever possible.

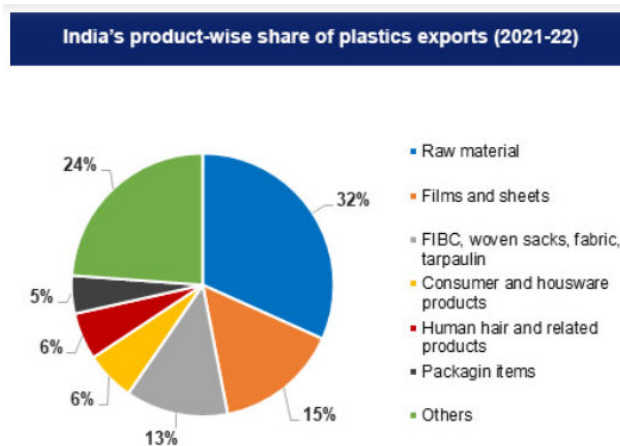


Other Plastics: Plastic will be included in this group if it cannot be distinguished from other categories. The most well-known polymers in this class are polycarbonates (PC), used to create robust, durable products. In order to protect the eyes, polycarbonate is frequently used to make lenses for safety, sports, and sunglasses. However, they may also be found on compact discs (CD) and, more frequently, on smartphones. The usage of these resins has generated debate in recent years because, when they are flushed at high temperatures, they emit bisphenol A (BPA), a chemical that is listed as potentially dangerous to the environment.

Additionally, because BPA does not decompose in landfills, it will remain persistent in the environment and eventually make its way into water bodies, leading to aquatic contamination. These plastics are seldom ever recycled

(Source: <https://www.ibef.org/download/india-plastic-industry.pdf>)

Indian plastic industry market is one of the leading sectors in the country’s economy. The history of the plastic industry in India dates to 1957 with the production of polystyrene. Since then, the industry has made substantial progress and has grown rapidly. The industry is present across the country and has more than 2,000 exporters. It employs more than 4 million people in the country and constitutes 30,000 processing units; among these, 85-90% belong to small and medium enterprises. India manufactures various products such as plastics and linoleum, houseware products, cordage, fishnets, floorcoverings, medical items, packaging items, plastic films, pipes, raw material, etc. The country majorly exports plastic raw materials, films, sheets, woven sacks, fabrics, and tarpaulin. The Government of India intends to take the plastic industry from a current level of ₹ 3 lakh crores (US\$ 37.8 billion) of economic activity to ₹ 10 lakh crores (US\$ 126 billion) in 4-5 years.



Source: The Plastics Export Promotion Council of India (PLEXCONCIL)

Ten Plastic Parks have been approved in the country by The Department of Chemicals and Petrochemicals. Among these, 6 plastic parks have received final approval from the following states – Madhya Pradesh (2 parks), Assam (1 park), Tamil Nadu (1 park), Odisha (1 park) and Jharkhand (1 park). These parks are intended to boost employment and attain environmentally sustainable growth.

**Export Trend**

Overall, the total plastics exports between April-September 2022 stood at US\$ 6.38 billion. During this time period, the exports of plastic raw materials, medical items, and pipes and fittings increased by 32.3%, 24.8% and 17.9% over the same time last year, respectively.

The cumulative exports of plastics and related materials during 2021-22 were valued at US\$ 13.34 billion. This was a 33.4% increase from the 2020-21 exports valued at US\$ 10 billion. Plastic raw materials were the largest exported category and constituted 30.7% of the total exports in 2021-22; it recorded a growth of 26.5% over the previous year. Plastic films and sheets were the second largest category, comprised 15.2% of the total exports, and grew 32.7% over the previous year.

In May 2022, the exports of plastics and linoleum from India were valued at US\$ 1,073 million. During the same period, medical items of plastics; plastic films & sheets; plastic pipes & fittings; FRP & composites; packaging items; cordage fishnets & monofilaments; and miscellaneous products recorded strong growth. The cumulative exports for April and May 2022 grew 2.6% YoY to US\$ 2,173 million.

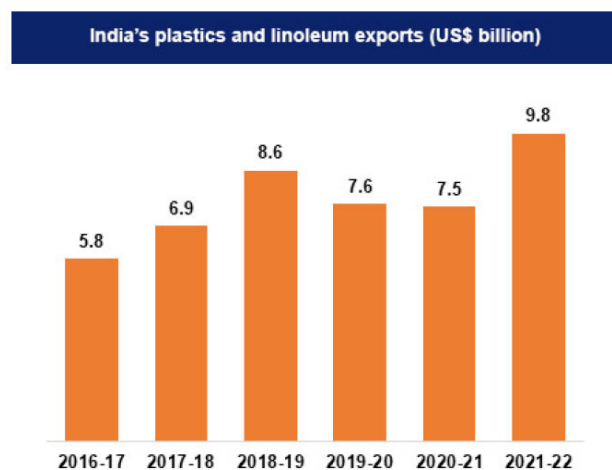
**Government Initiatives**

The Union Ministry of Commerce and Industry of India targets to increase the plastic exports of the country to US\$ 25 billion by 2025. There are multiple plastic parks being set up in the country in a phased manner that will help improve the plastic manufacturing outputs of the country. Under the plastic park schemes, funds of up to 50% of the project costs or a ceiling cost of ₹ 40 crore (US\$ 5 million) per project.

Government initiatives like “Digital India”, “Make in India”, and “Skill India” will also boost India’s Plastic industry. For instance, under the “Digital India” program, the government aims to reduce the import dependence of products from other countries, which will lift the local plastic part manufacturers.

**The Plastic Export Promotion Council (PLEXCONCIL)**

The PLEXCONCIL was established by the Ministry of Commerce and Industry in 1955. The main objective of this non-profitable organization is to showcase India as a reliable supplier of high-quality products. PLEXCONCIL is the apex body of the plastics industry in the country and represents more than 2,500 exporters who manufacture and trade plastics products ranging from plastic raw materials to semi-finished and finished items.



Source: DGCI&S



(Source: <https://www.ibef.org/exports/plastic-industry-india#:~:text=The%20cumulative%20exports%20of%20plastics, valued%20at%20US%24%2010%20billion.>)

### Policy initiatives taken for promotion of Plastics Industry

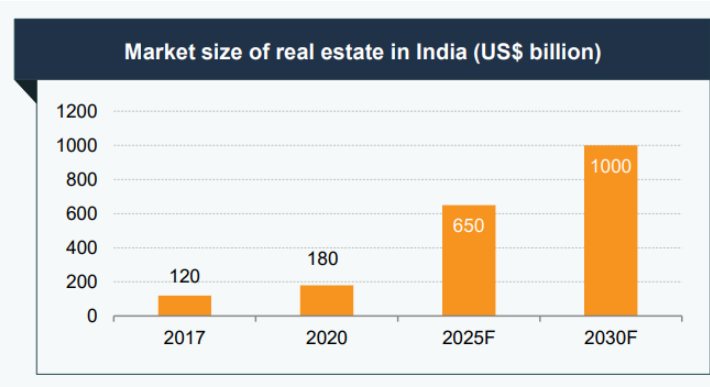
For the promotion of the Plastic Industry in the country, the Government has taken various industry friendly policy initiatives such as deregulation of the petrochemical sector and allowing 100% FDI under the automatic route to facilitate fresh investments. The Department of Chemicals and Petrochemicals has approved a Scheme for setting up of need based Plastic Parks to promote the domestic downstream plastic processing industry. A scheme of setting up “Centres of Excellence (CoEs)” which aims at improving the existing petrochemical technology and research environment in the country and to promote the development of new applications of polymers and plastics, has also been implemented.

Central Institute of Plastics Engineering & Technology (CIPET), an autonomous academic and training institute under the Department of Chemicals and Petrochemicals caters to human resource and training requirements of the plastics and allied industries in the petrochemicals sector through its 23 centres spread across the country which include 05 high Learning Centres, 11 Diploma Centres, 01 Vocational Training Centre, 03 Specialized Units viz. Advanced Tooling and Plastics Product Development Centre (ATPDC), Advanced Plastics Processing Technology Centre (APPTC), Plastic Waste management Centre, 02 R&D Wings and Polymer Data Services (PDS) centre. Setting up of CIPET centres is a dynamic process based on the demand and growth of plastic industries and requisite infrastructural and financial support of the State Government. During 2015-16, the Government has approved setting up 05 Centres of CIPET.

(Source: <https://pib.gov.in/newsite/printrelease.aspx?relid=133722>)

### Overview of Indian real estate market

Real estate sector in India is expected to reach US\$ 1 trillion by 2030, up from US\$ 200 billion in 2021. By 2025, it will contribute 13% to the country’s GDP. Rapid urbanisation bodes well for the sector. The number of Indians living in urban areas is expected to reach 542.7 million by 2025 and 675.5 million by 2035. Construction is the third-largest sector in terms of FDI inflow. FDI in the sector (including construction development & activities) stood at US\$ 55.18 billion from April 2000-September 2022. Government of India’s ‘Housing for All’ initiative is expected to bring US\$ 1.3 trillion investment in the housing sector by 2025. The Government has allowed FDI of up to 100% for townships and settlements development projects. The demand for residential space expected to grow sharply. Key drivers (a) Rapid urbanisation. (b) Growth in population (c) Rise in the number of nuclear families (d) Easy availability of finance (e) Repatriation of NRIs and HNIs and (f) Rise in disposable income.



(Source: <https://www.ibef.org/industry/real-estate-india>)

## **OUR BUSINESS**

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

*All financial information included herein is based on our “Financial information of the Company” included on page 130 of this Red Herring Prospectus.*

We are a PVC profile brand, focused primarily on manufacturing of polymer-based profiles which finds application in doors, windows, partitions, false ceilings, wall paneling, kitchen cabinets & other interior and exterior works. Our product portfolio has over 1200 SKU's covering PVC Profile, uPVC door & window profile, WPC Profile & sheet in various sizes, specifications and colours. We are also engaged in fabrication of factory-made PVC & Solid PVC doors. Except for WPC (Wood-polymer composite) profile and doors, all our products are non-wood based, which substitute wood-products and results in saving of trees.

We market our products through an extensive network of 300 dealers spread across over 20 States and Union Territories of India. As of date of this Red Herring Prospectus, our distribution network comprises of 3 depots situated in Gagilapur (Telangana), Dadri (Uttar Pradesh) and Surat (Gujarat). We have brands in the name of *Kaka, Poly Plast, Jinwin, Nice Plast* and *Barbarika* under which we sell our products. For the Fiscal 2023, we derived major portion of our revenue from the state of Gujarat (i.e. 63.73%), followed by Telangana (8.67%), Maharashtra (7.49%), Karnataka (4.61%) and remaining 15.50% were from other 19 states & union territories. We are also empaneled as “Approved Vendor” in two of the Government Organizations namely, Gujarat State Police Housing Nigam Limited and Military Engineer Services (Lucknow & Ahmedabad).

As on the date of this Red Herring Prospectus, we have three manufacturing units in village Zak, Gandhinagar district, Gujarat, which has a combined installed capacity of 15,425 MT for manufacturing PVC profile, 2,995 MT for WPC profile & sheet, 2,022 MT for uPVC door & window profile. We have a well-equipped laboratory, modern technology and testing equipments with supporting environment and facilities, to ensure that the products conform with the desired quality. As on the date of this Red Herring Prospectus, our manufacturing facility has accreditations such as ISO 9001:2015 for quality management system, ISO 45001:2018 for occupational health and safety management systems, ISO 14001:2015 for environmental management system, compliance certificate as per construction products regulations(CPR) 305/2011 and “Assured Green Business” from United Accrediting Services Limited, UK.

We are currently in process of setting up a new manufacturing plant in village Lasundra, Kheda district (Gujarat), in order to increase our manufacturing capabilities. The land on which the said plant is being constructed comprises of over 49,000 sq. mtrs. area and is obtained by us on lease from our Promoter Director, Mr. Bhavin Rajeshbhai Gondaliya for a period of 30 years till March 26, 2053.

Our founder, Mr. Rajesh Dhirubhai Gondaliya has more than 20 years of experience in the field of PVC profile and related products. He started the trading business of profile sheets in the year 2000 and ventured in profile manufacturing in 2012. We have benefited immensely from the vast experience of our promoter on account of his sound knowledge of the polymer extrusion industry, high contacts with clients and suppliers and better decision-making power. Upon incorporation of our Company, we acquired the profile sheet machinery setup of our Group Company, Kaka Engineering Private Limited (formerly known as Kaka PVC Profile Private Limited) in the year 2019 and started manufacturing profile sheets in the same year itself. Our founder and the top management team is supported with adequate technical, managerial and commercial team having relevant experience which help us to achieve the organizational goals.

As per the restated financial statements for the fiscal ended 2023, 2022 and 2021, the total income of our Company stood at ₹ 158.88 Cr., ₹ 117.10 Cr. and ₹ 78.79 Cr. respectively. Further, our PAT for the fiscal ended 2023, 2022 and 2021 stood at ₹ 7.19 Cr., ₹ 4.98 Cr. and ₹ 3.03 Cr. respectively.

### **Our Competitive Strengths**

#### ***Extensive network of dealers covering major parts of India***

We believe that the growth in our business operations have been made possible by our wide dealer network covering major parts of India. We sell our products through a network of 300 dealers spread across over 20 states and Union Territories in India. As of date of this Red Herring Prospectus, our distribution network comprises of 3 depots situated in Gagilapur (Telangana), Ghaziabad (Uttar Pradesh) and Surat (Gujarat). We work with various dealers depending on their geographical reach, market knowledge, product and customer awareness as well as understanding of PVC profile industry. Our sales & distribution network is aided by our capable in-house sales and marketing team of 16 employees, which liaise with the dealers on a regular basis for customer inputs, market

demands as well as positioning of our products vis-à-vis products of our competitors. Maintaining strong relationships with our dealers are essential to our business strategy and to the growth of our business. We continually strive to maintain strong relationships with our dealers in order to have uninterrupted supplies of our products to them and retain them for a long period of time.

### ***Wide Range of Products***

Our Company offers over 1200 SKU's covering PVC Profile, uPVC door & window profile, WPC Profile & sheet in various sizes, specifications and colours. We are also engaged in fabrication of factory-made PVC & Solid PVC doors. Having a wide portfolio of product categories enables us to cross-sell to a large customer base (which, in our case, are majorly dealers) who in-turn reach out to large number of retail counters for serving the fabricators and eventually end-consumer. Having a wide product portfolio also enables our Company to efficiently compete with larger profile players in the market who also have a wide product offering. Within each product category, we have multiple SKUs in terms of grades, pack sizes for various applications thereby enabling us to meet the needs of diverse customer base. Our constant efforts are focused towards continuously identifying market demands and introducing relevant products with high quality.

### ***Stringent quality control mechanism ensuring standardized product quality***

We employ an extensive and stringent quality control mechanism during the manufacturing of all our profile products which includes tests such as ash content testing, moisture, shrinkage & heat ageing testing, density testing, cold impact testing, colour testing, strength testing, thickness testing etc. that are required to ensure that our finished product conforms with the standard quality. We have implemented internal procedures to ensure quality control at various stages of production, from procurement of raw material, production to inventory storage. Our manufacturing facility has personnel responsible for monitoring the parameters of equipment, stability of materials, reporting any irregularities in the manufacturing process and making adjustments accordingly. These levels of quality checks ensure maintenance of our brand value for quality of products. Further, as on the date of this Red Herring Prospectus, our manufacturing facility has accreditations such as ISO 9001:2015 for quality management system, ISO 45001:2018 for occupational health and safety management systems, ISO 14001:2015 for environmental management system, compliance certificate as per construction products regulations(CPR) 305/2011 and "Assured Green Business" from United Accrediting Services Limited, UK. These certifications provide assurance to our domestic as well as overseas customers for the quality and durability of our products. We believe that our focus on quality of products has enabled us to sustain and grow our business model to benefit our customers.

### ***In-house Manufacturing capabilities***

As on the date of this Red Herring Prospectus, we have three manufacturing facilities at village Zak, Gandhinagar district, Gujarat, which has a cumulative production capacity of 15,425 MT for manufacturing PVC profile, 2,995 MT for WPC profile & sheet, 2,022 MT for uPVC door & window profile. The land where our manufacturing facilities have been established is owned either by our Promoters or third parties and the same has been licensed out to our Company by them. The in-house manufacturing operations enable us to stream line inventory management and production process resulting into maintenance of high-quality production standards, minimizing production time and bringing cost effectiveness.

### ***Synergy of young and experienced management team with a committed employee base***

We benefit extensively from the leadership of our Promoter, Mr. Rajesh Dhirubhai Gondaliya, who has more than 20 years of experience in the field of PVC profile and related products and has sound knowledge of the polymer extrusion industry. He is involved in the day-to-day business and management of our Company. In addition, Mr. Bhavin Rajeshbhai Gondaliya, Whole Time Director, who joined the business in 2019, has 4 years of experience in this industry and plays a key role in introducing new product categories and expanding dealers' network across the country while continuing to strengthen the brand "Kaka" in India. We are backed by a synergized crew of experienced and young support team which has been built up over the years and has been contributory in achieving the goals of our Company. Our key business functions like sales, production, finance, HR and supply chain play key role in efficient day-to-day operations of the Company. We endeavour to maintain a balance of experienced and young professionals in the team. Our Board of Directors includes a combination of management executives and independent members who bring in significant business expertise including in the areas of administration and management, manufacturing, finance, compliance and audit. We believe that our management team's experience and their understanding of the industry will enable us to continue to take advantage of both current and future market opportunities. For details regarding the Key Managerial Personnel, please refer to chapter titled "***Our Management***" on page 111 of this Red Herring Prospectus.

### **Our Business Strategies**

#### ***Strengthen our brand image***

We have consistently allocated significant resources to establish and strengthen the "Kaka" brand and increase our brand recall through various marketing initiatives. In concord with our endeavor to promote and increase sales, we sell our products under brand names i.e. *Kaka, Poly Plast, Jinwin, Nice Plast and Barbarika*. As a part of our marketing strategy, we employ various marketing

techniques such as TV Ad on regional channels, participation in trade fairs & exhibitions, presence over B2B marketplace (such as tradeindia.com), etc. We have also recently carried advertisement in the cricket match stadium of Rajkot, Gujarat, during the match between India v/s South Africa. Our Company also organizes dealer meets from time to time in order to promote our sales. The advertisement & marketing expenses incurred by our Company in Fiscal 2021, 2022 and 2023 were ₹ 97.25 Lakhs, ₹ 136.70 Lakhs and ₹ 259.38Lakhs, respectively. Going forward, our Company will strive to further bolster its brand image by undertaking marketing initiatives which will not only increase the visibility in the market but also create a strong brand recall. Further, as we look to expand our consumer base, we intend to have additional sales and marketing team focused primarily on penetrating the untapped market.

***Setup of new integrated manufacturing facility***

We are currently in process of setting up a new manufacturing plant in village Lasundra, Kheda district (Gujarat), in order to increase our manufacturing capabilities. The land on which the said plant is being constructed comprises of over 49,000 sq. mtrs. area and is obtained by us on lease from our Promoter Director, Mr. Bhavin Rajeshbhai Gondaliya for a period of 30 years. The total cost for setting up new manufacturing plant is estimated to be ₹ 27 crores. In order to finance the said project, we have been sanctioned a term loan of ₹ 20 crores from SIDBI. Further, the remaining cost is expected to be funded from the promoter's contribution and/or any other source as may deem fit by the Board of Directors. We intend to gradually shift our existing manufacturing operations (phase-wise) from the existing three facilities to the aforementioned new facility in the future. The plant & machinery at the facility under expansion is targeted to be more automated to reduce human intervention and thus decreasing the scope of human error. We believe that the entire activity will lead to higher efficiency and production output.

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

Our Company has constantly expanded the dealers network across the country and this continues to be one of the core strategies of the Company to further expand the dealers network. Having a wider product portfolio provides confidence to new dealers to engage with our Company. While we believe in growing the dealers network, proper area marking and financial credibility check is done before appointing a dealer to ensure a good service and reputation in the market without hurting our existing channel. Going forward we intend to focus on current markets to increase our customer base and to tap new market and increase our geographical reach and customer base.

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

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

***Maintaining cordial relationship with our Suppliers, Customer and employees***

We believe in maintaining good relationship with our suppliers, customers and employees which are the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships with our existing customers over a number of years. Further, we believe that establishing strong, mutually beneficial long-term relationships with strategic suppliers is a critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

**Our Main manufacturing facility at Zak, Gandhinagar, Gujarat:-**



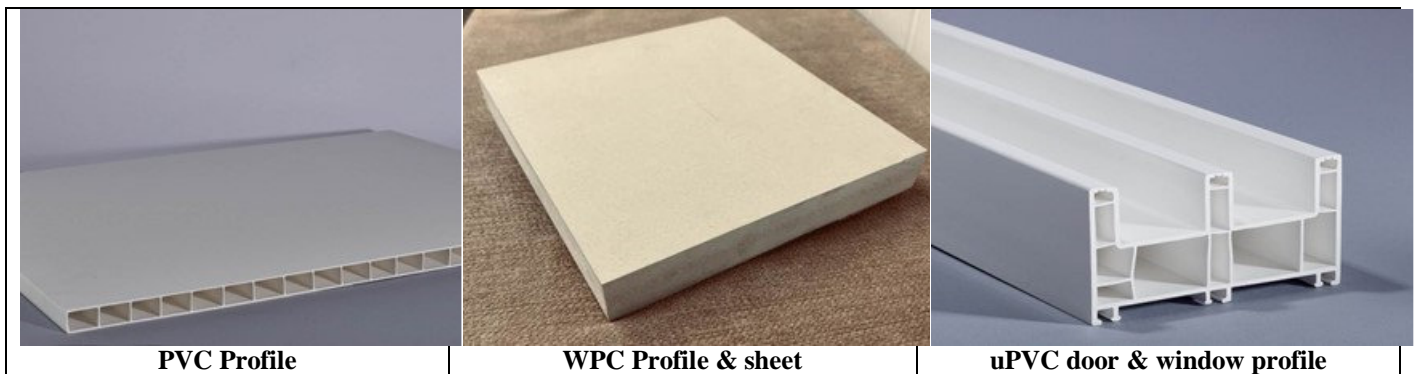




Ongoing construction of our proposed manufacturing facility at Lasundra Village, Kathlal Taluka, Kheda District, Gujarat:-



Product Images:-



PVC Profile

WPC Profile & sheet

uPVC door & window profile

Brands under which we market our products:-



Product Category	Description
<b>PVC Profile</b>	Polyvinyl chloride or PVC Profile is used in end-products such as furniture, Wall panel, Ceiling Panel, Decorative Product, Doors, Partition etc. It includes PVC Multichambered Hollow Profile, PVC Hollow Door Frame, PVC Hollow Molding, PVC Framing Pipe, PVC Panel for wall & Ceiling, Corner Profile, Solid Polymeric Reinforcement and Solid Polymeric frames etc. Its available in various specifications such as Matt Finish, Digital Printed texture, glossy and marble glossy.
<b>uPVC door and window profile</b>	uPVC stands for Unplasticised Polyvinyl Chloride, and is also known as rigid PVC. uPVC is a low conductor of heat & energy efficient product, which implies that a uPVC window/door significantly reduces the transfer of temperature from outside to inside and inside to outside. uPVC windows and doors are low maintenance material and is known for their durability and customizable options. Our Upvc window & Door profile series are available in various size such as 50mm,60mm, 80mm, 92mm, 110mm etc.
<b>WPC Profile &amp; sheet</b>	Wood plastic composite or WPC Profile is used mainly for making doors, Ply, Wall Panel and are available in door size width 27", 30", 32", 33", 36", 39" and Ply in 48" in printed texture coated ,Plain, and digital printed form.
<b>Doors</b>	We are also engaged in fabrication of factory-made PVC & Solid PVC doors in various sizes.

The following table sets out the bifurcation of our sales turnover for the fiscals as indicated:

Particulars	(₹ in lakhs)			
	Fiscal year ended March 31, 2022 (standalone basis)	% of Revenue	Fiscal year ended March 31, 2023 (consolidated basis)	% of Revenue
PVC Profile	8251.26	70.55%	9444.25	61.35%
WPC Profile & Sheet	1754.69	15.00%	2904.06	18.87%
uPVC Door and Window Profile	716.74	6.13%	1216.93	7.91%
Factory made doors	242.58	2.07%	483.03	3.14%
Raw Material (Chemicals, Resin and other items)	730.66	6.25%	1345.20	8.74%
<b>Total</b>	<b>11,695.92</b>	<b>100.00%</b>	<b>15,393.47</b>	<b>100.00%</b>

#### Manufacturing Process of PVC & WPC Profile:

**Formation of the resin compound:** PVC Profile manufacturing process starts with dry blending of PVC resin with fillers, stabilizers, pigments and additives in appropriate and accurate proportions so that quality of the final product can be maintained.

**Dry Blending:** The mixture of above components is then blended in a heating mixer with high speed friction heat & cooling to make the mixture uniform.

**Extrusion and Die-casting:** The extrusion procedure is the main stage of the manufacturing process. The mixture then goes into extrusion machines, wherein the mixture plastisizes in extrusion machine which then goes into different dies and moulds which are made to give profiles shape according to the pre-defined designs and specifications.

**Cooling & Sizing:** The extruded material is then fed in the calibrator that assist in cooling and shaping of profile with the help of vacuum and water.

**Puller/ Haul Off:** After the cooling process, the product goes through haul off unit which is basically used to pull the profile.

**Sawing and Cutting:** After being sufficiently cooled, the extruded profiles are then cut into standardised shapes.

**Quality Check:** In this step, the profiles are checked for any variations in dimensions, sizes & colours. If found satisfactory, they are sent to next level of printing and coating and if not, they are treated as rejected goods, which further go into scrap cutting and recycling process through grinder and dry blending process.

**Printing and Coating Process:** The profiles which are approved by quality checkers, are sent for printing process where it first gets printed with roller-print process and is then passed through the surface UV Coating & curing line to give the required high gloss/ gloss/ mat finish as per the design specifications.



**Quality Check:** In this step, quality check is performed to verify that the printing and coating process is done properly. If found satisfactory it goes into packaging, storage and dispatch; if not, the product again goes to rejected goods to get recycled.

**Packaging, Storage and Dispatch Department:** The final profiles are then packed taking care of scratches and are finally dispatched from the production facility to our warehouse.

The similar type of process is followed to manufacture WPC Profile & Sheet. In case of WPC, the additional raw materials i.e. wood fibre and foaming agents are mixed to form the resin compound.

**Manufacturing Process of uPVC window and door profile:**

**Formation of the resin compound:** uPVC Profile manufacturing process starts with dry blending of PVC resin with fillers, stabilizers, pigments, titanium dioxide (TiO<sub>2</sub>), impact modifier and additives in appropriate and accurate proportions so that quality of the final product can be maintained.

**Dry Blending:** The mixture of above components is then blended in a heating mixer with high speed friction heat & cooling to make the mixture uniform.

**Extrusion and Die-casting:** The extrusion procedure is the main stage of the manufacturing process. The mixture then goes into extrusion machines, wherein the mixture plastisizes in extrusion machine which then goes into different dies and moulds which are made to give profiles shape according to the pre-defined designs and specifications. There are number of dies for uPVC Door/Window Profile such as 3 Track sliding system for Door Window, 2 Track Sliding System, Openable Doors/Windows, Fixed Windows etc.

**Cooling & Sizing:** The extruded material is then fed in the calibrator that assist in cooling and shaping of profile with the help of vacuum and water.

**Water Tank & Tank Plate:** The extruded product is then passed through water tank where tank plates freeze the shape and cools down the product.

**Puller/ Haul Off:** After the cooling process, the product goes through haul off unit which is basically used to pull the profile.

**Sawing and Cutting:** After being sufficiently cooled, the extruded profiles are then cut into standardised shapes.

**Quality Check:** In this step, the profiles are checked for any variations in dimensions, sizes & colours. If found satisfactory, they go to next level for packaging, otherwise they are treated as rejected goods, which then go into scrap cutting and recycling process through grinder and dry blending process.

**Packaging, Storage and Dispatch Department:** The final profiles are then packed taking care of scratches and are finally dispatched from the production facility to our warehouse.

**PLANT & MACHINERY**

Some of the major plant & machineries installed in our unit include PVC hollow sheet extrusion line, hollow frame and section extrusion line, profile printing line, uPVC extrusion line, high glossy and hot stamping hollow pvc line, grinding and pulverizing unit, compounding unit, lamination and digital printing machine etc.

**INSTALLED CAPACITY & CAPACITY UTILISATION:-**

**PVC Profile**

Particulars	2020-21	2021-22	2022-23	Existing Capacity (p.a.)	Installed Capacity (p.a.)
Installed Capacity (in Mt)	11,719	15,425	15,425	15,425	
Actual Production (in Mt)	7,159	8,570	8,584		
Capacity Utilization (in %)	61.09%	55.56%	55.65%		

**WPC Profile & Sheet**

Particulars	2020-21	2021-22	2022-23	Existing Capacity (p.a.)	Installed Capacity (p.a.)
Installed Capacity (in Mt)	1,872	2,995	2,995	2,995	

Particulars	2020-21	2021-22	2022-23	Existing Capacity (p.a.)	Installed Capacity (p.a.)
Actual Production (in Mt)	1424	1755	2,679		
Capacity Utilization (in %)	76.07%	58.60%	89.45%		

#### **uPVC Door and Window Profile**

Particulars	2020-21	2021-22	2022-23	Existing Capacity (p.a.)	Installed Capacity (p.a.)
Installed Capacity (in Mt)	599	1273	2022		
Actual Production (in Mt)	109	606	705		2,022
Capacity Utilization (in %)	18.27%	47.62%	34.88%		

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off and future production and capacity utilization may vary. For details, please refer to Chapter titled “**Risk factors**” page 25 of this Red Herring Prospectus.

**Collaborations:** We have not entered into any technical or financial or any other collaboration agreement as on the date of filing of this Red Herring Prospectus.

**Export Obligation:** Our Company does not have any export obligation, as on date of this Red Herring Prospectus.

#### **SALES AND MARKETING:**

Our sales & distribution network is aided by our capable in-house sales and marketing team of 16 employees, which liaise with the dealers on a regular basis for customer inputs, market demands as well as positioning of our products vis-à-vis products of our competitors. As a part of our marketing strategy, we employ various marketing techniques such as TV Ad on regional channels, participation in trade fairs & exhibitions, presence over B2B marketplace (such as tradeindia.com), etc. We have also recently carried advertisement in the cricket match stadium of Rajkot, Gujarat, during the match between India v/s South Africa. Our Company also organises dealer meets from time to time in order to promote our sales. The advertisement & marketing expenses incurred by our Company in Fiscal 2021, 2022 and 2023 were ₹ ₹ 97.25 Lakhs, ₹ 136.70 Lakhs and ₹ 259.38 Lakhs, respectively.

#### **COMPETITION:**

The PVC profile industry is extremely competitive where the key factors of competition primarily comprise of product quality, cost, delivery, development and management. In this highly competitive industry, we compete with other PVC Profile manufacturers and suppliers in the world and in India. Some of our competitors have better penetration in some of the geographical locations that we operate in. We believe that our cost effective and integrated facility, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in many of our products. While these factors are key parameters the in-client’s decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most of the deals. Some of our significant competitors in the organized segment includes Dhabriya Polywood Limited, Sintex Plastics Technology Limited and Fenesta Building Systems - (A division of DCM Shriram Limited).

#### **Infrastructure & Utilities:**




**Raw Materials:** The essential raw material used by our manufacturing facility for production of profiles is PVC resin, calcium carbonate, heat stabilizers, pigments, additives, hardware for windows & doors and steel reinforcement. We procure majority of the raw materials from the suppliers based in domestic market.

**Power:** The requirement of power for our operations, like power for lighting and operating the plant/machinery/equipment is met through the state electricity board i.e. Uttar Gujarat Vij Company Ltd.

**Water:** The existing water requirement for our manufacturing unit is met from borewells.

**Manpower:** We believe that our employees are key contributors to our business success and thus we focus on attracting and retaining the best possible talent. We aim towards recruiting the talent that we need, facilitating the integration of our employees into the Company and encouraging the development of skills in order to support our performance and the growth of our operations. As on February 28, 2023, our Company has employed around 199 employees (including labour) at various levels of the Organization.

**PROPERTY:****Intellectual Property**

Sr. No.	Brand Name/ Logo/ Trademark	Class	TM Category	Owner*	Application No./ Registration Certificate No.	Date of Registration	Current Status
1.		17	Trade Mark	Shreeji Plast Mart sole proprietorship of Rajesh Dhirubhai Gondaliya	Application No. 1853412 Certificate No. 1616410	August 21, 2009	Registered
2.		20	Trade Mark	Shreeji Plast Mart sole proprietorship of Rajesh Dhirubhai Gondaliya	Application No. 5023177 Certificate No. 2882275	June 29, 2021	Registered
3.		19	Trade Mark	Shreeji Plast Mart sole proprietorship of Rajesh Dhirubhai Gondaliya	Application No. 5023176 Certificate No. 2882274	June 29, 2021	Registered
4.	KAKA	37	Trade Mark	Shreeji Plast Mart sole proprietorship of Rajesh Dhirubhai Gondaliya	Application No. 4996634 Certificate No. 3153205	June 07, 2021	Registered
5.	KAKA	19	Trade Mark	Shreeji Plast Mart sole proprietorship of Rajesh Dhirubhai Gondaliya	Application No. 4996632	June 07, 2021	Accepted and advertised
6.	KAKA	20	Trade Mark	Shreeji Plast Mart sole proprietorship of Rajesh Dhirubhai Gondaliya	Application No. 4996633	June 07, 2021	Accepted and advertised

\*The said trademarks are registered/ accepted and advertised in the name of Shreeji Plast Mart, a sole proprietorship of Rajesh Dhirubhai Gondaliya, our Promoter, Chairman and Managing Director, and is used by company vide No Objection Certificates.

**Immovable Properties:**

The following are the details of the immovable properties owned/ leased/ rented by our Company:-

Sr. No.	Usage	Address	Owned/Leased/Rent
1.	Registered Office and Godown	Plot No.67, Bhagwati Nagar, Opp. Nilkanth Arcade, Opp. Kathwada GIDC, Kuha-Kanbha Road, Ahmedabad-382415 Gujarat.	Obtained on lease from Shreeji Plast Mart through its proprietor Rajesh Dhirubhai Gondaliya for a period of 59 months, 29 days starting from 01.04.2022 to 30.03.2027 through an Agreement to Lease dated 13.04.2022, at a monthly lease of ₹ 90,000/-
2.	Main Manufacturing facility – I (Along with plant & machinery, equipments and vehicles)	Plot No. 3 And 4, Survey No. 338, G.I.D.C. Zak, Taluka Dehgam, Gandhinagar, Gujarat, 382305	Obtained on lease from Shreeji Plast Mart through its proprietor Rajesh Dhirubhai Gondaliya for a period of 9 years starting from 01.09.2019 to 31.08.2028 through an Agreement to Lease dated 02.12.2019, at a monthly lease of ₹ 600,000/-. Company has entered into an MOU dated 01.04.2022 through which rent was reduced to monthly rent of ₹ 4,00,000/- from 01.04.2022.
3.	Manufacturing facility – II	Plot No. 339, Survey No. 285, Industrial Area Zak, Village Zak, Opp. Honest Petrol Pump, Vehlal Road, Taluka - Dehgam, Gandhinagar, Gujarat, 382330.	Obtained on rent from M/s Swami Packaging firm through its partners Rakeshbhai J. Patel and Hiren V. Patel for a period of 11 months and 29 days starting from 01.08.2022 to 30.07.2023 through rent agreement dated 08.10.2022, at a monthly rent of ₹ 40,000/-
4.	Manufacturing facility – III	Plot No 1, Supreme -2, Industrial Park, Survey No. 1363, Zak -Vahelal Road, Tal-Daskroi, Dist Ahmedabad, Gujarat, 382330	Obtained on rent from Mr. Patel Shamjibhai Valjibhai for a period of 11 months and 29 days starting from 01.10.2022 to 29.09.2023 through rent agreement dated 08.10.2022, at a monthly rent of ₹ 68,250/-

Sr. No.	Usage	Address	Owned/Leased/Rent
5.	Proposed Manufacturing Facility (Under-construction)	Survey No./Block No. 85, 84P2, 2009-4, 84P1, and 83, Lasundra, Kheda, Gujarat, 387640	Obtained on lease from Bhavin Rajeshbhai Gondaliya for a period of 30 years starting from 27.03.2023 to 26.03.2053 through an Lease deed dated 27.03.2023, at a monthly lease of ₹ 10,000/-
6.	Godown – I	Plot No 1 And 2, Sur No 282, Zak GIDC, Zak, Taluka Dehgam, Gandhinagar, Gujarat, 382305	Obtained on rent from Mr. Patel Vinodbhai Parsottambhai for a period of 11 months and 29 days starting from 01.08.2022 to 30.07.2023 through rent agreement dated 13.09.2022, at a monthly rent of ₹ 20,000/-
7.	Godown - II	Plot No. 5, Survey No. 286, Old Survey No. 338, Industrial Area Zak, Viillage Zak, Taluka Dehgam, Distt Gandhinagar, Gujarat, 382330	Obtained on rent from Mr. Rameshbhai Manubhai Kotadiya for a period of 11 months and 29 days starting from 01.08.2022 to 30.07.2023 through rent agreement dated 20.09.2022, at a monthly rent of ₹ 55,650/-
8.	Godown – III	Survey No. 452/ 453, Block No 339, Industrial Area Zak, Village Zak, Vehlal Road, Taluka - Dehgam, Gandhinagar, Gujarat, 382330	Obtained on rent from Mr. Pravinkumar Kantilal Patel for a period of 11 months and 29 days starting from 01.10.2022 to 29.09.2023 through rent agreement dated 08.10.2022, at a monthly rent of ₹ 75,000/-
9.	Fabrication unit and godown	Survey No. 65 to 71, Bhagwati Nagar, Village Kathwada, Taluka Dascroi, District Ahmedabad.	Obtained on rent from Mr. Desai Hirabhai Rajabhai for a period of 11 months and 29 days starting from 01.09.2022 to 30.08.2023 through rent agreement dated 06.09.2022, at a monthly rent of ₹ 30,000/-
10.	Sales Depot and Godown	Block No-227,Survey No-208, Nr Swapna Residency, Gram-Puna, Surat, Gujarat, 395010	Obtained on rent from Mr. Bagubhai Vithalbhai Patel for a period of 11 months starting from 23.01.2023 to 22.12.2023 through rent agreement dated 02.03.2023, at a monthly rent of ₹ 20,000/-
11.	Sales Depot and Godown	Khata No -870, Plot No -28, Khasara No 993, Village Chhapraula, Dist. Gautam Buddha Nagar, Uttar Pradesh, 20320	Obtained on lease from Mukesh Garg and Nutan Garg for a period of 5 years starting from 01.07.2022 to 31.06.2027 through an Agreement to Lease dated 08.06.2022, at a monthly lease of ₹ 50,000/-
12.	Sales Depot and Godown	Shed No. 1-132, Survey No. 232/A, Gagillapur Village, Dundigal Gandimaisamma Mandal, Medchal-Malkajgiri, Telangana, 500043	Obtained on lease from Vithal Das Patel and five others for a period of 3 years starting from 01.04.2022 to 31.03.2025 through an Agreement to Lease dated 20.04.2022, at a monthly lease of ₹ 1,16,160/-
13.	Investment	Shop No. F-42, F-43, F-44, Karnavati Megamall, Vastral, Taluka Vatva, Ahmedabad	Owned
14.	Proposed to be used as office in future	Office No. 501 and 601, Block A+B, Sahtiya Business Park, of Survey no. 43/4, Village Nikol of Tehsil, Asarwa, District Ahmedabad.	Owned
15.	Proposed to be used for commercial purpose in future	D/08, Block/Survey No. 207 (Old Block/Survey No. 73), Village Dadhal, Taluka Ankleshwar, Sub-district Bharuch	Owned
16.	Proposed to be used for commercial purpose in future	Plot Nos. A/01, B/02, B/04, B/05, B/06 and C/07, Block Survey No. 207 (Old Block/Survey No. 73), Village Dadhal, Taluka Ankleshwar, Sub-district Bharuch	Owned
17.	Investment	Shop No. 211 to 215, 2 <sup>nd</sup> floor, Satva Mangyalya, Village Vastral, tehsil Vatva, Sub District, Ahmedabad	Owned
19.	Guest House	Block No.:-1B/1 Satva-4 House, Hanspura, Asarva, Naroda, Ahmedabad	Owned

**Insurance:**

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our significant insurance policies consist of, among others, stock insurance, workman compensation insurance, property insurance (building, furniture & fixture and plant & machinery), keyman insurance and vehicle insurance in respect of certain of our premises and vehicles. Our insurance policies may not be sufficient to cover our economic loss. For further details, kindly refer the section on “**Risk Factors**” beginning on page 25 of this Red Herring Prospectus. Our insurance coverage may not adequately protect us against all material hazards, which may affect our business, results of operations and financial condition.

## **KEY INDUSTRY REGULATIONS AND POLICIES**

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies 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 be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled “**Government and other Approvals**” on page 188 of this Red Herring Prospectus

This chapter has been classified as under:

- A. Core Business Laws
- B. Corporate and Commercial laws
- C. Labour and Employment Laws
- D. Environmental laws
- E. Tax Laws
- F. Foreign Regulations
- G. Intellectual Property Laws

### **A. CORE BUSINESS LAWS**

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

These Rules were made effective from March 18, 2016 in suppression of Plastic Waste (Management and Handling) Rules 2011. It mandates the generators of plastic waste to take steps to minimize generation of plastic waste, prevent littering of plastic waste, and ensure segregated storage of waste at source among other measures. The rules also mandate the responsibilities of local bodies, gram panchayats, waste generators, retailers and street vendors to manage plastic waste.

The Plastic Waste Management Rules 2016, and its further amendments in 2018 and 2021 focus on single-use plastics. It prohibits identified single use plastic items which have low utility and high littering potential by 2022. It notifies that the manufacture, import, stocking, distribution, sale and use of following single-use plastic, including polystyrene and expanded polystyrene, commodities shall be prohibited with effect from the 1st July, 2022

- a. Plates, cups, glasses, cutlery such as forks, spoons, knives, straw, trays, wrapping or packaging films around sweet boxes, invitation cards, and cigarette packets, plastic or PVC banners less than 100 micron, stirrers.
- b. Ear buds with plastic sticks, plastic sticks for balloons, plastic flags, candy sticks, ice-cream sticks, polystyrene [Thermocol] for decoration

Recently, the **Ministry of Environment, Forest, and Climate Change** announced the **Plastic Waste Management (Amendment) Rules, 2022**, which notified the instructions on **Extended Producer Responsibility (EPR)** for plastic packaging. The term **Extended Procedure Responsibility** means the responsibility of a producer for the environmentally sound management of the product until the end of its life. The amended Guidelines provide framework to strengthen circular economy of plastic packaging waste, promote development of new alternatives to plastic packaging and provide next steps for moving towards sustainable plastic packaging by businesses.

As per current government guidelines, polythene bags of less than 75 microns have been banned from September 30, 2021. Moreover, from July 1, 2022, manufacture, import, stocking, distribution, sale and use of single-use plastic including, earbuds with plastic sticks, plastic sticks for balloons, plastic flags, candy sticks, ice-cream sticks, polystyrene [thermo-col] for decoration, plates, cups, glasses, cutlery such as forks, spoons, knives, straw, trays, wrapping or packing films around sweet boxes, invitation cards, and cigarette packets, plastic or PVC banners less than 100 micron and stirrers are prohibited. From December 31, 2022, polythene bags of less than 120 microns have been banned in many States of India.

### **B. CORPORATE AND COMMERCIAL LAWS**

#### **Companies Act, 2013**

Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law lays down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.



### **Competition Act, 2002**

The Competition Act, 2002 came into effect on June 1, 2011 and has been enacted to “prohibit anti- competitive agreements, abuse of dominant positions by enterprises” and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

### **Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them.

### **Negotiable Instruments Act, 1881**

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dis honored on the ground of insufficiency of funds in the account maintained by a person who draws the cheque which is punishable with imprisonment as well as fine.

### **The Registration Act, 1908 (“Registration Act”)**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **Indian Stamp Act, 1899 (the “Stamp Act”)**

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

### **The Arbitration and Conciliation Act, 1996**

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

### **The Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities.

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

The Consumer Protection Act provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers’ disputes and matters connected therewith. The Consumer Protection Act protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressal forums set up under the Act.

## **C. LABOUR AND EMPLOYMENT LAWS**

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

This Act has been liberalized under the New Industrial Policy dated July 24<sup>th</sup>, 1991, and all industrial undertakings have been made exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum (“IEM”) with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

### **Factories Act, 1948 (“Factories Act”)**

The Factories Act, 1948 defines a “factory” to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, where a manufacturing process is being carried on without the aid of power. State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. It provides such safeguards of workers in the factories as well as offers protection to the exploited workers and improve their working conditions. The penalties for contravention of the Factories Act include fine and imprisonment for the ‘occupier’ or ‘manager’ as defined under the Factories Act, and enhanced penalties for repeat offences and contravention of certain provisions relating to use of the hazardous materials.

### **Gujarat Factories Rules, 1963**

The Factories Act is a social legislation that has been enacted for occupational safety, health, and welfare of workers at work place. The State of Gujarat has formulated its rules as envisaged under the Act and they are known as The Gujarat Factories Rules, 1963. The Gujarat Labour and Employment Department issued the Gujarat Factories (Amendment) Rules, 2021 to further amend the Gujarat Factories Rules, 1963.

### **The Micro, Small and Medium Enterprises Development Act, 2006**

The Act provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The Central Government is empowered to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, (ii) a small enterprise, or (iii) a medium enterprise, as per criteria mentioned in the said Act. The MSMED Act inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

### **The Gujarat Fire Prevention and Life Safety Measures Act, 2013 (Gujarat Act No. 11 of 2013)**

An Act to make effective provisions for the fire prevention, safety and protection of life and property, in various types of buildings and temporary structures or shamiyana or tents or mandap likely to cause a risk of fire in different areas in the State of Gujarat and for matters connected therewith or incidental thereto. Whereas it is expedient to make effective provisions for the fire prevention, safety and protection of life and property in various types of buildings and temporary structures or shamiyana or tents or mandap likely to cause a risk of fire, in different areas in the State of Gujarat, fire service fee, constitution of a special fund and for the purposes connected therewith or incidental thereto;

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

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act, the employment of child labour in the building and construction industry is prohibited.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for the protection of women at work place and prevention of sexual harassment at work place. The Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and

advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ₹ 50,000/- (Rupees Fifty Thousand Only).

### **The Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019**

The Gujarat Shops & Establishments (Regulation of Employment and Conditions of Service) Act, 2019 (“2019 Act”) was published in the gazette of the State of Gujarat on Mar 7, 2019 and has been in force from May 1, 2019.

The shops and establishments already validly registered under the erstwhile 1948 Act are not required to register themselves afresh under the new Act until the expiry of the previous registration. Traders and businessmen having up to 9 workers are exempt from registration. Such employers are required to submit an online application along with self-certified documents within 60 days of commencement of business. As regards shops and establishments having 10 or more workers, an application for registration, self-declaration and self-certified documents must be submitted to the concerned Inspector along with prescribed fees within 60 days of commencement of business. Once registered under the 2019 Act, the shops/establishments shall remain validly registered until there is change in ownership or nature of business. This means the registration obtained shall not be required to be renewed.

### **The U.P Dookan Aur Vanijya Adhishthan Adhiniyam, 1962**

The U.P. Shops and Commercial Establishments Act, 1947, was enacted in the year 1947 to provide for holidays and to regulate the hours of employment in shops and commercial establishments. Since then the Act has been enforced in more than 100 towns. During the 14 years of its administration in the State many shortcomings and deficiencies have been experienced. A number of suggestions from the employers' and the employees' unions have also been received for making amendment to certain provisions of the existing Act. In order to remove these difficulties and to provide some additional facilities to the employees of shops and commercial establishments, it has become necessary to amend the existing Act. As the proposed amendments are numerous it has been decided to repeal the existing Act and to bring in a comprehensive Bill incorporating the necessary provisions for regulating the conditions of work and employment of employees in the shops and commercial establishments.” Vide U.P. Gazette, Extraordinary, dated September 15, 1962.

### **The Telangana Shops and Establishments Act, 1988.**

The Andhra Pradesh Shops and Establishments Act, 1988 received the assent of the President on the 18th July, 1988. The said Act in force in the combined State, as on 02.06.2014, has been adapted to the State of Telangana, under section 101 of the Andhra Pradesh Reorganisation Act, 2014 (Central Act 6 of 2014) vide. the Notification issued in G.O.Ms.No.5, Labour, Employment, Training and Factories (Labour) Department, dated 01.02.2016.

### **The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”) and the schemes formulated there under (“schemes”)**

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 (“EPF Act”) was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the “Employees Provident Fund Scheme”, “Employees Deposit-linked Insurance Scheme” and the “Employees Family Pension Scheme”. Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **The Employees State Insurance Act, 1948**

All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act applies to those establishments where 20 or more persons are employed. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department. The Employees' State Insurance Rules, 1950 ensure implementation of the provisions of the Employees' State Insurance Act, 1948.

**The other labour laws applicable to the Company are:**

- Minimum Wages Act, 1948
- Payment Of Wages Act, 1936
- Employees' Compensation Act, 1923
- Payment Of Gratuity Act, 1972
- Payment Of Bonus Act, 1965
- Industrial Disputes Act, 1947
- The Maternity Benefit Act, 1961
- The Equal Remuneration Act, 1976 And Equal Remuneration Rules, 1976
- The Child and Adolescent Labour (Prohibition And Regulation) Act, 1986
- Apprentices Act, 1961

**The Government of India has consolidated 29 central Labour laws into four Codes namely Code of Wages 2019, The Code on Social Security, 2020, The Industrial Relations Code, 2020 and Occupational Safety, Health and Working Conditions Code, 2020. All these codes have received the assent of President of India but none of them has been made effective till date. Brief descriptions of each of the codes are given below:**

**Code of Wages, 2019**

The Code aims to consolidate the laws relating to wages and bonus and matters connected therewith or incidental thereto. It received the assent of President of India on August 08, 2019. The Code contains procedure for fixing minimum wage, limit for fines and deductions in wages, minimum and maximum bonus, calculation of allocable and available surplus, as well as gender neutral consideration in fixing wages. The Code has given the power to Central Government to fix a “floor wage” and the State governments cannot fix any minimum wage less than the “floor wage”. It amalgamates and subsumes four imperative labour laws - the Payment of Wages Act, 1936; the Minimum Wages Act, 1948; the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The date of implementation of the Code is yet to be notified.

**The Code on Social Security, 2020**

This Code received the assent of President of India on September 28, 2020 though the implementation of the same is yet to be notified. The Code aims to provide better social security benefits such as provident fund, insurance and gratuity to workers. It extends the reach of the Employees' State Insurance Corporation and the Employees' Provident Fund Organization (which regulate benefits such as provident fund, insurance, pension, etc.) to the workers in the unorganized sector and the platform and gig workers. The Code further stipulates gratuity benefit for fixed term employees without any condition for minimum service period as envisaged under the current regime. The Code subsumes nine (9) labour laws relating to social security, namely, the Employees' Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Cine-Workers Welfare Fund Act, 1981, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers Social Security Act, 2008.

**The Industrial Relations Code, 2020**

This Code received the assent of President of India on September 28, 2020 though the implementation of the same is yet to be notified. The Code aims to streamline the laws regulating industrial disputes and trade unions in India. For the benefit of the employers, the Code has introduced various aspects such as increasing the threshold of workers to three hundred (300) for obtaining the consent of the concerned government in case of lay off, retrenchment or closure of the establishment, notice of change not required to be given subject to the conditions stipulated in the Code, increasing the wage threshold to INR 18,000 (Indian Rupees Eighteen Thousand) for exclusion from the definition of worker, etc. The Industrial Relations Code also introduces the concept of deemed certification of standing orders. The Code subsumes three labour laws relating to industrial relations, namely, the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

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

The Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code) is one of three new labor codes that will consolidate the bulk of labor legislation in India and streamline labor compliance besides expanding the social security net for workers. This Code received the assent of President of India on September 28, 2020 though the implementation of the same is yet to be notified. Rules to implement the Code are expected to be finalized in the next few weeks.

New establishments covered by the OSH Code must register themselves (within 60 days of commencement of the Code) with registering officers appointed by the appropriate government. Establishments already registered under any other federal law will not be required to register again.

Every employer is directed to undertake the following obligations by the OSH Code:

- Ensure that the workplace is free from hazards can cause injury or occupational disease to the employees and comply with the OSH Code and the government's directions on the same;
- Provide free annual health examination or testing, free of cost, to certain classes of employees;
- Provide and maintain, as reasonably practical, a working environment that is safe and without risk to the health of the employees;
- Issue letters of appointments to employees; and
- Ensure that no charge is levied on any employee for maintenance of safety and health at workplace, including the conduct of medical examination and investigation for the purpose of detecting occupational diseases.

Further, the Code directs employers with respect to factories, mines, dock work, building and other construction work, or plantations to ensure: (i) safety arrangements in the workplace and absence of risk to health in connection with the use, storage, and transport of articles and substances; (ii) provision of such information, instruction, training, and supervision as are necessary to ensure the health and safety of all employees at work, etc. This Code shall subsume more than 10 labour laws including Factories Act 1948, Contract Labour Act 1970 and Mines Act 1952.

#### **D. ENVIRONMENTAL LAWS**

##### **Environment Protection Act, 1986**

The Environmental Protection Act, 1986 is an “umbrella” legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with “environment” defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

##### **Water (Prevention and Control of Pollution) Act, 1974, as amended**

The Water (Prevention and Control of Pollution) Act, 1974 prohibits the discharge of pollutants into water bodies beyond a given standard, and lays down penalties for non-compliance. The Water Act also provides that the consent of the State Pollution Control Board must be obtained prior to opening of any new outlets or is charges, which is likely to discharge sewage or effluent.

##### **The Water (Prevention and Control of Pollution) Cess Act, 1977**

Provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

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

The Air (Prevention and Control of Pollution) Act, 1981 requires that any individual or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. National Ambient Air Quality Standards (NAAQS) for major pollutants were notified by the Central Pollution Control Board in April 1994.

#### **E. TAX LAWS**

##### **Income Tax Act, 1961**

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

##### **Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976**

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

such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under this Act (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

### **The Telangana Tax on Professions, Trades, Callings And Employments Act, 1987.**

The Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987 received the assent of the Governor on the 16th April, 1987. The said Act in force in the combined State, as on 02.06.2014, has been adapted to the State of Telangana, under section 101 of the Andhra Pradesh Reorganisation Act, 2014 (Central Act 6 of 2014) vide. the Notification issued in G.O.Ms.No.169, Revenue (Commercial Taxes-II) Department, dated 18.09.2015.

### **Goods and Services Tax**

**The Central Goods and Services Tax Act, 2017** received assent of the President on 12<sup>th</sup> April 2017 and came into force from 1<sup>st</sup> July 2017. Goods and Service Tax (GST) is an indirect tax levied on the supply of goods and services. This law has replaced many indirect tax laws that previously existed in India such as Service tax, Central Excise Act, Entry Tax, Octroi, Additional customs duty and other draconian indirect taxes. There are 3 taxes applicable under this system- CGST, SGST, IGST.

**CGST:** is collected by the Central Government on an intra-state sale;

**SGST:** Collected by the State Government on an intra-state sale;

**IGST:** Collected by the Central Government for inter-state sale.

Therefore, in addition to the CGST Act, the company has to comply with the requirements of State GST laws as well in which it has operations.

**Following laws which have been subsumed in GST Act were applicable to the Company till 30th June 2017 and shall remain applicable here after as stated in the GST Act.**

#### **Central Excise Act, 1944 and Excise Regulations**

The Central Excise Act, 1944 sought to impose an excise duty on excisable goods which are produced or manufactured in India. Excise duty was levied on production of goods but the Liability of excise duty arose only on removal of goods from the place of storage, i.e., factory or warehouse.

#### **Central Sales Tax Act, 1956**

Central Sales Tax ("CST") was levied in accordance with the Central Sales Tax Act, 1956 on movable goods sold in the course of inter-state trade or commerce. CST was payable by a dealer (i.e. a person who carries on the business of buying, selling, supplying or distributing goods) on his sales turnover at the rate prescribed in the VAT statute of the State from where the movement of the goods originate.

#### **State laws governing Entry Tax**

Entry Tax provides for the levy and collection of tax on the entry of goods into the local areas of the state for consumption, use or sale therein and matters incidental thereto and connected therewith. It was levied at such rate as may be specified by the State Government and different rates may be specified for different goods.

#### **Service Tax, (the 'Finance Act, 1994')**

Service tax was charged on taxable services as defined in Chapter V of Finance Act, 1994, which required a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government.

There are other indirect taxes which are now subsumed under GST and these are Additional Duties of Excise, Cess, Purchase Tax, Taxes on advertisements.

### **The Telangana Goods and Services Act, 2017**

The Telangana Goods and Services Act, 2017 contains provisions for the levy and collection of tax on intra-state supply of goods or services or both. It lays down eligibility and conditions for taking input tax credit, provisions relating to audit, inspection, search, seizure, arrest, demands and recovery and also prescribes penalties for offences under the Act.



### **The Gujarat Goods and Services Tax Act, 2017**

The Gujarat Goods and Services Tax Act, 2017 contains provisions for the levy and collection of tax on intra-state supply of goods or services or both. It lays down eligibility and conditions for taking input tax credit, provisions relating to audit, inspection, search, seizure, arrest, demands and recovery and also prescribes penalties for offences under the Act. It extends to the whole of Gujarat.

### **The Uttar Pradesh Goods and Services Tax Act, 2017**

The Uttar Pradesh Goods and Services Tax Act, 2017 contains provisions for the levy and collection of tax on intra-state supply of goods or services or both. It lays down eligibility and conditions for taking input tax credit, provisions relating to audit, inspection, search, seizure, arrest, demands and recovery and also prescribes penalties for offences under the Act. It extends to the whole of Uttar Pradesh.

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code).

## **F. FOREIGN REGULATIONS**

### **The Foreign Trade (Development & Regulation) Act, 1992**

The Foreign Trade (Development & Regulation) Act, 1992 [herein after FTA], provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

### **Foreign Exchange Management Act, 1999 (“the FEMA”) and Rules and Regulations thereunder**

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”), read with the applicable regulations. The Foreign Exchange Management (Export of goods and services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 (“Export of Goods and Services Regulations 2015”) issued by the RBI on January 12, 2016 [last amended on June 23, 2017]. The RBI has also issued a Master Circular on Export of Goods and Services. The export is governed by these Regulations which make provisions such as declaration of exports, procedure of exports as well as exemptions.

## **G. INTELLECTUAL PROPERTY LAWS**

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

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

**HISTORY AND CORPORATE STRUCTURE****Brief history of our Company**

Our Company was originally incorporated as a private limited Company under the name of “Kaka Industries Private Limited” on June 21, 2019 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad, Gujarat bearing registration number as 108782. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on February 27, 2023 and the name of our Company was changed from “Kaka Industries Private Limited” to “Kaka Industries Limited” vide fresh certificate of incorporation dated March 14, 2023 issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate identification number of our Company is U25209GJ2019PLC108782.

Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya and Jinal Rajeshbhai Gondaliya were the initial subscribers to the Memorandum of Association of our Company.

**Address of the Registered Office:**

<b>Registered Office</b>	Plot No.67, Bhagwati Nagar, Opp. Nilkanth Arcade, Opp. Kathwada GIDC, Kuha-Kanbha Road, Ahmedabad-382415 Gujarat.
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**Changes in Registered Office of the Company:**

Except as disclosed below, there has been no change in our Registered Office since incorporation.

Effective date	From	To	Reason for change
January 04, 2020	House No-3, Shreedhar Kutir Bunglows, Opp. Shivpujan Tenament, Nicol, Naroda, Ahmedabad- 382350 Gujarat	Plot No.67, Near Bhagwatinagar, Opp, Nilkanth Arcade, Ahmedabad-382415 Gujarat, India*	Administrative Convenience

\* The aforementioned address has been updated with the ROC to Plot No.67, Bhagwati Nagar, Opp. Nilkanth Arcade, Opp. Kathwada GIDC, Kuha-Kanbha Road, Ahmedabad-382415 Gujarat.

**Main Objects of Memorandum of Association:**

The main objects of our Company as contained in our Clause III(A) of Memorandum of Association of our Company are as follows:

- To carry on Business as manufacturers, producers, makers, converters, traders, importes, exporters, buyers, seller, retailers, wholesalers, suppliers, stockists, agetnss, subagents, merchants, distributors or otherwise to deal in UPVC/ PVC doors, window, flame retardant, doors, termite proof windows, sound proof windows, weather resistant doors, pvc lofts covers, PVC kitchen furniture, wardrobes, dressing tables, PVC flase ceiling, wall paneling, decorative fencing, PVC profile UPVC/ PVC pipes, couplers, prefab house and allied activities.

**Amendments to the Memorandum of Association**

Except as stated below, there has been no change in the Memorandum of Association of our Company since its incorporation:

Date of Meeting	Type of Meeting	Amendments
August 10, 2020	EGM	Increase in the authorized share capital of the Company from ₹1.00 Lakh divided into 10,000 Equity Shares of ₹ 10/- each to ₹300.00 Lakhs divided into 30,00,000 Equity Shares of ₹10/- each.
January 25, 2023	EGM	Increase in the authorized share capital of the Company from ₹300.00 Lakh divided into 30,00,000 Equity Shares of ₹ 10/- each to ₹1,400.00 Lakhs divided into 1,40,00,000 Equity Shares of ₹10/- each.
February 27, 2023	EGM	Conversion of our Company from Private Limited to Public Limited Company. Consequently name of the Company has been changed from ‘Kaka Industries Private Limited’ to ‘Kaka Industries Limited’ and fresh Certificate of Incorporation Consequent upon conversion to Public Limited Company issued dated March 14, 2023 bearing CIN U25209GJ2019PLC108782 was issued by Registrar of Companies, Ahmedabad, Gujarat.

**Major events and milestones of our Company:**

The table below sets forth some of the major events in the history of our company:

Year/ F.Y.	Key Events/ Milestone/ Achievements
2019	Incorporation of our Company as “Kaka Industries Private Limited” under the Companies Act, 2013.
2019-20	Acquired the profile sheet machinery setup of our Group Company, Kaka Engineering Private Limited and started manufacturing profile sheets in the same year itself.
2021-22	Crossed revenue of ₹ 100 crores
2023	Change in the name of our Company from “Kaka Industries Private Limited” to “Kaka Industries Limited”.

**Our holding company:**

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

**Our Subsidiaries and Joint Ventures:**

As on date of this Red Herring Prospectus, our Company does not have any Subsidiaries, joint ventures or Associates.

**Accumulated profits or losses**

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of the firm that have not been accounted for or consolidated by our Company.

**Strategic or Financial Partnerships:**

As on the date of this Red Herring Prospectus, Our Company does not have any strategic or financial partnerships.

**Time and Cost Overruns in Setting up Projects:**

There has been no time/ cost overrun in setting up projects by our Company.

**Other details about our Company:**

For details of our Company’s activities, products, growth, awards & recognitions, capacity, location of plants, technology, marketing strategy, competition and our customers, please refer section titled “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Basis for Issue Price*” on pages 91, 177 and 74 respectively of this Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled “*Our Management*” and “*Capital Structure*” beginning on page 111 and 57 of the Red Herring Prospectus respectively.

**Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks:**

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Red Herring Prospectus.

**Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc.**

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Red Herring Prospectus.

**Shareholders Agreements**

There are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Red Herring Prospectus.

**Agreement with key managerial personnel or Directors or Promoters or any other employee of the Company**

There are no agreements entered into by key managerial personnel or Directors or Promoters or any other employee, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

**Other Material Agreements**

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.

**OUR MANAGEMENT****Board of Directors:**

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Red Herring Prospectus:

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Rajesh Dhirubhai Gondaliya</b></p> <p><b>Designation:</b> Chairman &amp; Managing Director</p> <p><b>Age:</b> 50 years</p> <p><b>Date of Birth:</b> August 10, 1972</p> <p><b>Address:</b> 3, Shreedhar Kutir Bungalows, Opp. Shivpujan Tenament, Nikol-Naroda Road, Nikol, Ahmedabad-382350 Gujarat, India</p> <p><b>Experience:</b> 22 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Secondary School Certification</p> <p><b>Current Term:</b> For a period of three years with effect from March 18, 2023; liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since incorporation</p> <p><b>DIN:</b> 03454540</p>	<p><b>Companies:</b></p> <ol style="list-style-type: none"> <li>1. Bakelite Engineering Private Limited</li> <li>2. Kaka Engineering Private Limited</li> <li>3. Pinaxis Hi-Tech Engineering Private Limited</li> </ol>
<p><b>Bhavin Rajeshbhai Gondaliya</b></p> <p><b>Designation:</b> Whole-time Director</p> <p><b>Age:</b> 23 years</p> <p><b>Date of Birth:</b> July 26, 1999</p> <p><b>Address:</b> 3, Shreedhar Kutir Bungalows, Opp. Shivpujan Tenament, Nikol-Naroda Road, Nikol, Ahmedabad-382350 Gujarat, India</p> <p><b>Experience:</b> 4 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Senior Secondary Education and pursuing Bachelor of Commerce</p> <p><b>Current Term:</b> For a period of three years with effect from March 18, 2023; liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since incorporation</p> <p><b>DIN:</b> 07965097</p>	<p><b>Companies:</b></p> <ol style="list-style-type: none"> <li>1. Kaka Engineering Private Limited</li> </ol>
<p><b>Prabhaven Rajeshbhai Gondaliya</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Age:</b> 49 years</p>	<p><b>Companies:</b></p> <ol style="list-style-type: none"> <li>1. Pinaxis Hi-Tech Engineering Private Limited</li> </ol>

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Date of Birth:</b> December 15, 1973</p> <p><b>Address:</b> 3, Shreedhar Kutir Bungalows, Opp. Shivpujan Tenament, Nikol-Naroda Road, Nikol, Ahmedabad-382350 Gujarat, India</p> <p><b>Experience:</b> 8 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualifications:</b> Senior Secondary Education</p> <p><b>Current Term:</b> Appointed with effect from March 14, 2023, liable to retire by rotation</p> <p><b>Period of Directorship:</b> Originally appointed on March 20, 2020 and later on resigned from the directorship on March 16, 2022. Re-appointed as Non-Executive Director w.e.f. March 14, 2023</p> <p><b>DIN:</b> 06851276</p>	<p>2. Kaka Engineering Private Limited</p>
<p><b>Jaimish Govindbhai Patel</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 34 years</p> <p><b>Date of Birth:</b> February 05, 1989</p> <p><b>Address:</b> 412-2306, Gujrat Housing Board Nr, Navarang Flat, Bapunagar, Ahmedabad, Gujarat – 380 024, India.</p> <p><b>Experience:</b> 9 Years</p> <p><b>Occupation:</b> Employment</p> <p><b>Qualification:</b> Company Secretary</p> <p><b>Current Term:</b> Appointed for a term upto 5 years commencing from May 05, 2023</p> <p><b>Period of Directorship:</b> From May 05, 2023</p> <p><b>DIN:</b> 09647742</p>	<p>Baheti Recycling Industries Limited</p>
<p><b>Niraj Davariya</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 42 years</p> <p><b>Date of Birth:</b> July 24, 1980</p> <p><b>Address:</b> 128, Suryam Flora, Vrundavan Party Plot, Nikol, Ahmedabad -382350, Gujarat, India</p> <p><b>Experience:</b> 10 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> 09<sup>th</sup> Pass</p>	<p><b>Companies:</b></p> <p>1. Madhavas Plastoprint Private Limited</p>

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Current Term:</b> For a period of 5 years with effect from March 15, 2023 ; not liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since March 15, 2023</p> <p><b>DIN:</b> 09371601</p>	

### **Brief Profile of Directors:**

- Rajesh Dhirubhai Gondaliya** is the Chairman & Managing Director of our Company. He has been on the Board since incorporation. He is a visionary entrepreneur and has played a pivotal role in expanding business operations of our Company. He has a work experience of over 22 years in the PVC profile industry and has completed his Secondary School education from Lunidhar Primary School, Amreli, Gujarat in the year 1987. He currently looks after the overall management of the Company. Under his guidance, our Company has witnessed continuous growth.
- Bhavin Rajeshbhai Gondaliya** is the Whole-time Director of our Company. He has been on the Board since incorporation. He has completed his Senior Secondary education in 2019 from National Institute of Open Schooling and is pursuing bachelor of commerce from Sabarmati University through distance learning. He has an experience of around 4 years in the PVC profile industry. He is currently looking after the sales and marketing function of our Company.
- Prabhaben Rajeshbhai Gondaliya** is the Non-Executive Director of our Company. She has an experience of around 8 years in the administration field. She has completed her Senior Secondary School from Smt RN Sheth Kanya Vidyalaya, Amreli, Gujarat in year 1991.
- Mr. Jaimish Govindbhai Patel** is the Independent Director of our Company. He has a work experience of around 9 years in Corporate Laws and Financial Management. He is a Qualified Member of Institute of Company Secretaries of India.
- Niraj Davariya** is the Independent Director of our Company. He has a work experience of around 10 years in plastic products business.

### **Confirmations:**

As on the date of this Red Herring Prospectus:

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Red Herring Prospectus, whose shares has been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations.
- None of our Directors is declared as fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

### **Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

### **Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.



**Details of Borrowing Powers of Directors:**

Pursuant to a special resolution passed at an Extra-ordinary General Meeting of our Company held on March 18, 2023 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company have authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 150.00 Crore.

**Compensation of our Managing Director & Whole-time Director:**

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

**The following compensation has been approved for Managing Director & Whole time Director:****1. Rajesh Dhirubhai Gondaliya: Chairman & Managing Director**

Pursuant to the resolutions passed by our Board and our Shareholders on March 17, 2023 and March 18, 2023 respectively, Rajesh Dhirubhai Gondaliya was appointed as Chairman & Managing Director for a period of three years with effect from March 18, 2023 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 240 lakhs p.a.

**2. Bhavin Rajeshbhai Gondaliya: Whole-time Director**

Pursuant to the resolutions passed by our Board and our Shareholders on March 17, 2023 and March 18, 2023 respectively, Bhavin Rajeshbhai Gondaliya was appointed as Whole-time Director for a period of three years with effect from March 18, 2023 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 240 lakhs p.a.

**Payments or benefits to Directors:****The remuneration paid to our Directors in Fiscal 2022 is as follows:**

Name of Director	Remuneration paid in F.Y. 2021-22 (₹ in lakhs)
Rajesh Dhirubhai Gondaliya	60.00
Bhavin Rajeshbhai Gondaliya	96.00
Prabhaben Rajeshbhai Gondaliya	36.00

**Bonus or Profit Sharing Plan for our Directors:**

We have no bonus or profit sharing plan for our Directors.

**Sitting Fees:**

Our Board of Directors have resolved in their meeting dated March 17, 2023 for payment of sitting fees to Directors (including independent directors) of the Company, such sum as may be decided by the Board of Directors which shall not exceed ₹ 1,00,000/- (Rupees One Lakh Only) per meeting of the Board or Committee thereof, attended by such director.

**Shareholding of our Directors as on the date of this Red Herring Prospectus:**

Sr. No.	Name of the Directors	No. of Shares Held	Holding in % (pre-issue)
1.	Rajesh Dhirubhai Gondaliya	12,80,000	12.80
2.	Bhavin Rajeshbhai Gondaliya	26,32,000	26.32
3.	Prabhaben Rajeshbhai Gondaliya	12,80,000	12.80
	<b>Total</b>	<b>51,92,000</b>	<b>51.92</b>

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Red Herring Prospectus.

We do not have any Subsidiary Company as defined under Section 2(6) of the Companies Act, 2013.

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

## INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled “*Our Management*” beginning on page 111 of this Red Herring Prospectus.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/ Members/ Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/ Members/ Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to “*Statement of Financial Indebtedness*” on page 170 of this Red Herring Prospectus.

Except as stated otherwise in this Daft Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

### Interest of Directors in the property of Our Company:

Except as disclosed below, our directors do not have any interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of filing the Red Herring Prospectus with RoC:-

Sr. No.	Usage	Address	Nature of Interest
1.	Registered Office and Godown	Plot No.67, Bhagwati Nagar, Opp. Nilkanth Arcade, Opp. Kathwada GIDC, Kuha-Kanbha Road, Ahmedabad-382415 Gujarat.	Obtained on lease from Shreeji Plast Mart through its proprietor Rajesh Dhirubhai Gondaliya for a period of 59 months, 29 days starting from 01.04.2022 to 30.03.2027 through an Agreement to Lease dated 13.04.2022, at a monthly lease of ₹ 90,000/-
2.	Main Manufacturing facility – I (Along with plant & machinery, equipments and vehicles)	Plot No. 3 And 4, Survey No. 338, G.I.D.C. Zak, Taluka Dehgam, Gandhinagar, Gujarat, 382305	Obtained on lease from Shreeji Plast Mart through its proprietor Rajesh Dhirubhai Gondaliya for a period of 9 years starting from 01.09.2019 to 31.08.2028 through an Agreement to Lease dated 02.12.2019, at a monthly lease of ₹ 600,000/-. Company has entered into an MOU dated 01.04.2022 through which rent was reduced to monthly rent of ₹ 4,00,000/- from 01.04.2022.
3.	Proposed Manufacturing Facility (Under-construction)	Survey No./Block No. 85, 84P2, 2009-4, 84P1, and 83, Lasundra, Kheda, Gujarat, 387640	Obtained on lease from Bhavin Rajeshbhai Gondaliya for a period of 30 years starting from 27.03.2023 to 26.03.2053 through an Lease deed dated 27.03.2023, at a monthly lease of ₹ 10,000/-

Except as stated in this section “*Our Management*” or the section titled “*Financial information of the Company –Note 24 - Related Party Disclosure*” beginning on page 111 and 162 respectively of this Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

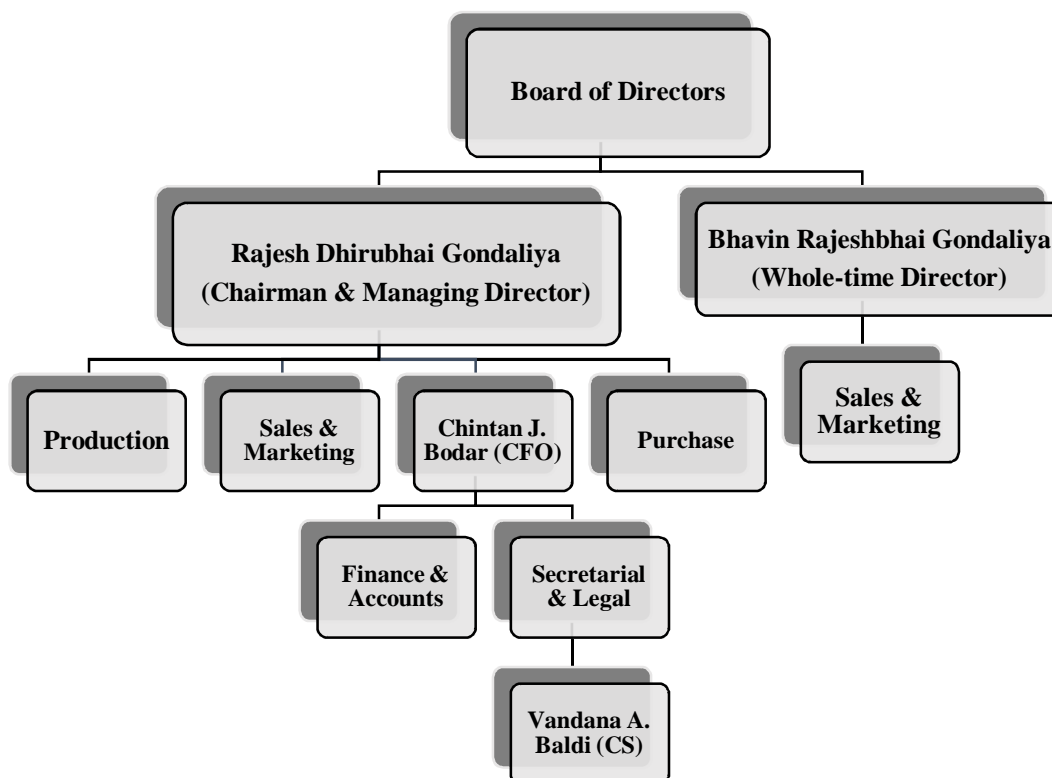
### Changes in Board of Directors in Last 3 Years:

Name	Designation (at the time of appointment/ Change in designation / Cessation)	Date of Appointment/ Change in designation/ Cessation	Reason
Mohanbhai Varsani Ratilal	Regularisation from Additional Director to Director	December 31, 2020	To ensure better Corporate Governance and compliance with Companies Act, 2013.
Prabhaben Rajeshbhai Gondaliya	Regularisation from Additional Director to Director	December 31, 2020	
Bhaveshkumar Shambhubhai Gondaliya	Regularisation from Additional Director to Director	December 31, 2020	

Name	Designation (at the time of appointment/ Change in designation / Cessation)	Date of Appointment/ Change in designation/ Cessation	Reason
Mohanbhai Varsani Ratilal	Cessation of Director	March 16, 2022	Due to pre occupation at other places.
Prabhaben Rajeshbhai Gondaliya	Cessation of Director	March 16, 2022	
Bhaveshkumar Shambhubhai Gondaliya	Cessation of Director	March 16, 2022	
Prabhaben Rajeshbhai Gondaliya	Appointed as Non-Executive Director	March 15, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013.
Ushakant Naranbhai Patel	Appointed as an Independent Director	March 15, 2023	
Niraj Davariya	Appointed as an Independent Director	March 15, 2023	
Jinal Rajeshbhai Gondaliya	Cessation of Director	March 16, 2023	Due to pre occupation at other places.
Rajesh Dhirubhai Gondaliya	Change in Designation as Chairman & Managing Director	March 18, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013.
Bhavin Rajeshbhai Gondaliya	Change in Designation as Whole-time Director	March 18, 2023	
Ushakant Naranbhai Patel	Cessation of Director	May 05, 2023	Due to Personal reason
Jaimish Govindbhai Patel	Appointed as Independent Director	May 05, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013

### MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:-



**COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME platform of BSE (BSE SME). The requirements pertaining to the composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act, 2013 and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of five (5) directors of which two (2) are Independent Directors, and we have one women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

**1. Audit Committee**

Our Company has formed an Audit Committee, vide Board Resolution dated March 17, 2023 & subsequent amendment thereof on May 08, 2023 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) Rules, 2014 and Regulation 18 of SEBI Listing Regulations. The Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Jaimish Govindbhai Patel	Chairman	Independent Director
Niraj Davariya	Member	Independent Director
Bhavin Rajeshbhai Gondaliya	Member	Whole Time Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure of the committee:**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:**

The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries.

**C. Power of the Committee:**

The Audit Committee shall have powers, including the following:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- To have full access to information contained in records of Company.

**D. Role of the Committee:**

The Role of Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation and Companies Act, 2013 shall be as under:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board for the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
- Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

- 4) Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
- 5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications and modified opinions in the draft audit report.
- 6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 7) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
- 8) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- 13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- 14) Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 15) Discussing with internal auditors on any significant findings and follow up thereon;
- 16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 17) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 18) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 19) Reviewing the functioning of the whistle blower mechanism;
- 20) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- 21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- 22) Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- 23) Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

Further, the Audit Committee shall mandatorily review the following:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses;
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

## 2. Stakeholders Relationship Committee

Our Company has formed an Stakeholders Relationship Committee vide Board Resolution dated March 17, 2023 & subsequent amendment thereof on May 08, 2023 as per the applicable provisions of the Section 178(5) of the Companies Act, 2013 read with

rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 20 of SEBI Listing Regulations. The Stakeholders Relationship Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Jaimish Govindbhai Patel	Chairman	Independent Director
Niraj Davariya	Member	Independent Director
Prabhaben Rajeshbhai Gondaliya	Member	Non-Executive Director

The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure of the committee:**

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

**B. Meetings of the committee:**

The Stakeholders Relationship Committee shall meet at least once a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The Chairman of the Stakeholders Relationship Committee shall be present at the Annual General Meeting to answer queries of the securities holders. The Quorum shall be two members present.

**C. Terms of Reference:**

The role of the Stakeholders Relationship Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights 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 & 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 receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company;
5. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized;
6. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
7. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
8. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/ dividend warrants, non-receipt of annual report and any other grievance/ complaints with Company or any officer of the Company arising out in discharge of his duties;
9. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them;
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time;
11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting; and
12. Such roles as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

**3. Nomination and Remuneration Committee**

Our Company has formed a Nomination and Remuneration Committee vide Board Resolution dated March 17, 2023 & subsequent amendment thereof on May 08, 2023 as per the applicable provisions of the Schedule V and other applicable provisions of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 19 of SEBI Listing Regulations. The Nomination and Remuneration Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Niraj Davariya	Chairman	Independent Director
Jaimish Govindbhai Patel	Member	Independent Director



Name of the Director	Status in Committee	Nature of Directorship
Prabhaben Rajeshbhai Gondaliya	Member	Non-Executive Director

The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure of the committee:**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings of the committee:**

The committee shall meet as and when the need arises, subject to at least once in a year. The quorum for a meeting of the Nomination and Remuneration 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 attendance. The Chairman of the Nomination and Remuneration Committee is entitled to attend the general Meeting of the company to furnish clarifications to the shareholders on any matter relating to remuneration.

**C. Role of Terms of Reference:**

The role of the Nomination and Remuneration Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. For the appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors of the Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
3. formulation of criteria for evaluation of the performance of independent directors and the Board;
4. devising a policy on diversity of our Board;
5. identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
6. determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
8. recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
9. recommending to the Board, all remuneration, in whatever form, payable to senior management;
10. performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
11. engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
12. analyzing, monitoring and reviewing various human resource and compensation matters;
13. reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
14. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
  - b. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
15. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

**4. Corporate Social Responsibility Committee**

Our Company has re-constituted the Corporate Social Responsibility Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 vide Board resolution dated March 17, 2023. The Corporate Social Responsibility Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Bhavin Rajeshbhai Gondaliya	Chairman	Whole Time Director
Niraj Davariya	Member	Independent Director
Prabhaben Rajeshbhai Gondaliya	Member	Non-Executive Director

The Committee shall act in accordance with the provisions of Companies Act, 2013 and the tenure, meeting and terms of reference specified hereunder:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on activities referred to in Section 135(a) of the Companies Act, 2013;
- To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time;
- To Monitor the Corporate Social Responsibility policy of the Company from time to time; and
- Any other matter of CSR Committee may deem appropriate after approval of the Board of Directors or as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 or other applicable law.

### KEY MANAGERIAL PERSONNEL

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age (Years)	Year of Joining	Remuneration paid for F.Y. ended 2021-22 (in ₹ Lakhs)	Overall experience (in years)	Previous employment
<b>Rajesh Dhirubhai Gondaliya</b> <b>Designation:</b> Chairman & Managing Director <b>Educational Qualification:</b> Secondary School Certification <b>Term of office:</b> For a period of three years with effect from March 18, 2023; liable to retire by rotation	50	2019	60.00	22	Nil
<b>Bhavin Rajeshbhai Gondaliya</b> <b>Designation:</b> Whole-time Director <b>Educational Qualification:</b> Senior Secondary Education and pursuing Bachelor of Commerce <b>Term of office:</b> For a period of three years with effect from March 18, 2023; liable to retire by rotation	23	2019	96.00	3	Nil
<b>Chintan Jayantibhai Bodar</b> <b>Designation:</b> Chief Financial Officer <b>Educational Qualification:</b> Chartered Accountant, B. Com	34	2023 (as CFO)	-	12	Kandla International Container Terminal Private Limited (KICT)
<b>Vandana Arun Baldi</b> <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification:</b> Company Secretary and Chartered Accountant	37	2023	Nil	10	Rakesh Advertising Private Limited

### BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

**Rajesh Dhirubhai Gondaliya** - Please refer to section “**Brief Profile of our Directors**” beginning on page *III* of this Red Herring Prospectus for details.

**Bhavin Rajeshbhai Gondaliya** - Please refer to section “**Brief Profile of our Directors**” beginning on page *III* of this Red Herring Prospectus for details.

**Chintan Jayantibhai Bodar** is the Chief Financial Officer of our Company. He is the member of Institute of Chartered Accountants of India since 2011 and has completed his Bachelor of Commerce from H.L. Commerce College, Ahmedabad in 2009. He has been associated with our Company as consultant from April 2020. He has over 12 years of experience in Accounts, Finance, taxation matters and audits. He has been appointed as Chief Financial Officer of our Company with effect from March 14, 2023. He is currently responsible for handling the accounts, finance, taxation and legal matters of the Company.

**Vandana Arun Baldi** is the Company Secretary and Compliance officer of our Company. She is the member of Institute of Company Secretaries of India since 2014 and also member of Institute of Chartered Accountants of India since 2013. She has an experience of over 10 year in the secretarial matters. She looks after the overall corporate governance and secretarial matters of our Company. She has been appointed as Company Secretary and Compliance Officer of our Company with effect from March 14, 2023.

**We confirm that:**

- a. All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- b. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- c. None of our KMPs except Rajesh Dhirubhai Gondaliya and Bhavin Rajeshbhai Gondaliya are also part of the Board of Directors.
- d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the Fiscal 2023.
- e. Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- f. Our Company does not have any bonus/ profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Red Herring Prospectus except:

Sr. No.	Name of the KMP's	No. of Shares held
1	Rajesh Dhirubhai Gondaliya	12,80,000
2	Bhavin Rajeshbhai Gondaliya	26,32,000
3.	Chintan Jayantibhai Bodar	1,24,000
	<b>Total</b>	<b>40,36,000</b>

- h. Presently, we do not have ESOP/ ESPS scheme for our employees.
- i. The turnover of KMPs is not high, compared to the Industry to which our company belongs.

**Nature of any family relationship between our Directors and Key Managerial Personnel (KMP)**

The Directors and KMPs of the Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013. Details of which are as follows:

Sr. No.	Name of the Director/ KMP	Relationship with other Directors/ KMP's
1.	Rajesh Dhirubhai Gondaliya	Husband of Prabhaven Rajeshbhai Gondaliya and Father of Bhavin Rajeshbhai Gondaliya
2.	Bhavin Rajeshbhai Gondaliya	Son of Rajesh Dhirubhai Gondaliya and Prabhaven Rajeshbhai Gondaliya
3.	Prabhaven Rajeshbhai Gondaliya	Wife of Rajesh Dhirubhai Gondaliya and Mother of Bhavin Rajeshbhai Gondaliya

**Payment of benefits to officers of Our Company (non-salary related)**

Except as disclosed in this Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/ rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

**Changes in the Key Managerial Personnel in last three years:**

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Name	Designation (at the time of appointment/ Change in designation/ Cessation)	Date of Appointment/ Change in designation/ Cessation	Reason
Rajesh Dhirubhai Gondaliya	Re-designated as Managing Director and Chairman	March 18, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013
Bhavin Rajeshbhai Gondaliya	Re-designated as Whole-time Director	March 18, 2023	
Chintan Jayantibhai Bodar	Appointed as Chief Financial Officer	March 14, 2023	
Vandana Arun Baldi	Appointed as Company Secretary & Compliance Officer	March 14, 2023	

### Interest of Our Key Managerial Persons

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our key managerial personal are interested in our Company. For details, please refer section titled “*Financial information of the Company – Note 24- Related Party Disclosures*” beginning on page 162 of this Red Herring Prospectus.

### Interest of Directors and KMP’s in the property of Our Company:

Except as disclosed below, our directors and KMP’s do not have any interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of filing the Red Herring Prospectus with RoC:-

Sr. No.	Usage	Address	Nature of Interest
1.	Registered Office and Godown	Plot No.67, Bhagwati Nagar, Opp. Nilkanth Arcade, Opp. Kathwada GIDC, Kuha-Kanbha Road, Ahmedabad-382415 Gujarat.	Obtained on lease from Shreeji Plast Mart through its proprietor Rajesh Dhirubhai Gondaliya for a period of 59 months, 29 days starting from 01.04.2022 to 30.03.2027 through an Agreement to Lease dated 13.04.2022, at a monthly lease of ₹ 90,000/-
2.	Main Manufacturing facility – I (Along with plant & machinery, equipments and vehicles)	Plot No. 3 And 4, Survey No. 338, G.I.D.C. Zak, Taluka Dehgam, Gandhinagar, Gujarat, 382305	Obtained on lease from Shreeji Plast Mart through its proprietor Rajesh Dhirubhai Gondaliya for a period of 9 years starting from 01.09.2019 to 31.08.2028 through an Agreement to Lease dated 02.12.2019, at a monthly lease of ₹ 600,000/-. Company has entered into an MOU dated 01.04.2022 through which rent was reduced to monthly rent of ₹ 4,00,000/- from 01.04.2022.
3.	Proposed Manufacturing Facility (Under-construction)	Survey No./Block No. 85, 84P2, 2009-4, 84P1, and 83, Lasundra, Kheda, Gujarat, 387640	Obtained on lease from Bhavin Rajeshbhai Gondaliya for a period of 30 years starting from 27.03.2023 to 26.03.2053 through an Lease deed dated 27.03.2023, at a monthly lease of ₹ 10,000/-

### Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

### Loans given/ availed by Directors/ Key Managerial Personnel of Our Company

For details of unsecured loan taken from or given to our Directors/ KMPs and for details of transaction entered by them in the past please refer to “*Note 24 – Related Party Disclosures*” page 162 of this Red Herring Prospectus.

### ESOP/ ESPS SCHEME TO EMPLOYEES



Presently, we do not have any ESOP/ ESPS Scheme for our employees.

**OUR PROMOTERS & PROMOTER GROUP****Our Promoters:**

The promoters of our Company are Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya and Rajeshkumar Dhirubhai Gondaliya (HUF).

As on date of this Red Herring Prospectus, the Promoters, in aggregate, hold 57,72,000 Equity shares of our Company, representing 57.72% of the pre-issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoter's shareholding in our Company, see "*Capital Structure-Capital Build-up in respect of Shareholding of our Promoters*", on page 57 of this Red Herring Prospectus.

**Details of our Promoters:**

	<b>Rajesh Dhirubhai Gondaliya – Chairman and Managing Director</b>	
	<b>Qualification</b>	Secondary Education
	<b>Age</b>	50 years
	<b>Date of Birth</b>	August 10, 1972
	<b>Address</b>	3, Shreedhar Kutir Bungalows, Opp. Shivpujan Tenament, Nikol-Naroda Road, Nikol, Ahmedabad-382350 Gujarat, India
	<b>Experience</b>	22 years
	<b>Occupation</b>	Business
	<b>PAN</b>	AFPPG2541C
	<b>No. of Equity Shares &amp;% of Shareholding (Pre Issue)</b>	12,80,000 Equity Shares aggregating to 12.80% of Pre Issue Paid up Share Capital
	<b>Other Ventures</b>	<p><b>Directorships in other Companies:</b></p> <ol style="list-style-type: none"> <li>Bakelite Engineering Private Limited</li> <li>Pinaxis Hi-Tech Engineering Private Limited</li> <li>Kaka Engineering Private Limited</li> </ol> <p><b>LLP:</b></p> <ol style="list-style-type: none"> <li>PR PVC Profile LLP</li> <li>Pinaxis Polyplast LLP</li> <li>Bakelite Poly Alloys LLP*</li> </ol> <p><b>Partnership Firms:</b></p> <ol style="list-style-type: none"> <li>Sparsh Buildcon</li> <li>Nirman Realty</li> </ol> <p><b>HUF's</b></p> <ol style="list-style-type: none"> <li>Rajeshkumar Dhirubhai Gondaliya (HUF) (as Karta)</li> </ol> <p><b>Sole Proprietorship</b></p> <ol style="list-style-type: none"> <li>Shreeji Plast Mart</li> </ol>
		<b>Bhavin Rajeshbhai Gondaliya – Whole-time Director</b>
<b>Qualification</b>		Senior Secondary Education and pursuing Bachelor of Commerce
<b>Age</b>		23 years
<b>Date of Birth</b>		July 26, 1999
<b>Address</b>		3, Shreedhar Kutir Bungalows, Opp. Shivpujan Tenament, Nikol Naroda Road, Nikol, Ahmedabad-382350, Gujarat, India
<b>Experience</b>		4 years
<b>Occupation</b>		Business
<b>PAN</b>		CICPG8034Q
<b>No. of Equity Shares &amp;% of Shareholding (Pre Issue)</b>		26,32,000 Equity Shares aggregating to 26.32% of Pre Issue Paid up Share Capital

	<b>Other Ventures</b>	<b>Directorships in other Companies:</b> 1. Kaka Engineering Private Limited  <b>LLP:</b> 1. Nicewood Industries LLP* 2. Eplast Industries LLP  <b>Partnership Firms:</b> 1. Moon PVC Roofing 2. Shri Rang Energy Efficient  <b>HUF's</b> 1. Rajeshkumar Dhirubhai Gondaliya (HUF) (as Coparcener)
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*\*Both the LLPs are under process of Strike Off*

*For brief biography of our Individual Promoters, please refer to Chapter titled "Our Management" beginning on page 111 of this Red Herring Prospectus.*

### **Rajeshkumar Dhirubhai Gondaliya (HUF)**

Rajeshkumar Dhirubhai Gondaliya (HUF) is one of the Promoters of the Company which holds 18,60,000 equity shares of the Company which accounts for 18.60% of the pre issue equity share capital of the Company. Rajesh Dhirubhai Gondaliya is its Karta with Bhavin Rajeshbhai Gondaliya, Prabhaven Rajeshbhai Gondaliya and Jinal Rajeshbhai Gondaliya as its members.

Permanent Account Number: AAOHR4883C

Address: 3, Shreedhar Kutir Bunglows, Opp. Shivpujan Tenament, Nikol Naroda Road, Nikol, Ahmedabad-382350, Gujarat, India

### **Confirmations/ Declarations:**

In relation to our individual Promoters, our Company confirms that the PAN, bank account number, passport number, Aadhaar card number and driving license number shall be submitted to BSE at the time of filing of this Red Herring Prospectus. And, in relation to our non-individual promoter, our Company confirms that the PAN and bank account number shall be submitted to BSE at the time of filing of this Red Herring Prospectus.

### **Undertaking/ Confirmations:**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- Prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- No material regulatory or disciplinary action is taken by any stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.
- There are no defaults in respect of payment of interest and principal to the debenture/ bond/ fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled "**Outstanding Litigations and Material Developments**" beginning on page 185 of this Red Herring Prospectus.
- None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

### **Interest of our Promoters:**

#### ***i) Interest in promotion and shareholding of Our Company:***

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by him and his relatives. As on the date of this Red Herring Prospectus, our Promoters, Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya and Rajeshbhai Dhirubhai Gondaliya (HUF) holds 57,72,000 Equity Shares in our Company i.e. 57.72% of the pre issue paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of



expenses payable to them for the rent, purchase and sale transactions. For details, please refer to Note 24 – “**Related Party Transactions**” beginning on page 162 of this Red Herring Prospectus.

For details regarding the shareholding of our Promoter in our Company, please see “**Capital Structure**” on page 57 of this Red Herring Prospectus.

**ii) Interest in the property of Our Company:**

Except as disclosed below, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of this Red Herring Prospectus:

Sr. No.	Usage	Address	Nature of Interest
1.	Registered Office and Godown	Plot No.67, Bhagwati Nagar, Opp. Nilkanth Arcade, Opp. Kathwada GIDC, Kuha-Kanbha Road, Ahmedabad-382415 Gujarat.	Obtained on lease from Shreeji Plast Mart through its proprietor Rajesh Dhirubhai Gondaliya for a period of 59 months, 29 days starting from 01.04.2022 to 30.03.2027 through an Agreement to Lease dated 13.04.2022, at a monthly lease of ₹ 90,000/-
2.	Main Manufacturing facility – I (Along with plant & machinery, equipments and vehicles)	Plot No. 3 And 4, Survey No. 338, G.I.D.C. Zak, Taluka Dehgam, Gandhinagar, Gujarat, 382305	Obtained on lease from Shreeji Plast Mart through its proprietor Rajesh Dhirubhai Gondaliya for a period of 9 years starting from 01.09.2019 to 31.08.2028 through an Agreement to Lease dated 02.12.2019, at a monthly lease of ₹ 600,000/-. Company has entered into an MOU dated 01.04.2022 through which rent was reduced to monthly rent of ₹ 4,00,000/- from 01.04.2022.
3.	Proposed Manufacturing Facility (Under-construction)	Survey No./Block No. 85, 84P2, 2009-4, 84P1, and 83, Lasundra, Kheda, Gujarat, 387640	Obtained on lease from Bhavin Rajeshbhai Gondaliya for a period of 30 years starting from 27.03.2023 to 26.03.2053 through an Lease deed dated 27.03.2023, at a monthly lease of ₹ 10,000/-

**iii) In transactions for acquisition of land, construction of building and supply of machinery:**

Except as mentioned in point (ii) above, none of our promoters or directors is interested in any transaction for the acquisition of land, construction of building or supply of machinery.

**iv) Other Interests in our Company:**

For transactions in respect of loans and other monetary transactions entered in past please refer Note 24 on “**Related Party Transactions**” on page 162 forming part of “**Financial Information of the Company**” of this Red Herring Prospectus.

Further, our promoter may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “**Statement of Financial Indebtedness**” and “**Financial Information of Our Company**” on page 170 and 130 respectively of this Red Herring Prospectus.

**Payment or Benefits to our Promoter and Promoter Group during the last 2 years:**

For details of payments or benefits paid to our Promoters and Promoter Group, please refer to the paragraph “**Compensation of our Chairman**” in the chapter titled “**Our Management**” beginning on page 111 also refer Note 24 on “**Related Party Transactions**” on page 162 forming part of “**Financial Information of the Company**” and Paragraph on “**Interest of Promoters**” in chapter titled “**Our Promoter and Promoter Group**” on page 124 of this Red Herring Prospectus.

**Companies/ Firms with which our Promoters have disassociated in the last (3) three years**

Except as disclosed below, our promoters have not disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Red Herring Prospectus:

S.N.	Name of Promoter	Companies or firms with which Promoter(s) have disassociated	Reasons and circumstances of disassociation	Date of Disassociation
1.	Bhavin Rajeshbhai Gondaliya	Gondaliya Plast Mart Limited Liability Partnership	Voluntarily Retirement	March 09, 2021
		Pinaxis Polymer LLP		April 08, 2021
		Eplast Industries LLP		March 22, 2022

### **Other ventures of our Promoters**

Save and except as disclosed in this section titled “*Our Promoters & Promoter Group*” beginning on page 124 of this Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

### **Litigation details pertaining to our Promoters**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 185 of this Red Herring Prospectus.

### **Experience of Promoters in the line of business**

Our Promoters, Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya have an experience of around 22 & 4 years respectively in the industry. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

### **Related Party Transactions**

For the transactions with our Promoter Group entities please refer to section titled “*Note 24 - Related Party Transactions*” on page 162 of this Red Herring Prospectus.

Except as stated in “*Note 24 - Related Party Transactions*” beginning on page 162 of this Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

### **OUR PROMOTER GROUP:**

In addition to the Promoters, the following individual and entities are part of our Promoter Group:

#### **1. Natural Persons who are part of the Promoter Group**

As per Regulation 2(1)(pp)(ii) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters) are as follows:

Relationship with Promoters	Name of the Relatives	
	Rajesh Dhirubhai Gondaliya	Bhavin Rajeshbhai Gondaliya
Father	Late Dhirubhai Savjibhai Gondaliya	Rajesh Dhirubhai Gondaliya
Mother	Late Champaben Dhirubhai Gondaliya	Prabhaben Rajeshbhai Gondaliya
Spouse	Prabhaben Rajeshbhai Gondaliya	-
Brother	Manojbhai Dhirubhai Gondaliya	-
	Ghanshyambhai Dhirubhai Gondaliya	
Sister	-	Jinal Rajeshbhai Gondaliya
Son	Bhavin Rajeshbhai Gondaliya	-
Daughter	Jinal Rajeshbhai Gondaliya	-
Spouse's Father	Late Gordhanbhai karsanbhai Asodariya	-
Spouse's Mother	Kantaben Gordhabhai Asodariya	-
Spouse's Brother	Vitthalbhai Gordhanbhai Asodariya	-
	Chandubhai Gordhabhai Asodariya	
Spouse's Sister	Rekhaben Rameshbhai Ghadiya	-
	Vilasben Sanjay Jiyani	

#### **2. Corporate Entities or Firms forming part of the Promoter Group**

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities forms part of our Promoter Group:

##### **Companies:**

1. Bakelite Engineering Private Limited;

2. Kaka Engineering Private Limited;
3. Pinaxis Hi-Tech Engineering Private Limited;

**LLP's:**

1. Gondaliya Plast Mart Limited Liability Partnership;
2. Nicewood Furniture LLP;
3. Nicewood Industries LLP\*;
4. Bakelite Poly Alloys LLP\*
5. Pinaxis Polyplast LLP;
6. PR PVC Profile LLP;
7. Eplast Build-Techno Industries LLP;

*\*Both the LLPs are under the process of Strike Off*

**Partnership Firms:**

1. Moon PVC Roofing;
2. Shri Rang Energy Efficient

**Proprietorship Firms:**

1. Shreeji Plast Mart

**HUF's:**

Rajeshbhai Dhirubhai Gondaliya (HUF)

**3. Other Persons included in Promoter Group:**

Except Bhaveshkumar Shambhubhai Gondaliya, none of the other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1) (pp)(v) of SEBI (ICDR) Regulations 2018.

### **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in last three financial years and for the period March 31, 2023 to the date of the filing of this Red Herring Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

**SECTION VI FINANCIAL INFORMATION OF THE COMPANY**

**RESTATED FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL INFORMATION**

To,  
The Board of Directors,  
**Kaka Industries Limited (formerly known as Kaka Industries Private Limited)**  
Plot No.67, Near Bhagwatinagar,  
Opp. Nilkanth Arcade,  
Ahmedabad -382415  
Gujarat

Dear Sirs,

1. We have examined the attached Restated Financial Statements of **Kaka Industries Limited (formerly known as Kaka Industries Private Limited)**, ("Company" ) comprising the Restated Standalone Financial Statements of the Company constituting Restated Statement of Assets and Liabilities as at 31<sup>st</sup> March 2022 and 2021, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the year ended 31<sup>st</sup> March 2022 and 2021 AND Restated Consolidated Financial Statements of the Company comprising the Restated Consolidated Statement of Assets and Liabilities as at 31<sup>st</sup> March, 2023 the Restated Statements of Profit and Loss and the Restated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2023, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the "Restated financial statement"), as approved by the Board of Directors of the Company at their meeting held on 28<sup>th</sup> May, 2023 for the purpose of inclusion in the Draft offer document/ offer document ("Draft offer document/ offer document") prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares ("SME IPO") prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

**Management's Responsibility for the Restated Financial Statements**

2. The Company's Board of Directors is responsible for the preparation of the Restated financial statement for the purpose of inclusion in the Draft offer document/ offer document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Ahmedabad in connection with the proposed SME IPO. The Restated financial statement has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated financial statement. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated financial statement. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, SEBI (ICDR) Regulations and the Guidance Note.
3. We, **DINESH R THAKKAR & Co.** Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("**ICAI**") and holds the peer review certificate dated 15/10/2020 valid till 30/09/2024.

**Auditors' Responsibilities**

4. We have examined such Restated financial statement taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 01/05/2023 in connection with the proposed SME IPO of equity shares of the Company;
  - b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated financial statement; and

- d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the SME IPO.

### Restated Financial Statement

5. These Restated Financial Statement have been compiled by the management of the company from:

- a) Audited Consolidated Financial Statements of the company as at and for the year ended 31<sup>st</sup> March 2023 and Audited Standalone Financial Statements of the company as at and for the year ended 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 prepared in accordance with Accounting Standard as specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors.
- b) The consolidated financial statements includes financial statements and other financial information in relation to Jointly controlled entity which are audited by Other Auditors as listed below:

Name of the Entity	Status	Relationship	Name of Audit Firm	Year audited by Other Auditors
Shri Rang Energy Efficient	Partnership firm	Jointly controlled entity	Chintan Parikh & Co.	F.Y.2022-23

6. For the purpose of our examination, we have relied on:

- a) Auditor's report issued by us on consolidated financial statements of the company as at and for the year ended 31<sup>st</sup> March, 2023.
- b) Auditor's report issued by us on standalone financial statements of the company as at and for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March 2021.
- c) We did not audit the financial statements of jointly controlled entity as at and for the year ended 31<sup>st</sup> March 2023, whose financial statements reflect total revenues included in the consolidated financial statements, for the relevant year is tabulated below:

(₹ in lakhs)	
Particulars of jointly Controlled Entity	As at/ for the year ended 31 <sup>st</sup> March, 2023
Total Assets	152.44
Total Income	456.41
Net cash inflow/outflow	15.56

These financial statement have been audited by other auditors and whose reports have been furnished to us by the Company's management and our opinion in so far as it relates to the amounts included in consolidated financial statement are based solely on the reports of the other auditors.

7. Based on our examination and according to the information and explanations given to us, we report that the Restated financial information have been prepared:
- a) after incorporating adjustments for the changes in accounting policies, material error and regrouping/reclassifications retrospectively, if any, as at 31<sup>st</sup> March, 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 to reflect the same accounting treatment as per the accounting policies; and
- b) There are no qualifications in the auditor's reports on the consolidated financial statements of as at and for the year ended 31<sup>st</sup> March 2023 and standalone financial statements of as at and for the year ended 31<sup>st</sup> March 2022, 31<sup>st</sup> March 2021, which require any adjustments to the Restated financial Statements.
- c) In accordance with the Act, ICDR Regulations and the Guidance Note.
8. We have also examined the following Notes to the Restated financial statement of the company set out in the Annexure V, prepared by the management and approved by the Board of Directors on 28<sup>th</sup> May, 2023 for the year ended 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021.

### Annexure V - Notes to the Restated Summary Financial Information;

- a) Restated Statement of Share Capital, Reserves and Surplus as appearing in Note 1 to this report;
- b) Restated Statement of Long Term Borrowings as appearing in Note 2 to this report;
- c) Restated Statement of principal terms of Secured Loans and Assets charged as security as appearing in Note 2(A) to this report;



- d) Statement of terms & conditions of unsecured loans as appearing In Note 2(B) to this report;
  - e) Restated Statement of Deferred Tax (Assets) / Liabilities as appearing in Note 3 to this report;
  - f) Restated Statement of Long term provision as appearing in Note 4 to this report;
  - g) Restated Statement of Short term borrowings as appearing in Note 5 to this report;
  - h) Restated Statement of Trade Payables as appearing in Note 6 to this report;
  - i) Restated Statement of Other Current Liabilities as appearing in Note 7 to this report;
  - j) Restated Statement of Short Term Provisions as appearing in Note 8 to this report;
  - k) Restated Statement of Property, Plant and Equipment as appearing in Note 9 to this report;
  - l) Restated Statement of Non-Current Investment as appearing in Note 10 to this report;
  - m) Restated Statement of Inventories as appearing in Note 11 to this report;
  - n) Restated Statement of Trade Receivables as appearing in Note 12 to this report;
  - o) Restated Statement of Cash and Cash Equivalents as appearing in Note 13 to this report;
  - p) Restated Statement of Other Current Assets as appearing in Note 14 to this report;
  - q) Restated Statement of Revenue from Operations as appearing in Note 15 to this report;
  - r) Restated Statement of Other Income as appearing in Note 16 to this report;
  - s) Restated Statement of Raw Material Consumption & Cost of Goods Sold as appearing in Note 17 to this report;
  - t) Restated Statement of Change in Inventories as appearing in Note 18 to this report;
  - u) Restated Statement of Employee Benefit Expenses as appearing in Note 19 to this report;
  - v) Restated Statement of Finance Cost as appearing in Note 20 to this report;
  - w) Restated Statement of Depreciation & Amortization as appearing in Note 21 to this report ;
  - x) Restated Statement of Other Expenses as appearing in Note 22 to this report ;
  - y) Restated Statement of Contingent Liabilities as appearing in Note 23 to this report ;
  - z) Restated Statement of Related Party Transactions as appearing in Note 24 to this report ;
  - aa) Restated Statement of Tax Shelter as appearing in Note 25 to this report ;
  - bb) Restated Statement of Capitalisation Statement as appearing in Note 26 to this report ;
  - cc) Restated Statement of Mandatory Accounting Ratios as appearing in Note 27 to this report ;
9. We have not audited any financial statements of the company as of any date or for any period subsequent to 31<sup>st</sup> March 2023. Accordingly, we express no opinion on the financial position, results of operations, cash flows of the company as of any date or for any period subsequent to 31<sup>st</sup> March 2023.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. The Restated financial Statements do not reflect the effects of events that occurred subsequent to the audited financial statements mentioned in paragraph 5(a) above.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Draft offer document/ offer document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.
14. In our opinion, the above financial information contained in Annexure I to Annexure V of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

**FOR, DINESH R THAKKAR & CO.**  
**CHARTERED ACCOUNTANTS**  
**FRN. 102612W**

Sd/-  
per **DINESH R. THAKKAR**  
**(PARTNER)**  
**M.NO.038216**  
**PLACE: AHMEDABAD**  
**DATE: May 29, 2023**  
**UDIN: 23038216BGZQFL9658**

## ANNEXURE – I

## RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

Particulars		Note	Consolidated	Standalone	
			As At		
			31/03/2023	31/03/2022	31/03/2021
<b>A)</b>	<b><u>EQUITY AND LIABILITIES</u></b>				
<b>1.</b>	<b>Shareholders' Funds</b>				
(a)	Share Capital	<b>1</b>	1,000.00	250.00	250.00
(b)	Reserves & Surplus		956.88	991.31	493.65
			<b>1,956.88</b>	<b>1,241.31</b>	<b>743.65</b>
<b>2.</b>	<b>Non-Current Liabilities</b>				
(a)	Long Term Borrowings	<b>2</b>	2,257.50	1,232.27	591.74
(b)	Deferred Tax Liabilities (Net)	<b>3</b>	17.52	16.56	14.11
(c)	Long Term Provisions	<b>4</b>	25.35	18.28	9.18
			<b>2,300.36</b>	<b>1,267.11</b>	<b>615.02</b>
<b>3.</b>	<b>Current Liabilities</b>				
(a)	Short Term Borrowings	<b>5</b>	1,756.16	1,503.28	1,407.26
(b)	Trade Payables	<b>6</b>			
	(A) outstanding dues of micro enterprises and small enterprises; and		176.47	280.43	265.72
	(B) Outstanding dues of other than micro enterprises and small enterprises.		256.81	174.19	378.83
(c)	Other Current Liabilities	<b>7</b>	180.30	140.41	97.97
(d)	Short Term Provisions	<b>8</b>	140.02	8.01	59.57
			<b>2,509.76</b>	<b>2,106.34</b>	<b>2,209.35</b>
	<b>Total</b>		<b>6,767.00</b>	<b>4,614.76</b>	<b>3,568.02</b>
<b>B)</b>	<b><u>ASSETS</u></b>				
<b>1.</b>	<b>Non-Current Assets</b>				
(a)	Property, Plant and Equipment and Intangible assets	<b>9</b>			
	I) Property, Plant and Equipment				
	(i) Gross Block		1,412.67	1,108.36	837.02
	(ii) Depreciation		299.49	168.18	68.87
	(iii) Net Block		1,113.18	940.18	768.14
	II) Intangible Assets		18.60	8.09	8.72
	III) Capital Work-in-Progress		798.62	-	-
			<b>1,930.39</b>	<b>948.27</b>	<b>776.87</b>
(b)	Non-Current Investment	<b>10</b>	251.62	201.02	0.20
			<b>251.62</b>	<b>201.02</b>	<b>0.20</b>
<b>2.</b>	<b>Current Assets</b>				
(a)	Inventories	<b>11</b>	1,510.37	1,849.45	1,146.18
(b)	Trade Receivables	<b>12</b>	1,861.68	1,407.96	1,452.37
(c)	Cash and Cash equivalents	<b>13</b>	715.29	9.82	11.44
(d)	Other Current Assets	<b>14</b>	497.66	198.23	180.97
			<b>4,584.99</b>	<b>3,465.46</b>	<b>2,790.95</b>
	<b>Total</b>		<b>6,767.00</b>	<b>4,614.76</b>	<b>3,568.02</b>

The above statement should be read with Annexure IV to the Restated Summary Statements

## ANNEXURE – II

## RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars	Note	Consolidated	Standalone	
		FOR THE YEAR		
		31/03/2023	31/03/2022	31/03/2021
1 Revenue From Operations	15	15,849.89	11,695.92	7,874.89
2 Other Income	16	37.81	14.06	4.12
<b>Total Income (1+2)</b>		<b>15,887.70</b>	<b>11,709.98</b>	<b>7,879.00</b>
<b>3 Expenditure</b>				
(a) Raw Material Consumption & Cost of Goods Sold	17	11,450.89	9,191.58	5,596.42
(b) Change in inventories of finished goods, work in progress and stock in trade	18	365.75	(561.23)	2.35
(c) Employee Benefit Expenses	19	974.99	892.24	722.07
(d) Finance Cost	20	252.63	213.13	156.99
(e) Depreciation and Amortisation Expenses	21	135.59	106.70	67.40
(f) Other Expenses	22	1,703.88	1,201.10	917.20
<b>4 Total Expenditure 3(a) to 3(f)</b>		<b>14,883.73</b>	<b>11,043.53</b>	<b>7,462.43</b>
<b>5 Profit/(Loss) Before Exceptional &amp; extraordinary items &amp; Tax (2-4)</b>		<b>1,003.97</b>	<b>666.45</b>	<b>416.57</b>
6 Exceptional and Extra-ordinary items		-	-	-
<b>7 Restated Profit/(Loss) Before Tax (5-6)</b>		<b>1,003.97</b>	<b>666.45</b>	<b>416.57</b>
<b>8 Tax Expense:</b>				
(a) Tax Expense for Current Year		(284.51)	(166.34)	(101.16)
(b) Deferred Tax (Expense)/ Income		(0.96)	(2.45)	(12.90)
<b>Net Current Tax Expenses</b>		<b>(285.47)</b>	<b>(168.79)</b>	<b>(114.06)</b>
<b>9 Restated Profit/(Loss) for the Year (7-8)</b>		<b>718.50</b>	<b>497.66</b>	<b>302.51</b>
<b>Basic, computed on the basis of Restated Profit/(loss) attributable to equity holders</b>				
Equity shares, Nominal value of ₹ 10 each		7.19	4.98	4.59
<b>Diluted, computed on the basis of Restated Profit/(loss) attributable to equity holders</b>				
Equity shares, Nominal value of ₹ 10 each		7.19	4.98	4.59

The above statement should be read with Annexure IV to the Restated Summary Statements.



**ANNEXURE – IV****STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED FINANCIAL STATEMENT****A. COMPANY OVERVIEW**

**KAKA INDUSTRIES LIMITED** (formerly known as *Kaka Industries Private Limited*) (the “Company”) was incorporated on 21<sup>st</sup> June, 2019 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad. The Company’s registered office is situated at Plot No.67, Near Bhagwatinagar, Opp. Nilkanth Arcade, Ahmedabad - 382415. The company is primarily involved in the manufacturing of PVC Profile, Foam board and UPVC window.

**B. SIGNIFICANT ACCOUNTING POLICIES****1. BASIS OF PREPARATION OF FINANCIAL STATEMENT:-**

The Restated Financial Statements comprises of:

- a) The Restated Consolidated Statement of Assets and Liabilities (Annexure I) as at 31st March 2023, the Restated Consolidated Statement of Profit and Loss (Annexure II) and the Restated Consolidated Statement of Cash Flows (Annexure III) for the year ended 31st March 2023 and the summary of significant accounting policies and explanatory notes;
- b) Restated Standalone Statement of Assets and Liabilities (Annexure I) as at 31st March 2022, 31st March 2021, Restated Standalone Statement of Profit and Loss (Annexure II) and the Restated Standalone Statement of Cash Flows (Annexure III) for the year ended 31st March 2022 and 31st March 2021 and the summary of significant accounting policies and explanatory notes.

The paragraph (a) and (b) above are collectively referred to as the ‘Restated Financial Statements’.

These Restated Financial Statements have been prepared by the management in connection with its proposed SME Initial Public Offer of equity shares (“SME IPO”) prepared in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

These Restated Financial Information have been compiled by the management of the company from:

- (I) Audited consolidated financial statements of the company as at and for the year ended 31st March 2023 and Audited standalone financial statements of the company as at and for the year ended 31st March 2022 and 31st March 2021 prepared in accordance with Accounting Standard as specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors.
- (II) The consolidated financial statements includes financial statements and other financial information in relation to Jointly controlled entity which are audited by Other Auditors as listed below:

Name of the Entity	Status	Relationship	Name of Audit Firm	Year audited by Other Auditors
Shri Rang Energy Efficient	Partnership firm	Jointly controlled entity	Chintan Parikh & Co.	F.Y. 2022-23

**2. BASIS OF CONSOLIDATION:**

There is no consolidation for the year ended 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 as the Company did not have any joint venture, Subsidiary or Associate in respective year.

**Consolidation Procedure:**

As per AS 27 “Financial Reporting of Interests in Joint Ventures” issued by ICAI, the Proportionate consolidation is a method of accounting and reporting whereby a venturer's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is reported as separate line items in the venturer's financial statements.

- (a) Combine like items of assets, liabilities, equity, income, expenses of the Company with those of its jointly controlled entity in ratio of share of the company in jointly controlled entity.

- (b) Offset (eliminate) the carrying amount of the company's investment in jointly controlled entity and the company's portion of equity of jointly controlled entity.
- (c) Eliminate in full intra-entity assets and liabilities, equity, income, expenses relating to transactions between jointly controlled entity and company (profits or losses resulting from transactions that are recognized in assets, such as inventory and property, plant and equipment are eliminated in full).

**3. USE OF ESTIMATES:**

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**4. ACCOUNTING CONVENTION:**

The company follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

**5. PROPERTY, PLANT & EQUIPMENT:**

**Tangible Asset**

Property, Plants & Equipments are stated at as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Input tax credit of GST, Grants on capital goods are accounted for by reducing the cost of Capital Goods. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the expenditure can be measured reliably. Repairs and Maintenance costs are recognized in the Statement of Profit and Loss when they are incurred.

When assets are disposed or retired, their cost is removed from the financial statements. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss for the relevant financial year.

**Intangible assets:-**

Intangible assets purchased are initially measured at cost. The cost of an intangible asset comprise its purchase price including any costs directly attributable to making the asset ready for their intended use.

**6. DEPRECIATION:**

Depreciation on property, plant and equipment, tangible and intangible assets, has been provided under Straight Line method over the useful life of assets estimated by the management which is in line with the terms prescribed in Schedule II to The Companies Act, 2013. Depreciation for assets purchased/sold during the period is proportionately charged. Depreciation method, useful life & residual value are reviewed periodically.

**7. REVENUE RECOGNITION:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of GST, trade discounts and returns, as applicable.

**Income from services**

Revenue from services is recognized when services have been rendered and there should be no uncertainty regarding consideration and its ultimate collection.

**Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividend Income**

Dividend Income is recognized on receipt basis.

**8. INVENTORIES:**

Raw Materials have been valued at lower of cost and net realizable value. Cost is determined on FIFO basis.



Cost of Finished Goods and Work in Progress includes all Costs of Purchases, Conversion Cost and other cost Incurred in bringing the inventories to their present location and Condition.

The Net realizable value is estimated selling price in the ordinary course of business less the estimated costs of Completion and estimated cost necessary to make the finished goods/product ready for sale.

**9. INVESTMENT:**

Investment which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

**10. RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS:-**

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees. The Company's contribution to Provident Fund is charged to the Statement of Profit and Loss on accrual basis. The Company's obligation is limited to the amount to be contributed by it. The Liability in respect of gratuity is recognized on the basis of actuarial valuation.

**11. BORROWING COSTS:**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

**12. CASH FLOW STATEMENT:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**13. TAXATION:**

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

**14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements.

However, Contingent assets are assessed continually and when it becomes reasonably certain that inflow of economic benefit will arise.

**15. CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:**

Events that occur between balance sheet date and date on which these are approved, might suggest the requirement for an adjustment(s) to the assets and the liabilities as at balance sheet date or might need disclosure. Adjustments are required to assets and liabilities for events which occur after balance sheet date which offer added information substantially affecting the determination of the amounts which relates to the conditions that existed at balance sheet date.

**16. IMPAIRMENT OF ASSETS:**

An asset is treated as impaired when carrying cost of assets exceeds its recoverable value. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows. An impairment loss is charged off to profit and loss account as and when asset is identified for impairment. The impairment loss

recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. An asset is treated as impaired when carrying cost of assets exceeds its recoverable value. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

#### 17. FOREIGN CURRENCY TRANSACTION:

- a) **Initial Recognition:** Foreign currency transaction, are recorded in the reporting Currency, by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- b) **Conversion:** Foreign currency monetary items are reported using the closing rate.
- c) **Exchange Difference:** Exchange differences arising on the settlement of monetary items at rates different from those at which they are initially recorded during the year or reported in previous financial statement are recognized as income or as expenses at the end of year by applying closing rate.

#### 18. EARNINGS PER SHARE:

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

In case of bonus issue the weighted average number of equity shares outstanding during the period and for all periods presented should be adjusted for events, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

#### 19. GOVERNMENT GRANTS:

Government Grants are recognized when there is reasonable assurance that the company will comply with the conditions attached to them and the grants will be received.

Government grants whose primary conditions that company should purchase, construct or otherwise acquired capital assets are presented by deducting them from carrying value of assets.

Grants related to the revenue are adjusted against expenses to the extent there is certainty to receive.

#### C. NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS:

##### 1. Employee Benefits

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

(₹ in Lakhs)

Details of Gratuity Expenses	For the Year Ended		
	2022-23	2021-22	2020-21
<b>Profit and loss account for the period</b>			
Current service cost	11.67	7.72	5.60
Interest on obligation	1.12	0.52	0.12
Expected return on plan assets	-	-	-
Net actuarial loss/(gain)	(5.71)	0.89	1.35
Recognised Past Service Cost-Vested	-	-	-
Recognised Past Service Cost-Unvested	-	-	-
Loss/(gain) on curtailments	-	-	-
<b>Total included in 'Employee Benefit Expense'</b>	<b>7.08</b>	<b>9.13</b>	<b>7.07</b>
Loss/(gain) on obligation	(5.71)	0.89	1.35
Loss/(gain) on assets	-	-	-
<b>Total Charge to P&amp;L</b>	<b>(5.71)</b>	<b>0.89</b>	<b>1.35</b>
<b>Reconciliation of defined benefit obligation</b>			
Opening Defined Benefit Obligation	18.35	9.22	2.14
Transfer in/(out) obligation	-	-	-
Current service cost	11.67	7.72	5.60
Interest cost	1.12	0.52	0.12
Actuarial loss (gain)	(5.71)	0.89	1.35

Details of Gratuity Expenses	For the Year Ended		
	2022-23	2021-22	2020-21
Past service cost	-	-	-
Benefits paid	-	-	-
Prior year charge	-	-	-
<b>Closing Defined Benefit Obligation</b>	<b>25.43</b>	<b>18.35</b>	<b>9.22</b>
<b>Table of experience adjustments</b>			
Defined Benefit Obligation	25.43	18.35	9.22
Plan Assets	-	-	-
<b>Surplus/(Deficit)</b>	<b>(25.43)</b>	<b>(18.35)</b>	<b>(9.22)</b>
<b>Reconciliation of plan assets</b>			
Opening value of plan assets	-	-	-
Transfer in/(out) plan assets	-	-	-
Expenses deducted from the fund	-	-	-
Expected return	-	-	-
Actuarial gain/(loss)	-	-	-
Contributions by employer	-	-	-
Benefits paid	-	-	-
<b>Closing value of plan assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
Details of Gratuity Expenses	For the Year Ended		
	2022-23	2021-22	2020-21
<b>Reconciliation of net defined benefit liability</b>			
Net opening provision in books of accounts	18.35	9.22	2.14
Transfer in/(out) obligation	-	-	-
Transfer (in)/out plan assets	-	-	-
Employee Benefit Expense	7.08	9.13	7.07
Benefits paid by the Company	-	-	-
Contributions to plan assets	-	-	-
<b>Closing provision in books of accounts</b>	<b>25.43</b>	<b>18.35</b>	<b>9.22</b>
<b>Bifurcation of liability</b>			
Current Liability	0.08	0.07	0.04
Non-Current Liability	25.35	18.28	9.18
<b>Net Liability</b>	<b>25.43</b>	<b>18.35</b>	<b>9.22</b>
<b>Principle actuarial assumptions</b>			
Discount Rate	7.30%	6.10%	5.60%
Expected Return on Plan Assets	NA	NA	NA
Salary Escalation Rate	8.00%	8.00%	8.00%
Withdrawal Rates	25.00%	25.00%	25.00%
Expected Return on Plan Assets	NA	NA	NA

2. **Contingent Liabilities And Commitments (To The Extent Not Provided For)**

A disclosure for a contingent liability is usually reported in the notes to restated financial restatements when there is a possible obligation that may, require an outflow of the Company's resources. However, there has not been any such liability/ event, which qualifies as contingent liability in the restated period.

3. **Disclosure Under Micro, Small And Medium Enterprises Development Act, 2006**

The amount due to Micro, small and medium enterprise in the "Micro, small and medium Enterprise Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the company.

(₹ in Lakhs)

Trade Payables	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year;	176.47	280.43	265.72
Interest amount due thereon remaining unpaid to any supplier at the end of each accounting year	0.12	0.20	Nil
(b) the amount of interest paid by the buyer(Company) in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the	Not Ascertained	Not Ascertained	Not Ascertained

Trade Payables	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;			
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.12	0.20	Nil
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil	Nil

- Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Note 24 of the enclosed financial statements.
- Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is as under:

(₹ in Lakhs)

Particulars	For the Year Ended		
	2022-23	2021-22	2020-21
(DTA)/DTL on timing Difference in Depreciation as per Companies Act and Income Tax Act	34.28	21.18	16.50
(DTA) / DTL on timing Differences due to Gratuity Provision	(6.38)	(4.62)	(2.40)
(DTA) / DTL on timing Differences due to Other Disallowance	(10.38)	-	-
<b>Net Deferred Tax (Asset)/Liability</b>	<b>17.52</b>	<b>16.56</b>	<b>14.11</b>

## 6. Directors' Remuneration:

(₹ in Lakhs)

Particulars	For the Year Ended		
	2022-23	2021-22	2020-21
Directors' Remuneration (including sitting fees)	159.00	252.00	232.50
<b>Total</b>	<b>159.00</b>	<b>252.00</b>	<b>232.50</b>

## 7. Auditors' Remuneration:

(₹ in Lakhs)

Particulars	For the Year Ended		
	2022-23	2021-22	2020-21
a. As Auditors			
Statutory & Tax Audit Fees & Other Tax Matter	5.90	4.00	3.00
<b>Total</b>	<b>5.90</b>	<b>4.00</b>	<b>3.00</b>

## 8. Earnings per Share

(₹ in Lakhs)

Particulars	For the Year Ended		
	2022-23	2021-22	2020-21
A. Total Number of equity shares outstanding at the end of the year (Nos.)	100	25	25
B. Weighted average number of equity shares outstanding during the year (Nos.)	100	100	65.94
C. Net profit after tax available for equity shareholders (excluding exceptional and extraordinary items) (as Restated) (₹)	718.50	497.66	302.51
D. Restated Basic and Diluted earnings per share (₹)	7.19	4.98	4.59

- Figures have been rearranged and recomputed wherever practicable and considered necessary.
- The adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.
- Certain balances of trade payables, trade receivables, loans and advance are subject to confirmation and adjustment if any will be made on receipt of the same.
- Realizations**  
In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.
- Contractual liabilities**  
All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**14. Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest Lakhs. Figures in brackets indicate negative values.

**15. Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Financial Statements**

There has been no audit qualifications/observations in Statutory Auditor's Report for the year ended F.Y. 2020-21, 2021-22 and 2022-23 which requires adjustments in restated financial statements.

**16. Material Adjustments**

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule III of Companies Act and Accounting Standards issued by ICAI.

17. The company is operating only one business segment viz different types of PVC and plastic products. Further, the company primarily operates in India. Therefore, no further information required to disclose as per "Accounting Standard 17- Segment Reporting".

**18. Statement of Adjustments in the financial statements is presented here below:****RECONCILIATION OF RESTATED PROFIT:**

(₹ in Lakhs)

Particulars	For the Year Ended		
	2022-23	2021-22	2020-21
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	720.39	503.58	312.18
<b>Adjustments for:</b>			
Provision for gratuity	-	(9.13)	(7.07)
(Short)/excess Provision of deferred tax	(1.89)	2.75	(1.44)
(Short)/excess of Provision of tax	(0.01)	0.46	(1.16)
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>718.50</b>	<b>497.66</b>	<b>302.51</b>

Note:

- The provision for gratuity has been done in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits issued by ICAI.
- Provision for Taxation has been adjusted for Items like Income Tax related to Earlier Years.

19. The reconciliation of Equity and Reserves as per audited results and the Equity and Reserves as per Restated Accounts is presented below:

**RECONCILIATION OF EQUITY AND RESERVES:**

(₹ in Lakhs)

Particulars	For the Year Ended		
	2022-23	2021-22	2020-21
<b>Equity and Reserves as per Audited Balance sheet</b>	1958.12	1259.00	755.42
Adjustments for:			
Difference Due to Change in P&L	(1.24)	(17.69)	(11.78)
<b>Equity and Reserves as per Re-stated Balance sheet</b>	<b>1956.88</b>	<b>1241.31</b>	<b>743.65</b>

**20. Other Information:**

- The Company has been converted to Kaka Industries Limited w.e.f. 14<sup>th</sup> March, 2023 from Kaka industries Private Limited.
- The Company increased its Authorised Share Capital to ₹ 14,00,00,000/-divided into 1,40,00,000 equity shares of ₹ 10 each from ₹ 3,00,00,000/- divided into 30,00,000 equity shares of ₹ 10 each on 25<sup>th</sup> January,2023.
- The company has allotted 75,00,000 equity shares of ₹ 10 each by way of Bonus in the ratio of 3:1 on 20<sup>th</sup> February, 2023 by passing shareholder's resolution.

21. The details of joint ventures and description of interests of the company in the said joint ventures:

(₹ in Lakhs)

Name of Firm (Nature of Business)	Country of incorporation	Ownership interest as 31 <sup>st</sup> March, 2023	Ownership interest as 31 <sup>st</sup> March, 2022	Ownership interest as 31 <sup>st</sup> March, 2021
<b>Shri Rang Energy Efficient</b> (Trading of the engineering product) (partnership firm)	India	50%	Nil	Nil

22. The Details of the aggregate amounts of each of the assets, liabilities, income and expenses related to company's interests in the jointly controlled entities

(₹ in Lakhs)

Name of Firm	Total assets of jointly controlled entity as at 31 <sup>st</sup> March, 2023	Total income of jointly controlled entity for the year ended 31 <sup>st</sup> March, 2023	Net cash inflow/ outflow of jointly controlled entity for the year ended 31 <sup>st</sup> March, 2023
Shri Rang Energy Efficient	152.44	456.41	15.56

**Additional Regulatory Information**

- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate beneficiaries) by or on behalf of the company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- No funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- The company has not entered any transactions with struck off companies under section 248 of the companies Act, 2013 or section 560 of companies Act, 1956.
- The company had complied with requirement of registration of charges with Registrar of Companies in respect of borrowings from the bank for company’s assets except borrowing from Saraspur Nagrik Co-operative Bank Limited amounting ₹ 4,23,00,000/- and from HDFC bank Ltd amounting ₹ 12,00,000/-.
- The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237 of companies Act, 2013.
- There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

The company is covered under the provisions of section 135 of Companies Act, 2013 w.e.f. FY 2022-23. Further, in compliance with the section, the company has already spent amount of ₹ 8.70 lakhs towards CSR (Corporate social responsibility) expenditure.

(₹ in Lakhs)

Year ended	Amount required to be spent by the company during the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall	Reason for shortfall	Nature of CSR activities	Details of related party transactions
31 <sup>st</sup> March 2023	8.53	8.70	Nil	Nil	N.A	Amount Donated for health, education and sports related activities	Nil

- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

**FOR, DINESH R THAKKAR & CO.**  
**CHARTERED ACCOUNTANTS**  
**FRN. 102612W**

Sd/-  
per **DINESH R. THAKKAR**  
**(PARTNER)**  
**M.NO.038216**  
**PLACE: AHMEDABAD**  
**DATE: May 29, 2023**  
**UDIN: 23038216BGZQFL9658**



## ANNEXURE V - NOTES TO THE RESTATED FINANCIAL INFORMATION

## NOTE - 1

## RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS

(₹ in Lakhs)

Particulars	Consolidated	Standalone	
	AS AT		
	31/03/2023	31/03/2022	31/03/2021
<b>Share Capital</b>			
<b>Authorised Share Capital</b>			
Number of Equity shares of ₹10 each	1,40,00,000.00	30,00,000.00	30,00,000.00
Equity Share Capital (in ₹)	1,400.00	300.00	300.00
<b>Total</b>	<b>1,400.00</b>	<b>300.00</b>	<b>300.00</b>
<b>Issued, Subscribed and Paid up Share Capital</b>			
Number of Equity Shares of ₹10 each fully paid up	1,00,00,000.00	25,00,000.00	25,00,000.00
Equity Share Capital (in ₹)	1,000.00	250.00	250.00
<b>Total</b>	<b>1,000.00</b>	<b>250.00</b>	<b>250.00</b>
<b>Reserves and Surplus</b>			
<b>Securities Premium</b>			
Opening Balance	50.00	50.00	-
Addition: During the year	-	-	50.00
<b>Surplus in Profit and Loss account</b>			
Balance as per the last financial statements	941.31	443.65	141.14
Profit for the Year	718.50	497.66	302.51
Less : Utilized For Issue Of Equity Share by way of Bonus*	(750.00)	-	-
Goodwill arising on account of investment in jointly controlled entity (Shri Rang Energy Efficient)	(2.93)	-	-
<b>Balance as at the end of Financial Year</b>	<b>956.88</b>	<b>991.31</b>	<b>493.65</b>

\* 75,00,000 Equity Shares of ₹ 10/- each has been issued way of Bonus Shares out of the Resaves & Surplus at the ratio of 3:1 per equity shares.

The Company has issued only one class of equity shares and each holders of equity shares are entitled to one vote per shares.

- Terms/rights attached to equity shares:
  - The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share
  - In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- Company does not have any Revaluation Reserve.
- The reconciliation of the number of Equity shares outstanding as at:

(₹ in Lakhs)

Particulars	AS AT		
	31/03/2023	31/03/2022	31/03/2021
Number of shares at the beginning	25,00,000	25,00,000	10,000
Add: Fresh Issue of shares	-	-	24,90,000
Add: Equity Shares Issued by way of Bonus during the year	75,00,000	-	-
<b>Number of shares at the end</b>	<b>1,00,00,000</b>	<b>25,00,000</b>	<b>25,00,000</b>

- The detail of shareholders holding more than 5% of Shares:

Name of Shareholders	AS AT (No. of Shares)		
	31/03/2023	31/03/2022	31/03/2021
Rajeshbhai D Gondaliya	12,80,000	2,02,500	2,02,500
Jinal R Gondaliya	14,90,000	2,25,000	2,25,000
Prabhaben R Patel	12,80,000	2,92,500	2,92,500
Bhavin R Gondaliya	26,32,000	2,25,000	2,25,000
Rajeshbhai D Gondaliya (HUF)	18,60,000	4,65,000	4,65,000
Mohanbhai R Varsani	-	2,02,500	2,02,500
Bhavesbhai S Gondaliya	-	3,17,500	3,17,500

Name of Shareholders	AS AT (No. of Shares)		
	31/03/2023	31/03/2022	31/03/2021
Chintan Jayantibhai Bodar	-	1,65,000	1,65,000
Jatinkumar B Patel	-	2,02,500	2,02,500
Mohanbhai R Varsani (HUF)	-	2,02,500	2,02,500

## 6. Promoters' Shareholding (including Promoter Group)

Shares held by promoters (including promoter group) at the end of the year 31.03.2023

Name	No. of Shares	% of total Shares	% change during the year
Rajeshbhai D Gondaliya	12,80,000	12.80%	4.70%
Jinal R Gondaliya	14,90,000	14.90%	5.90%
Prabhaben R Patel	12,80,000	12.80%	1.10%
Bhavin R Gondaliya	26,32,000	26.32%	17.32%
Rajeshbhai D Gondaliya (HUF)	18,60,000	18.60%	0.00%
Bhaveshbhai S Gondaliya	20,000	0.20%	-12.50%
Pinaxis Hi Tech Engineering Pvt Ltd	4,85,000	4.85%	4.85%
Kaka Engineering Private Limited	4,85,000	4.85%	4.85%

Shares held by promoters (including promoter group) at the end of the year 31.03.2022

Name	No. of Shares	% of total Shares	% change during the year
Rajeshbhai D Gondaliya	2,02,500	8.10%	0%
Jinal R Gondaliya	2,25,000	9.00%	0%
Prabhaben R Patel	2,92,500	11.70%	0%
Bhavin R Gondaliya	2,25,000	9.00%	0%
Rajeshbhai D Gondaliya (HUF)	4,65,000	18.60%	0%
Bhaveshbhai S Gondaliya	3,17,500	12.70%	0%

Shares held by promoters (including promoter group) at the end of the year 31.03.2021

Name	No. of Shares	% of total Shares	% change during the year
Rajeshbhai D Gondaliya	2,02,500	8.10%	-11%
Jinal R Gondaliya	2,25,000	9.00%	-10%
Prabhaben R Patel	2,92,500	11.70%	-7%
Bhavin R Gondaliya	2,25,000	9.00%	-10%
Bhaveshbhai S Gondaliya	3,17,500	12.70%	8%
Rajeshbhai D Gondaliya (HUF)	4,65,000	18.60%	19%

## NOTE - 2

## RESTATED STATEMENT OF LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	AS AT		
	Consolidated	Standalone	
	31/03/2023	31/03/2022	31/03/2021
<b>(Secured)</b>			
<b>(a) Term loans</b>			
<b>-From Bank</b>			
Saraspur Nagrik Co Op Bank Limited (Demand Loan - 1)	-	-	333.26
State bank of India - Term Loan	125.13	198.99	249.03
State Bank Of India - GECL	418.63	422.64	-
Saraspur Bank - Demand Loan	303.31	364.14	-
IDFC BANK Limited	122.75	122.53	-
ICICI Bank Limited - Mortgage Loan	111.74	112.88	-
Saraspur Nagrik Co Op Bank Limited - Vehicle Loan	2.23	4.52	-
SNCBL Auto loan -452	12.09	-	-

Particulars	AS AT		
	Consolidated	Standalone	
	31/03/2023	31/03/2022	31/03/2021
SNCBL Auto loan -169	5.29	-	-
Tata Capital Financial Services Ltd - Office	177.95	-	-
HDFC Loan - Vehicle Loan	3.33	6.57	9.45
SNCBL Auto loan - 6000630141000238	9.87	-	-
Small Industries Development Bank Of India	965.18	-	-
<b>Total</b>	<b>2,257.50</b>	<b>1,232.27</b>	<b>591.74</b>

Notes:

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in NOTE-2 (A) and NOTE 2 (B)

**NOTE 2(A) - RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

(₹ in Lakhs)

Name of Lender	Purpose	Loan/Agreement A/c No./Ref. No.	Sanctioned Amount (In Lacs)	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Consolidated	Standalone	
								Outstanding amount as on 31.03.2023 as per Books (In Lakhs)	Outstanding amount as on 31.03.2022 as per Books (In Lakhs)	Outstanding amount as on 31.03.2021 as per Books (In Lakhs)
Saraspur Nagrik Co Op Bank Limited (Demand Loan - 1) (a)	Business Mortgage Loan	508/2019-20	440.00	11.50 %	Refer Note (a)	84 Structured Equal Monthly Installment of ₹7,65,004/- From Nov-2019	NA	-	-	384.08
Saraspur Nagrik Co Op Bank Limited - Demand Loan (b)	Business Mortgage Loan	388/2021-22	423.00	9.75 %	Refer Note (b)	84 Structured Equal Monthly Installment of ₹7,00,000 From Dec-2021	NA	363.74	410.15	-
State bank of India - Term Loan (c)	Term Loan	SBI/13925/KIPL/20-21/10	375.00	EBL R+1.5% p.a Present Effective Rate 10.4 % p.a.	Refer Note (c1 to c4)	60 Structured Equal Monthly Installment of ₹6,14,755 From April-2021	3 Months	198.90	272.76	322.80
State Bank Of India - GECL (c)	Working Capital Loan	SBI/05146/KIPL/21-22/06	420.00	EBL R+0.75%	Refer Note	36 Structured Equal	24 Months	423.30	422.64	-

Name of Lender	Purpose	Loan/Agreement A/c No./Ref. No.	Sanctioned Amount (In Lacs)	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Consolidated	Standalone	
								Outstanding amount as on 31.03.2023 as per Books (In Lakhs)	Outstanding amount as on 31.03.2022 as per Books (In Lakhs)	Outstanding amount as on 31.03.2021 as per Books (In Lakhs)
				p.a Present Effective Rate 7.40 % p.a.	(c1 to c4)	Monthly Installment From December, 2023				
State bank of India - CC (c)	Cash Credit	SBI/13925 /KIPL/20-21/10	1,300.00	(EBL R+1.5% p.a) Present Effective Rate 10.4 % p.a.	Refer Note (c1 to c4)	Repayable on Demand	NA	1,018.45	1,161.31	1,080.36
IDFC BANK Limited (d)	Purchase of Property	0501026969	124.85	8.95 %	Refer Note (d)	240 Equated Monthly Instalment repayable from April, 2022	NA	123.12	124.85	-
ICICI Bank Limited - Mortgage Loan (e)	Loan Against Property	LBABD0005974852	117.00	10.15 %	Refer Note (e)	237 Structured Equal Monthly Instalment of ₹1,13,507 From April-2022	NIL	113.90	117.65	-
Saraspur Nagrik Co Op Bank Limited - Vehicle Loan (f)	Vehicle Loan	790/2021-22	6.50	7.00 %	Refer Note (f)	36 Structured Equal Monthly Instalment of ₹ 21,000/- From April-2022	NIL	4.40	6.54	-

Name of Lender	Purpose	Loan/Agreement A/c No./Ref. No.	Sanctioned Amount (In Lacs)	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Consolidated	Standalone	
								Outstanding amount as on 31.03.2023 as per Books (In Lakhs)	Outstanding amount as on 31.03.2022 as per Books (In Lakhs)	Outstanding amount as on 31.03.2021 as per Books (In Lakhs)
HDFC Loan - Vehicle Loan (g)	Commercial Vehicle Loan	117161393	12.00	12.00%	Refer Note (g)	47 Structured Equal Monthly Instalment of ₹32,130/- From April-2021	NIL	6.63	9.45	12.00
Saraspur Nagrik Co Op Bank Limited Auto loan - 452 (h)	Vehicle Loan	794/2022-23	16.50	7.75%	Refer Note (h)	60 Structured Equal Monthly Instalment of ₹33,500/- From Nov-2022	NIL	13.67	-	-
Saraspur Nagrik Co Op Bank Limited Auto loan - 169 (i)	Tractor - Trolley Loan	198/2022-23	7.94	10.00%	Refer Note (i)	60 Structured Equal Monthly Instalment of ₹16,900/- From June-2022	NIL	17.09	-	-
Tata Capital Financial Services Ltd - Office (j)	General Purpose	CFD000017282	194.00	(10% p.a i.e ROI Equal to LTL R Less 10.55%. Subject to Minimum of 9.5% p.a) Present LTL R is	Refer Note (j)	120 Structured Equal Monthly Instalment From January - 2023	NIL	181.19	-	-

Name of Lender	Purpose	Loan/Agreement A/c No./Ref. No.	Sanctioned Amount (In Lacs)	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Consolidated	Standalone	
								Outstanding amount as on 31.03.2023 as per Books (In Lakhs)	Outstanding amount as on 31.03.2022 as per Books (In Lakhs)	Outstanding amount as on 31.03.2021 as per Books (In Lakhs)
				20.55 %						
SNCBL Auto loan - 600063014 1000238	Auto Loan Commercial Vehicle	63014100 0238	12.40	10.75 %	Refer Note (k)	60 Structured Equal Monthly Instalment From March - 2023	NIL	12.35	-	-
Small Industries Development Bank Of India	For Major expansion/modernization	D00052Y3	2,000.00	7.73 % (10.45% p.a. shall be applicable from the date of the unit/borrower becoming ineligible)	Refer Note (l)	72 Structured Equal Monthly instalments From April - 2024	12 Months	965.18	-	-
<b>Total Fund Based (A)</b>								<b>3,441.92</b>	<b>2,525.35</b>	<b>1,799.24</b>
State bank of India (c)	Letter of Credit	SBI/13925 /KIPL/ 20-21/10	(100.00)	Applicable Card Rate	-	As per respective terms	NA	-	-	-
State bank of India (c)	Bank Guarantee	SBI/13925 /KIPL/ 20-21/10	(100.00)	Applicable Card Rate	-	As per respective terms	NA	-	-	-
<b>Total Non-Fund Based (B)</b>								<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (Fund &amp; Non Fund Based) (A+B)</b>								<b>3,441.92</b>	<b>2,525.35</b>	<b>1,799.24</b>

**NOTE 2(A) - RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Primary/Collateral Security:-

Equitable Mortgage over the following properties:

(a) Secured by way of Mortgage of Property situated at Survey No.407 admeasuring 14783 Sq Mtr of NA Land ,at Mirzapur, Tal: Kathlal, Dist: Kheda owned by Director Shri Rajeshbhai Dhirubhai Gondaliya.



(b) Secured by way of Mortgage of industrial NA Plots bearing Nos. E49 & E 96 situated at GIDC, Sanand, Dist Ahmedabad owned by Director Shri Rajeshbhai Dhirubhai, Gondaliya and Smt. Prabhaben Rajeshbhai Gondaliya. Further, Personal Guarantee of Directors of the Company and also third party guarantee of Chintanbhai J Bodar and Sanjaybhai G Gondaliya.

(c1) Secured by way of Registered EM of Property (Factory land & Building) situated at Plot No.3 & 4 paiki, Block No.338 of Mouje Zak, Tal: Dehgam, Dist., Gandhinagar alongwith construction on said plots owned by Director Shri Rajeshbhai Dhirubhai Gondaliya.

Further, Personal Guarantee of Shri Rajesh D Gondaliya, Smt Prabhaben R Gondaliya, Shri Bhavin R Gondaliya, Shri Mohan Varsani, Ms Jinal R Gondaliya & Shri Bhavesh Gondaliya.

(c2) Secured by way of Registered EM of Property being flat situated at Flat No.F-202, Sahaj Residency, Mouje Nikol, Tal: Asarwa, Dist: Ahmedabad owned by Smt Prabhaben Rajeshbhai Gondaliya.

(c3) Secured by way of Registered EM of Shop situated at Shop No F/12, 1st Floor, Vikram Plaza,Mouje Chandlodiya, Tal: Sabarmati, Dist: Ahmedabad owned by Director Shri Rajeshbhai Dhirubhai Gondaliya.

(c4) Secured by way of Registered EM of Shop situated at Shop No F/13, 1st Floor, Vikram Plaza,Mouje Chandlodiya, Tal: Sabarmati, Dist: Ahmedabad owned by Shri Mohanbhai Ratilal Varsani.

(d) Secured by way of mortgage of bungalow situated at Bungalow No B/1, Satva 4, Nr. Vasant Vihar 2, B/h. Hanspura Residency, Naroda Dehgam Road, Ahmedabad owned by the company.

Further, Personal Guarantee of Rajeshkumar D Gondaliya, Prabhaben R Gondaliya, Bhavin R Gondaliya, Jinal R Gondaliya and Rajeshbhai D Gondaliya (HUF).

(e)Secured by way of mortgage of shop situated at F-42, F-43 and F-44 , first floor, Karnavati Mega Mall, Vastral, Ahmedabad owned by the company.

Further, Personal Guarantee of Rajeshkumar D Gondaliya

(f) Secured against hypothecation of vehicle purchased out of loan

Further, Personal Guarantee of Prabhaben R Gondaliya

(g) Secured against hypothecation of vehicle purchased out of loan

(h) Secured against hypothecation of vehicle purchased out of loan

Further, Personal Guarantee of Directors of the Company and also third party guarantee of Chintanbhai J Bodar and Jatinbhai B Patel.

(i) Secured against hypothecation of vehicle purchased out of loan

Further, Personal Guarantee of Directors of the Company and also third party guarantee of Chintanbhai J Bodar.

(j) Secured by way of registered mortgage over identified commercial Self Occupied Property Situated at office No.501, 5th Floor, & 601, 6th Floor Sahitya Business Park,B/H Sahajanand Business park, Odhav, Gujarat.

Further, Unconditional and irrevocable personal guarantee of Rajeshkumar D Gondaliya, Prabhaben R Gondaliya, Bhavin R Gondaliya, Jinal R Gondaliya, and Bhavesh S Gondaliya.

(k) Secured against hypothecation of vehicle purchased out of loan.

(l) Secured Against hypothecation of all the movable assets of the company including plant, equipment, machinery, machinery spares, tools, accessories, furniture, fixtures, computers etc., acquired/ to be acquired under the project/ scheme.

Further, the Borrower's leasehold rights over the of immovable properties bearing Revenue Survey No. 83, admeasuring 6171 Sq. mtrs; Revenue Survey No.84p1, admeasuring 13962 Sq. Mtrs.; Revenue Survey No.84p2, admeasuring 1619 Sq. Mtrs.; Revenue Survey No.85 admeasuring 7,183 Sq. Mtrs. And Revenue Survey No.2009-4, admeasuring 20133 Sq. Mtrs. Village: Lasundra,Taluka: Kathlal, District: Kheda, Gujarat, N.A. land total admeasuring 49068 Sq. Mtrs., including building and structure thereon.

Further, all the freehold immovable properties of Shri Bhavin Rajeshbhai Gondaliya, both present and future situated at Revenue Survey No. 83, admeasuring 6171 Sq. mtrs;

Revenue Survey No. 84p1, admeasuring 13962 Sq. Mtrs.; Revenue Survey No. 84p2, admeasuring 1619 Sq. Mtrs.; Revenue Survey No. 85, admeasuring 7,183 Sq. Mtrs and Revenue Survey No. 2009-4, admeasuring 20,133 Sq. Mtrs. Village: Lasundra,Taluka: Kathlal, District: Kheda,Gujarat, N.A. land total admeasuring 49,068 Sq. Mtrs., including building and structure thereon.

Additionally Secured by Irrevocable and unconditional guarantee of Shri Bhavin Rajeshbhai Gondaliya; Shri Rajesh Dhirubhai Gondaliya; Smt. Prabhaben Rajeshbhai Gondaliya and Ms. Jinal Rajeshbhai Gondaliya

**NOTE 2(B) - STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

(₹ in Lakhs)

Name of Lender	Purpose	Rate of Interest	Re-Payment Schedule	AS AT		
				Consolidated	Standalone	
				31/03/2023	31/03/2022	31/03/2021
<b>From Directors and Members:-</b>						
Bhavesbhai S Gondaliya	Business Loan	12.00%	On Demand	-	2.51	3.97
Bhavin Rajeshbhai Gondaliya	Business Loan	12.00%	On Demand	10.91	11.58	5.61
Chintan Jayantibhai Bodar	Business Loan	12.00%	On Demand	-	-	4.34
Jatin B Patel	Business Loan	7.00%	On Demand	-	-	-
Jinal R Gondaliya	Business Loan	12.00%	On Demand	-	25.14	20.10
Kaka Engineering Private Limited (Formerly Known as Kaka Pvc Profile Pvt Ltd )	Business Loan	9.00%	On Demand	169.32	59.40	131.67
Pinaxis Hi-Tech Engineering Pvt.Ltd.	Business Loan	9.00%	On Demand	350.14	28.05	-
Mohanbhai R Varsani	Business Loan	12.00%	On Demand	-	-	0.46
Prabhaben Rajeshbhai Patel	Business Loan	12.00%	On Demand	-	6.17	3.31
Rajeshbhai D Gondaliya	Business Loan	12.00%	On Demand	0.12	5.03	29.37
Rajeshbhai D Gondaliya (HUF)	Business Loan	12.00%	On Demand	-	72.32	0.94
<b>Share in Unsecured loans of Jointly Controlled Entity:-</b>						
Bhavin Rajeshbhai Gondaliya	Business Loan	12.00%	On Demand	7.63	-	-
Chintan Jayantibhai Bodar	Business Loan	12.00%	On Demand	4.88	-	-
Dharmistaben Govindbhai Prajapati	Business Loan	12.00%	On Demand	6.56	-	-
Govindbhai F Prajapati	Business Loan	12.00%	On Demand	3.03	-	-
Jaiminiben S Prajapati	Business Loan	12.00%	On Demand	7.06	-	-
Shitalben Bhargavkumar Kukadiya	Business Loan	12.00%	On Demand	4.54	-	-
Sunilbhai Govindbhai Prajapati	Business Loan	12.00%	On Demand	7.57	-	-
<b>GRAND TOTAL</b>				<b>571.74</b>	<b>210.20</b>	<b>199.76</b>

## NOTE – 3

## RESTATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(₹ in Lakhs)

Particulars	AS AT		
	Consolidated	Standalone	
	31/03/2023	31/03/2022	31/03/2021
Opening Balance of Deferred Tax (Asset) / Liability	16.56	14.11	1.21
<b>Opening Balance of Deferred Tax (Asset) / Liability (A)</b>	-	-	-
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	34.28	21.18	16.50
(DTA) / DTL on account of gratuity provision	(6.38)	(4.62)	(2.40)
(DTA) / DTL on account of Other Disallowance	(10.38)	-	-
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	<b>17.52</b>	<b>16.56</b>	<b>14.11</b>
<b>Current Year Provision (B-A)</b>	<b>0.96</b>	<b>2.45</b>	<b>12.90</b>

## NOTE -4

## RESTATED STATEMENT OF LONG TERM PROVISION

(₹ in Lakhs)

Particulars	AS AT		
	Consolidated	Standalone	
	31/03/2023	31/03/2022	31/03/2021
Provision for Gratuity	25.35	18.28	9.18

## NOTE – 5

## RESTATED STATEMENT OF SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	AS AT		
	Consolidated	Standalone	
	31/03/2023	31/03/2022	31/03/2021
<b>Loan Repayable on Demand</b>			
From Banks			
State bank of India ( Cash Credit )	1,018.45	1,161.31	1,080.36
<b>Sub total (a)</b>	<b>1,018.45</b>	<b>1,161.31</b>	<b>1,080.36</b>
<b>Unsecured</b>			
Loan from Directors and Members	530.49	210.20	199.76
Share in Unsecured loans of Jointly Controlled Entity	41.26	-	-
<b>Sub Total (b)</b>	<b>571.74</b>	<b>210.20</b>	<b>199.76</b>
<b>Current Maturities of Long Term Borrowings (Secured From Banks )</b>			
Saraspur Nagrik Co Op Bank Limited (Demand Loan - 1)	-	-	50.82
State bank of India - Term Loan	73.77	73.77	73.77
State Bank Of India - GECL	4.67	-	-
Saraspur Bank - Demand Loan	60.43	46.01	-
IDFC BANK Limited	0.37	2.32	-
ICICI Bank Limited - Mortgage Loan	2.16	4.78	-
Saraspur Nagrik Co Op Bank Limited - Vehicle Loan	2.17	2.02	-
HDFC Loan - Vehicle Loan	3.30	2.88	2.55
SNCBL Auto loan - 452	1.59	-	-
SNCBL Auto loan - 169	11.80	-	-
Tata Capital Financial Services Ltd - Office	3.24	-	-
SNCBL Auto loan - 6000630141000238	2.48	-	-
Small Industries Development Bank Of India	-	-	-
<b>Sub Total (c)</b>	<b>165.96</b>	<b>131.77</b>	<b>127.15</b>
<b>Total (a+b+c)</b>	<b>1,756.16</b>	<b>1,503.28</b>	<b>1,407.26</b>

Note:

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in NOTE-2 (A) and NOTE 2 (B)

## NOTE – 6

## RESTATED STATEMENT OF TRADE PAYABLES

(₹ in Lakhs)

Particulars	AS AT		
	Consolidated	Standalone	
	31/03/2023	31/03/2022	31/03/2021
<b>Trade Payables</b>			
outstanding dues of micro enterprises and small enterprises	176.47	280.43	265.72
outstanding dues of other than micro enterprises and small enterprises	256.81	174.19	378.83
<b>Total</b>	<b>433.28</b>	<b>454.63</b>	<b>644.55</b>

## Trade Payables ageing schedule

(₹ in Lakhs)

Particulars	As at March 31,2023				Total
	Outstanding for following periods from Date of Transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	176.47	-	-	-	176.47
(ii)Others	256.81	-	-	-	256.81
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

## Trade Payables ageing schedule

(₹ in Lakhs)

Particulars	As at March 31,2022	Total
-------------	---------------------	-------

	Outstanding for following periods from Date of Transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	280.43	-	-	-	<b>280.43</b>
(ii)Others	158.52	1.51	14.16	-	<b>174.19</b>
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**Trade Payables ageing Schedule**

(₹ in Lakhs)

Particulars	As at March 31,2021				Total
	Outstanding for following periods from Date of Transaction				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i)MSME	265.72	-	-	-	<b>265.72</b>
(ii)Others	378.83	-	-	-	<b>378.83</b>
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company.

**NOTE – 7****RESTATED STATEMENT OF OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	AS AT		
	Consolidated	Standalone	
	31/03/2023	31/03/2022	31/03/2021
<b>Other Current Liabilities</b>			
Statutory Duties Payable	85.08	50.66	16.54
Advance From Customers	56.52	41.54	33.78
Salary & Remuneration payable	38.71	48.21	47.65
<b>Total</b>	<b>180.30</b>	<b>140.41</b>	<b>97.97</b>

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

**NOTE – 8****RESTATED STATEMENT OF SHORT TERM PROVISIONS**

(₹ in Lakhs)

Particulars	AS AT		
	Consolidated	Standalone	
	31/03/2023	31/03/2022	31/03/2021
<b>Short Term Provisions</b>			
Provision for Income Tax ( Net )	83.84	5.60	45.38
Provision for Unpaid Expenses	38.84	2.34	14.15
Provision for Gratuity	0.08	0.07	0.04
Provision for Bonus	17.25	-	-
<b>Total</b>	<b>140.02</b>	<b>8.01</b>	<b>59.57</b>

## RESTATED STATEMENT OF PROPERTY, PLANT AND EQUIPMENT

F.Y. 2020-21

(₹ in Lakhs)

Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		As at 01-Apr-20	Additions during the year	Deletions during the year	As at 31-Mar-21	Upto 01-Apr-20	During the Period	Deletion during the period	Total upto 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
	<b>Property, Plant and Equipment</b>										
<b>A</b>	<b>Tangible Assets</b>										
<b>I</b>	<b>Plant &amp; Machinery</b>										
<b>1</b>	Plant & Machinery	108.37	709.25	1.35	816.28	1.87	65.29	0.18	66.98	749.30	106.50
<b>II</b>	<b>Office Equipment</b>										
<b>1</b>	Computer & Accessories	1.57	3.49	-	5.06	0.16	0.91	-	1.07	3.99	1.42
<b>2</b>	Mobile & Accessories	1.56	0.31	-	1.86	0.10	0.32	-	0.43	1.44	1.45
<b>3</b>	Air Conditioner	-	0.68	-	0.68	-	0.10	-	0.10	0.58	-
<b>4</b>	Television	-	0.66	-	0.66	-	0.04	-	0.04	0.62	-
<b>5</b>	CCTV Camera	-	1.28	-	1.28	-	0.19	-	0.19	1.09	-
<b>II</b>	<b>Vehicle</b>										
<b>1</b>	Eicher	-	11.20	-	11.20	-	0.08	-	0.08	11.12	-
	<b>Total (A)</b>	<b>111.50</b>	<b>726.87</b>	<b>1.35</b>	<b>837.02</b>	<b>2.13</b>	<b>66.92</b>	<b>0.18</b>	<b>68.87</b>	<b>768.14</b>	<b>109.37</b>
<b>B</b>	<b>Intangible Assets</b>										
<b>I</b>	Computer Software	0.17	9.04	-	9.21	0.01	0.48	-	0.49	8.72	0.16
	<b>Total (B)</b>	<b>0.17</b>	<b>9.04</b>	<b>-</b>	<b>9.21</b>	<b>0.01</b>	<b>0.48</b>	<b>-</b>	<b>0.49</b>	<b>8.72</b>	<b>0.16</b>
	<b>Grand Total (A+B)</b>	<b>111.67</b>	<b>735.91</b>	<b>1.35</b>	<b>846.23</b>	<b>2.14</b>	<b>67.40</b>	<b>0.18</b>	<b>69.36</b>	<b>776.87</b>	<b>109.53</b>
	<i>Previous Year</i>	-	<b>113.18</b>	<b>1.51</b>	<b>111.67</b>	-	<b>2.21</b>	<b>0.07</b>	<b>2.14</b>	<b>109.53</b>	-

F.Y. 2021-22

(₹ in Lakhs)

Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		As at 01-Apr-21	Additions during the year	Deletions during the year	As at 31-Mar-22	Upto 01-Apr-21	During the Period	Deletion during the period	Total upto 31-Mar-22	As at 31-Mar-22	As at 31-Mar-21
	<b>Property, Plant and Equipment</b>										
<b>A</b>	<b>Tangible Assets</b>										
<b>I</b>	<b>Plant &amp; Machinery</b>										
<b>1</b>	Plant & Machinery	816.28	252.46	82.00	986.73	66.98	99.74	5.62	161.10	825.64	749.30
<b>II</b>	<b>Office Equipment</b>										

Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		As at 01-Apr-21	Additions during the year	Deletions during the year	As at 31-Mar-22	Upto 01-Apr-21	During the Period	Deletion during the period	Total upto 31-Mar-22	As at 31-Mar-22	As at 31-Mar-21
1	Computer & Printers	5.06	2.59	-	7.65	1.07	1.96	-	3.02	4.63	3.99
2	Mobile & Accessories	1.86	2.50	-	4.36	0.43	0.62	-	1.05	3.31	1.44
3	Air Conditioner	0.68	3.10	-	3.78	0.10	0.61	-	0.71	3.07	0.58
4	Television	0.66	-	-	0.66	0.04	0.13	-	0.17	0.50	0.62
5	CCTV Camara	1.28	-	-	1.28	0.19	0.24	-	0.43	0.85	1.09
<b>III</b>	<b>Building</b>										
1	Block No.:-1B/1 Satva-4 (Guest House)	-	84.83	-	84.83	-	0.24	-	0.24	84.59	-
<b>IV</b>	<b>Vehicle</b>										
	Grand I10 Nios	-	7.87	-	7.87	-	0.07	-	0.07	7.81	-
1	Eicher	11.20	-	-	11.20	0.08	1.33	-	1.41	9.79	11.12
	<b>Total (A)</b>	<b>837.02</b>	<b>353.35</b>	<b>82.00</b>	<b>1,108.36</b>	<b>68.87</b>	<b>104.93</b>	<b>5.62</b>	<b>168.18</b>	<b>940.18</b>	<b>768.14</b>
<b>B</b>	<b>Intangible Assets</b>										
<b>I</b>	Computer Software	9.21	1.14	-	10.35	0.49	1.77	-	2.26	8.09	8.72
	<b>Total (B)</b>	<b>9.21</b>	<b>1.14</b>	<b>-</b>	<b>10.35</b>	<b>0.49</b>	<b>1.77</b>	<b>-</b>	<b>2.26</b>	<b>8.09</b>	<b>8.72</b>
	<b>Grand Total (A+B)</b>	<b>846.23</b>	<b>354.49</b>	<b>82.00</b>	<b>1,118.72</b>	<b>69.36</b>	<b>106.70</b>	<b>5.62</b>	<b>170.44</b>	<b>948.27</b>	<b>776.87</b>
	<i>Previous Year</i>	<b>111.67</b>	<b>735.91</b>	<b>1.35</b>	<b>846.23</b>	<b>2.14</b>	<b>67.40</b>	<b>0.18</b>	<b>69.36</b>	<b>776.87</b>	<b>109.53</b>

F.Y. 2022-23

(₹ in Lakhs)

Sr. No.	Description Of Assets	Gross Block				Depreciation				Net Block	
		As at 01/04/2022	Addition During The Year	Deduction During The Year*	Balance As At 31/03/2023	As at 01/04/2022	During The Year	Deduction during the Year	As At 31/03/2023	As At 31/03/2023	As At 31/03/2022
<b>A</b>	<b>Tangible Assets</b>										
<b>I</b>	<b>Land</b>										
1	Industrial Plot	-	93.30	-	93.30	-	-	-	-	93.30	-
		-	<b>93.30</b>	-	<b>93.30</b>	-	-	-	-	<b>93.30</b>	-
<b>II</b>	<b>Building</b>										
1	Block No.:-1B/1 Satva-4 (Guest House)	84.83	-	-	84.83	0.24	2.69	-	2.92	81.91	84.59
2	Shahita Bussiness Park 501	-	31.16	-	31.16	-	0.24	-	0.24	30.92	-
3	Shahita Bussiness Park 601	-	26.54	-	26.54	-	0.21	-	0.21	26.33	-
		<b>84.83</b>	<b>57.71</b>	<b>-</b>	<b>142.53</b>	<b>0.24</b>	<b>3.14</b>	<b>-</b>	<b>3.37</b>	<b>139.16</b>	<b>84.59</b>
<b>III</b>	<b>Plant &amp; Machinery</b>										



Sr. No.	Description Of Assets	Gross Block				Depreciation				Net Block	
		As at 01/04/2022	Addition During The Year	Deduction During The Year*	Balance As At 31/03/2023	As at 01/04/2022	During The Year	Deduction during the Year	As At 31/03/2023	As At 31/03/2023	As At 31/03/2022
1	Plant & Machinery	986.73	129.67	32.15	1,084.25	161.10	120.54	1.61	280.03	804.22	825.64
		<b>986.73</b>	<b>129.67</b>	<b>32.15</b>	<b>1,084.25</b>	<b>161.10</b>	<b>120.54</b>	<b>1.61</b>	<b>280.03</b>	<b>804.22</b>	<b>825.64</b>
IV	<b>Office Equipment</b>										
1	Computer & Printers	7.65	1.51	-	9.16	3.02	1.88	-	4.90	4.26	4.63
2	Mobile & Accessories	4.36	4.35	-	8.72	1.05	1.22	-	2.27	6.44	3.31
3	Air Conditioner	3.78	1.67	-	5.45	0.71	0.96	-	1.67	3.78	3.07
4	CCTV Camara	1.28	0.12	-	1.40	0.43	0.25	-	0.68	0.73	0.85
5	Television	0.66	-	-	0.66	0.17	0.13	-	0.29	0.37	0.50
6	Freeze	-	0.08	-	0.08	-	0.01	-	0.01	0.07	-
		<b>17.73</b>	<b>7.74</b>	<b>-</b>	<b>25.47</b>	<b>5.37</b>	<b>4.45</b>	<b>-</b>	<b>9.82</b>	<b>15.65</b>	<b>12.36</b>
V	<b>Vehicles</b>										
1	Vehicles	19.07	45.44	-	64.51	1.48	4.68	-	6.16	58.35	17.59
		<b>19.07</b>	<b>45.44</b>	<b>-</b>	<b>64.51</b>	<b>1.48</b>	<b>4.68</b>	<b>-</b>	<b>6.16</b>	<b>58.35</b>	<b>17.59</b>
VI	<b>Furniture &amp; Fixures</b>										
1	Furniture	-	2.60	-	2.60	-	0.11	-	0.11	2.49	-
		<b>-</b>	<b>2.60</b>	<b>-</b>	<b>2.60</b>	<b>-</b>	<b>0.11</b>	<b>-</b>	<b>0.11</b>	<b>2.49</b>	<b>-</b>
	<b>Total (A)</b>	<b>1,108.36</b>	<b>336.46</b>	<b>32.15</b>	<b>1,412.67</b>	<b>168.18</b>	<b>132.92</b>	<b>1.61</b>	<b>299.49</b>	<b>1,113.18</b>	<b>940.18</b>
B	<b>Intangible Assets</b>										
I	<b>Computer Software</b>	10.35	13.18	-	23.53	2.26	2.67	-	4.93	18.60	8.09
		<b>10.35</b>	<b>13.18</b>	<b>-</b>	<b>23.53</b>	<b>2.26</b>	<b>2.67</b>	<b>-</b>	<b>4.93</b>	<b>18.60</b>	<b>8.09</b>
	<b>Total (B)</b>	<b>10.35</b>	<b>13.18</b>	<b>-</b>	<b>23.53</b>	<b>2.26</b>	<b>2.67</b>	<b>-</b>	<b>4.93</b>	<b>18.60</b>	<b>8.09</b>
	<b>Total (A+B)</b>	<b>1,118.72</b>	<b>349.64</b>	<b>32.15</b>	<b>1,436.20</b>	<b>170.44</b>	<b>135.59</b>	<b>1.61</b>	<b>304.43</b>	<b>1,131.78</b>	<b>948.27</b>
	<b>Previous Period</b>	<b>846.23</b>	<b>354.49</b>	<b>82.00</b>	<b>1,118.72</b>	<b>69.36</b>	<b>106.70</b>	<b>5.62</b>	<b>170.44</b>	<b>948.27</b>	<b>776.87</b>

## Ageing of Capital Work In Progress as at 31st March, 2023:-

(₹ in Lakhs)

Sr No	Particulars	Amount in Capital Work In Progress for a period of				
		Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
(a)	<b>Building under Construction</b>					
	Add : Addition During the year	785.63	-	-	-	<b>785.63</b>
	Less: Transferred to Building Construction	-	-	-	-	<b>-</b>
	Add : ICDS - Capitalization of Interest Cost	12.98	-	-	-	<b>12.98</b>
	<b>Total</b>	<b>798.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>798.62</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

## NOTE – 10

## RESTATED STATEMENT OF NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	AS AT		
	Consolidated	Standalone	
		31/03/2023	31/03/2022
<b>Non Current Investments</b>			
<b>Investment in Equity Shares :</b>			
200 Fully Paid-up Shares of Saraspur Nagrik Co Op Bank (Unquoted) each of ₹100	-	-	0.20
500 Fully Paid-up Shares of Saraspur Nagrik Co Op Bank (Unquoted) each of ₹100	-	0.50	-
900 Fully Paid-up Shares of Saraspur Nagrik Co Op Bank (Unquoted) each of ₹100	1.10	-	-
135000 Fully Paid-up Shares of Bakelite Engineering Pvt Ltd(Unquoted) each of ₹10	13.50	13.50	-
2500 Fully Paid-up Shares of Magenta Connect Pvt. Ltd (Unquoted ) (0.01% Compulsorily Convertible Preference share of ₹10/- Each )	50.00	-	-
<b>Investment in Property:</b>	-	-	-
Commercial Office	106.02	106.02	-
Commercial Property	81.00	81.00	-
<b>Investment in Partnership Firm:</b>			
Shri Rang Energy Efficient	-	-	-
<b>Total</b>	<b>251.62</b>	<b>201.02</b>	<b>0.20</b>

## NOTE – 11

## RESTATED STATEMENT OF INVENTORIES

(₹ in Lakhs)

Particulars	AS AT		
	Consolidated	Standalone	
		31/03/2023	31/03/2022
<b>Inventories</b>			
Raw Materials	506.57	521.05	379.01
Finished Goods	751.92	1,135.57	671.81
Work-in-progress	210.73	192.83	95.36
Stores & Spare	8.85	-	-
Stock In Trade	32.29	-	-
<b>Total</b>	<b>1,510.37</b>	<b>1,849.45</b>	<b>1,146.18</b>

## NOTE – 12

## RESTATED STATEMENT OF TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	AS AT		
	Consolidated	Standalone	
		31/03/2023	31/03/2022
<b>Trade Receivables</b>			
<b>Unsecured Trade Receivables – considered good</b>			
Outstanding for a period exceeding six months from the date of transaction	95.32	123.00	98.74
Outstanding for a period not exceeding 6 months	1,738.79	1,139.60	1,089.08
Dues From Related parties	25.57	145.35	264.56
Others	-	-	-
<b>Sub Total (A)</b>	<b>1,859.68</b>	<b>1,407.96</b>	<b>1,452.37</b>
<b>Disputed Trade Receivables – considered good</b>			
Outstanding for a period exceeding six months from the date of transaction	36.64	-	-
Outstanding for a period not exceeding 6 months	-	-	-
Less: Provision for Doubtful Trade Receivable	(34.64)	-	-
<b>Sub Total (B)</b>	<b>2.00</b>	<b>-</b>	<b>-</b>

Particulars	AS AT		
	Consolidated	Standalone	
	31/03/2023	31/03/2022	31/03/2021
<b>Secured Trade Receivables – considered good</b>	-	-	-
Outstanding for a period exceeding six months from the date of transaction	-	-	-
Outstanding for a period not exceeding 6 months	-	-	-
Dues From Related parties	-	-	-
Others	-	-	-
<b>Sub Total (C)</b>	-	-	-
<b>Total (A+B)</b>	<b>1,861.68</b>	<b>1,407.96</b>	<b>1,452.37</b>

## 1. Trade Receivables ageing schedule

(₹ in Lakhs)

Particulars	As at 31st March, 2023					
	Outstanding for following periods from Date of Transaction					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivable - Considered Good	1,764.35	45.16	31.15	14.54	4.47	<b>1,859.68</b>
Disputed Trade Receivable - Considered Doubtful	-	19.88	1.14	13.19	2.44	<b>36.64</b>

## 2. Trade Receivables ageing schedule

(₹ in Lakhs)

Particulars	As at March 31, 2022					
	Outstanding for following periods from Date of Transaction					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Unsecured Trade receivables –considered good	1,284.95	30.52	68.28	24.20	-	<b>1,407.96</b>

## 3. Trade Receivables ageing schedule

(₹ in Lakhs)

Particulars	As at March 31, 2021					
	Outstanding for following periods from Date of Transaction					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Unsecured Trade receivables –considered good	1,353.63	44.17	54.56	-	-	<b>1,452.37</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

## NOTE – 13

## RESTATED STATEMENT OF CASH &amp; CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	AS AT		
	Consolidated	Standalone	
	31/03/2023	31/03/2022	31/03/2021
<b>Cash and Cash Equivalents</b>			
Cash on Hand	5.29	7.84	11.30
<b>Balances with Banks in Current Accounts</b>	710.00	1.98	0.14
<b>Total</b>	<b>715.29</b>	<b>9.82</b>	<b>11.44</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

## NOTE – 14

## RESTATED STATEMENT OF OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	AS AT		
	Consolidated	Standalone	
	31/03/2023	31/03/2022	31/03/2021
Advance For Expenses	10.25	1.24	2.54
Advance to Suppliers	24.04	61.48	6.47
Advance for Capital Goods	314.54	-	67.61

Particulars	AS AT		
	Consolidated	Standalone	
	31/03/2023	31/03/2022	31/03/2021
Advance to Staff	3.39	3.45	2.61
Duties & Taxes Receivable	15.99	14.80	21.89
Prepaid Expenses	27.68	6.63	1.83
Security Deposits	100.73	97.41	78.03
Other Advances/Receivables	1.04	13.22	-
<b>Total</b>	<b>497.66</b>	<b>198.23</b>	<b>180.97</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

#### NOTE – 15

#### RESTATED STATEMENT OF REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Consolidated	Standalone	
	For the Year ended		
	31/03/2023	31/03/2022	31/03/2021
Sale of Products	15,849.89	11,695.92	7,874.89
<b>Total</b>	<b>15,849.89</b>	<b>11,695.92</b>	<b>7,874.89</b>

Notes:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

#### NOTE – 16

#### RESTATED STATEMENT OF OTHER INCOME

(₹ in Lakhs)

Particulars	Consolidated	Standalone	
	For the Year ended		
	31/03/2023	31/03/2022	31/03/2021
<b>Related and Recurring Income:</b>			
Exchange Rate Fluctuation on Import of Goods	1.36	9.19	4.12
<b>Non Related and Recurring Income:</b>			
Interest Income	6.21	1.69	-
UGVCL Deposit Interest	2.55	2.76	-
<b>Non Related and Non Recurring Income:</b>			
Creditors Written off	19.25	-	-
<b>Sub Total (a)</b>	<b>29.38</b>	<b>13.63</b>	<b>4.12</b>
<b>Non Related and Non Recurring Income:</b>			
Rental Income	8.40	0.40	-
Dividend Income	0.04	0.02	-
<b>Sub Total (b)</b>	<b>8.44</b>	<b>0.42</b>	<b>-</b>
<b>Total (a+b)</b>	<b>37.81</b>	<b>14.06</b>	<b>4.12</b>

Notes:

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

#### NOTE – 17

#### RESTATED STATEMENT OF RAW MATERIAL CONSUMPTION & COST OF GOODS SOLD

(₹ in Lakhs)

Particulars	Consolidated	Standalone	
	For the Year ended		
	31/03/2023	31/03/2022	31/03/2021
<b>Cost of Material Consumed</b>			
Opening Stock of Raw Material	521.05	379.01	189.09
Add: Purchase of Raw Material	11,014.76	9,333.62	5,786.34
	11,014.76	9,333.62	5,786.34
Less: Closing stock of Raw Material	506.57	521.05	379.01
<b>Cost of Goods Sold</b>			

Opening Stock of Stock in Trade	-	-	-
Add: Purchase of Stock in Trade	453.94	-	-
	<b>453.94</b>	-	-
Less: Closing stock of Stock in Trade	32.29	-	-
<b>Total</b>	<b>11,450.89</b>	<b>9,191.58</b>	<b>5,596.42</b>

## NOTE – 18

## RESTATED STATEMENT OF CHANGE IN INVENTORIES

(₹ in Lakhs)

Particulars	Consolidated	Standalone	
	For the Year ended		
	31/03/2023	31/03/2022	31/03/2021
Opening Balance of Inventories			
(i) Finished Goods	1,135.57	671.81	746.98
(ii) Work-in-progress/Semi-Finished Goods	192.83	95.36	22.54
(iii) Stock-in-trade		-	-
<b>Total</b>	<b>1,328.40</b>	<b>767.17</b>	<b>769.52</b>
Less: Closing Balance of Inventories			
(i) Finished Goods	751.92	1,135.57	671.81
(ii) Work-in-progress/Semi-Finished Goods	210.73	192.83	95.36
(iii) Stock-in-trade			
<b>Total</b>	<b>962.65</b>	<b>1,328.40</b>	<b>767.17</b>
<b>(Increase)/Decrease in Inventories</b>	<b>365.75</b>	<b>(561.23)</b>	<b>2.35</b>

## NOTE – 19

## RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Consolidated	Standalone	
	For the Year ended		
	31/03/2023	31/03/2022	31/03/2021
Indirect Salaries , Wages & Bonus	161.99	153.85	166.11
Direct Salary & Wages Expenses	640.28	472.71	313.23
Director Remuneration	159.00	252.00	232.50
Contribution To Provident And Other Funds	0.83	0.35	0.34
Staff Welfare Expenses	5.81	4.20	2.81
Gratuity Expense	7.08	9.13	7.07
<b>Total</b>	<b>974.99</b>	<b>892.24</b>	<b>722.07</b>

## NOTE – 20

## RESTATED STATEMENT OF FINANCE COST

(₹ in Lakhs)

Particulars	Consolidated	Standalone	
	For the Year ended		
	31/03/2023	31/03/2022	31/03/2021
Interest to Bank	221.47	167.36	86.78
Interest To Others	34.81	32.95	40.85
Other Borrowing Cost	9.12	16.19	32.11
Less: Interest Capitalisation during construction/Put to use	(12.78)	(3.37)	(2.75)
<b>Total</b>	<b>252.63</b>	<b>213.13</b>	<b>156.99</b>

## NOTE – 21

## RESTATED STATEMENT OF DEPRECIATION &amp; AMORTISATION

(₹ in Lakhs)

Particulars	Consolidated	Standalone	
	For the Year ended		
	31/03/2023	31/03/2022	31/03/2021
Depreciation and Amortisation Expenses	135.59	106.70	67.40
<b>Total</b>	<b>135.59</b>	<b>106.70</b>	<b>67.40</b>

## NOTE – 22

## RESTATED STATEMENT OF OTHER EXPENSES

(₹ in Lakhs)

Particulars	Consolidated	Standalone	
	For the Year ended		
	31/03/2023	31/03/2022	31/03/2021
<b>Manufacturing Expenses</b>			
Power Expenses	597.99	431.43	336.20
Consumption of Stores & Spare parts	151.38	-	-
Rent Expenses	113.77	115.92	119.46
Transportation Expenses	134.37	75.77	53.22
Import Purchase Related Expenses	22.22	11.98	47.08
Canteen Expenses	66.72	53.06	39.30
Repair & Maintenance - Machinery	36.73	158.96	93.23
Other Manufacturing Expenses	10.98	22.94	15.68
<b>Sub Total (a)</b>	<b>1,134.17</b>	<b>870.06</b>	<b>704.17</b>
<b>Administrative Expenses</b>			
Preliminary Expenses	-	-	-
Bad Debts Written off	49.01	-	-
CSR Expenses	8.70	-	-
Donation Expenses	15.37	-	-
IPO Expenses	8.24	-	-
Repair & Maintenance	14.58	9.95	7.95
Legal & Professional Expenses	24.53	30.31	27.87
ROC Challan Fees For Authorized Capital Increase	11.75	-	-
Rates & Taxes	8.08	3.46	1.00
Other Administrative Expenses	47.30	94.76	29.09
Provision for Doubtful Trade Receivable	34.64	-	-
Insurance Expenses	20.18	4.47	1.81
Loss on sale of fixed assets	0.12	1.80	0.17
Earlier income tax written off	(0.06)	1.23	0.49
<b>Sub Total (b)</b>	<b>242.43</b>	<b>145.99</b>	<b>68.38</b>
<b>Selling &amp; Distribution Expenses</b>			
Advertisement Expenses	190.41	103.35	92.03
Exhibition Expenses	11.28	4.73	-
Commission Expenses	11.92	5.79	1.97
Petrol & Diesel Expenses	39.42	34.92	34.26
Sales Export Charges	-	0.07	-
Marketing Expenses	68.96	33.35	5.22
Travelling Expenses	3.03	2.02	0.79
Other Selling & Distribution Expenses	2.25	0.82	10.38
<b>Sub Total (c)</b>	<b>327.28</b>	<b>185.05</b>	<b>144.65</b>
<b>Total (a+b+c)</b>	<b>1,703.88</b>	<b>1,201.10</b>	<b>917.20</b>

## NOTE – 23

## RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	As at		
	Consolidated	Standalone	
	31/03/2023	31/03/2022	31/03/2021
Contingent liabilities in respect of:	-	-	-
Guarantees given on Behalf of the Company	-	-	-
Other moneys for which the company is contingently liable	-	-	-
Commitments (to the extent not provided for)	-	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-
Uncalled liability on shares and other investments partly paid	-	-	-



Other commitments	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE – 24****RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS****AA. RELATED PARTY DISCLOSURE**

## d. List of Related parties

Names of the related parties with whom transactions were carried out during the years and description of relationship:

Sr. No.	Name of the Person / Entity	Relation
1	Rajeshkumar Dhirubhai Gondaliya	Director & Key Managerial Personnel
2	Bhavin Rajeshbhai Gondaliya	Director & Key Managerial Personnel
3	Jinal Rajeshbhai Gondaliya	Director & Key Managerial Personnel (ceased to be Director w.e.f. March 16, 2023)
4	Bhavesbhai Shambhubhai Gondaliya	Relative of Key Managerial Personnel/Director
5	Prabhaben Rajeshbhai Patel	Non-Executive Director
6	Chintan Jayantibhai Bodar	Key Managerial Personnel
7	Niraj Davariya	Independent Director
8	Ushakant Narnabhai patel	Independent Director
9	Vihan Corporation	Enterprise under Influence of Relative of Key Managerial Personnel
10	Shreeji Modular Furniture	Proprietorship of Relative of Key Managerial Personnel
11	Shreeji Plast Mart	Proprietorship of Director
12	Rajeshkumar Gondaliya (HUF)	Karta is Director
13	Mohanbhai Ratilal Varsani (HUF)	Karta Was Director
14	PR PVC Profile LLP	Enterprise under Influence of Key Managerial Personnel
15	Pinaxis Polyplmer LLP	Enterprise under Influence of Key Managerial Personnel
16	Pinaxis Polyplast LLP	Enterprise under Influence of Key Managerial Personnel
17	Gondaliya Plast Mart LLP	Enterprise under Influence of Key Managerial Personnel
18	Nicewood Furniture LLP	Enterprise under Influence of Key Managerial Personnel
19	E Plast Build Techno Industries LLP	Enterprise under Influence of Key Managerial Personnel
20	E Plast Industries LLP	Enterprise under Influence of Key Managerial Personnel
21	Nicewood Industries LLP	Enterprise under Influence of Key Managerial Personnel
22	Bakelite Engineering Pvt Ltd	Enterprise under Influence of Key Managerial Personnel
23	Pinaxis Hi-Tech Engineering Pvt. Ltd.	Enterprise under Influence of Key Managerial Personnel
24	Kaka Engineering Private Limited	Enterprise under Influence of Key Managerial Personnel
25	Moon PVC Roofing	Enterprise under Influence of Key Managerial Personnel
26	Shri Rang Energy Efficient	Jointly Controlled Entity

## e. Related Party Transaction:-

(₹ in Lakhs)

Sr No	Name of Party	Nature of Transaction	Consolidated	Standalone	
			As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
1	Rajeshkumar Dhirubhai Gondaliya	Share Application Money Received	-	-	20.06
		Director Remuneration	15.00	60.00	73.00
		Loan Accepted	59.22	233.14	668.59
		Loan Repaid	64.72	259.09	787.73
		Interest Paid	0.59	1.79	13.23
2	Prabhaben Rajeshbhai Patel	Share Application Money Received	-	-	29.06
		Director Remuneration	-	36.00	45.00
		Remuneration	9.00	-	-
		Loan Accepted	38.59	53.00	1.05
		Loan Repaid	45.36	51.11	66.87
3	Bhavinbhai Rajeshbhai Gondaliya	Interest Paid	0.67	1.08	3.79
		Share Application Money Received	-	-	26.81
		Director Remuneration	96.00	96.00	84.00
		Loan Accepted	294.21	343.56	108.25

Sr No	Name of Party	Nature of Transaction	Consolidated	Standalone	
			As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
		Loan Repaid	296.81	341.14	138.44
		Interest Paid	2.14	3.95	2.52
		Rent Paid	2.50	-	-
4	Jinal Rajeshbhai Gondaliya	Share Application Money Received	-	-	26.81
		Director Remuneration	48.00	60.00	30.50
		Loan Accepted	136.78	119.49	29.00
		Loan Repaid	163.68	117.58	45.53
		Interest Paid	1.96	3.48	1.89
5	Mohanbhai Ratilal Varsani	Share Application Money Received	-	-	20.06
		Loan Accepted	-	-	15.00
		Loan Repaid	-	0.51	15.00
		Interest Paid	-	0.05	0.50
6	Mohanbhai Ratilal Varsani - HUF	Share Application Money Received	-	-	20.25
7	Bhaveshbhai Shambhubhai Gondaliya	Share Application Money Received	-	-	54.70
		Loan Accepted	10.00	102.45	78.75
		Loan Repaid	12.53	106.46	120.20
		Interest Paid	0.02	2.83	5.46
		Salary Paid	2.54	-	-
8	Chintan Jayantibhai Bodar	Professional Fees	8.05	-	-
		Managerial Remuneration	4.50	-	-
9	Vihan Corporation	Purchase of Capital Goods	94.00	-	-
10	Rajeshkumar Gondaliya (HUF)	Share Application Money Received	-	-	54.00
		Loan Accepted	290.85	175.10	22.58
		Loan Repaid	366.64	110.74	115.68
		Interest Paid	3.86	7.80	6.87
11	Bakelite Engineering Private Limited	Investment in Shares	-	13.50	-
		Sale of Goods	578.77	0.15	-
		Sale of Capital Goods	15.11	-	-
		Purchase of Goods	1,023.92	-	-
		Loan Granted	-	85.75	-
		Loan Recovered	-	87.10	-
		Interest Income	-	1.69	-
12	Kaka Engineering Private Limited (Earlier Known Kaka PVC Profile Private Limited)	Purchase of Goods	-	-	240.87
		Purchase of Capital Goods	-	-	376.05
		Machinery Rent	-	-	-
		Sale	-	-	0.03
		Loan Accepted	704.85	556.72	849.00
		Loan Repaid	607.07	638.51	723.84
		Interest Paid	13.48	10.58	6.34
13	Shreeji Plast Mart	Rent	58.80	64.80	75.90
14	Nicewood Furniture LLP	Purchase	0.18	1.19	0.70
		Sale	21.47	6.91	4.58
15	E Plast Industries LLP	Purchase	0.75	2.91	7.38
		Sale	388.84	644.25	607.57
16	Pinaxis Hi-Tech Engineering Pvt. Ltd.	Purchase of Capital Goods	97.36	5.75	50.01
		Loan Accepted	743.06	-	-
		Loan Repaid	426.71	-	-
		Loan Granted	-	75.95	-
		Loan Recovered	-	103.95	-
		Interest Expense	6.37	0.06	-
17	Moon PVC Roofing	Purchase	1,392.19	855.29	133.20
		Sale	170.35	244.38	130.92
		Machinery Rent Income	-	-	6.00

Sr No	Name of Party	Nature of Transaction	Consolidated	Standalone	
			As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
		Purchase Of Machinery	35.51	-	79.00
18	Gondaliya Plast Mart LLP	Advance Given	-	-	11.05
		Advance Recovered	-	-	12.05
19	E Plast Build Techno Industries LLP	Purchase	-	-	-
20	Shri Rang Energy Efficient	Purchase	-	-	-
		Rent Income	6.00	-	-
		Interest Income	5.48	-	-
		Capital Contribution	397.91	-	-
		Capital Withdrawal	373.10	-	-

## f. Balance of Related Parties:-

(₹ in Lakhs)

Sr No	Name of Party	As on 31st March, 2023	As on 31st March, 2022	As on 31st March, 2021
1	Rajeshbhai D Gondaliya	0.12	6.11	31.78
		Cr Bal	Cr Bal	Cr Bal
2	Prabhabeen R Patel	-	6.17	4.96
		-	Cr Bal	Cr Bal
3	Bhavin R Gondaliya	10.91	12.65	6.36
		Cr Bal	Cr Bal	Cr Bal
4	Jinal R Gondaliya	-	25.14	20.60
		-	Cr Bal	Cr Bal
5	Bhavesbhai S Gondaliya	-	2.51	3.97
		-	Cr Bal	Cr Bal
6	Rajeshkumar Gondaliya(HUF)	-	72.32	0.94
		-	Cr Bal	Cr Bal
7	Chintan Jayantibhai Bodar	1.50	-	-
		Cr Bal	-	-
8	Vihan Corporation	4.88	-	-
		Dr Bal	-	-
9	Kaka Engineering Pvt Ltd (Formerly known as Kaka Pvc Pvt Ltd )	169.32	59.40	131.67
		Cr Bal	Cr Bal	Cr Bal
10	Nicewood Furniture LLP	9.94	4.57	3.59
		Dr Bal	Dr Bal	Dr Bal
11	E Plast Industries LLP	1.99	140.07	254.06
		Dr Bal	Dr Bal	Dr Bal
12	Pinaxis Hi-Tech Engineering Pvt. Ltd.	350.14	28.05	0.38
		Cr Bal	Cr Bal	Cr Bal
13	Bakelite Engineering Private Limited	7.15	0.17	-
		Dr Bal	Dr Bal	-
14	Mohanbhai Ratilal Varsani	-	-	0.46
		-	-	Cr Bal
15	Moon PVC Roofing	0.01	-	6.91
		Cr Bal	-	Dr Bal
16	Mohanbhai Ratilal Varsani - HUF	-	-	-
		-	-	-
17	Shreeji Plast Mart	-	0.50	-
		-	Cr Bal	-
18	Gondaliya Plast Mart LLP	-	-	-
		-	-	-
19	E Plast Build Techno Industries LLP	-	-	-
		-	-	-
20	Shri Rang Energy Efficient	40.64	-	-
		Dr Bal	-	-

**NOTE – 25**  
**RESTATED STATEMENT OF TAX SHELTER**

(₹ in Lakhs)

Particulars	Consolidated	Standalone	
	For the year ended		
	31/03/2023	31/03/2022	31/03/2021
Restated profit before tax as per books (A)	1,003.97	666.45	416.57
<b>Tax Rates</b>			
Income Tax Rate (%)	25.17%	25.17%	25.17%
<b>Adjustments :</b>			
Income Considered Separately	(0.04)	(0.02)	-
Disallowed	86.69	13.05	17.58
Deduction Allowed	(1.65)	(0.03)	(0.03)
<b>Timing Difference ©</b>			
Book Depreciation	135.59	106.70	67.40
Income Tax Depreciation allowed	141.30	130.45	111.64
<b>Total Timing Difference</b>	(5.71)	(23.75)	(44.23)
Net Adjustment D= (B+C)	79.30	(10.75)	(26.68)
Tax Expenses	-	-	-
<b>Income from Capital Gains (E)</b>	-	-	-
<b>Income from Other Sources</b>			
Dividend Amt.	0.04	0.02	-
Profit From Jointly controlled Entity	-	-	-
Deduction under chapter VI (H)	-	-	-
Taxable Income/(Loss) (A+D+E+G+H)	1,083.30	655.73	389.89
Income Tax Payable on Above	273.79	165.05	98.13
Interest Payable	10.72	1.29	3.03
<b>Total Provision for Tax</b>	<b>284.51</b>	<b>166.34</b>	<b>101.16</b>

**NOTE – 26**  
**CAPITALISATION STATEMENT AS AT 31<sup>ST</sup> MARCH, 2023**

(₹ in Lakhs)

Particulars	Consolidated	
	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	1,756.16	1,756.16
Long Term Debt (B)	2,257.50	2,257.50
<b>Total debts (C)</b>	<b>4,013.66</b>	<b>4,013.66</b>
<b>Shareholders' funds</b>		
Equity share capital	1,000.00	*
Reserve and surplus - as restated	956.88	*
<b>Total shareholders' funds</b>	<b>1,956.88</b>	*
<b>Long term debt/ shareholders funds (in ₹)</b>	<b>1.15</b>	*
<b>Total debt/ shareholders funds (in ₹)</b>	<b>2.05</b>	*

(\*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Notes:

- Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
- Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
- The figures disclosed above are based on Restated statement of Assets and Liabilities of the Company as at 31.03.2023.

**NOTE – 27**  
**RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS**

(₹ in Lakhs)

Particulars	Consolidated	Standalone	
	AS AT		
	31/03/2023	31/03/2022	31/03/2021
Net Worth (A)	1,956.88	1,241.31	743.65
Adjusted Profit after Tax (B)	718.50	497.66	302.51

Particulars	Consolidated	Standalone	
	AS AT		
	31/03/2023	31/03/2022	31/03/2021
Number of Equity Share outstanding as on the End of Year (c)	1,00,00,000	25,00,000	25,00,000
Weighted average no of Equity shares at the time of end of the year (D)	1,00,00,000	1,00,00,000	65,93,878
Face Value per Share	10	10	10
Restated Basic and Diluted Earning Per Share (₹) (B/D)	7.19	4.98	4.59
Return on Net worth (%) (B/A)	36.72%	40.09%	40.68%
Net asset value per share (A/C) (Face Value of ₹ 10 Each) (Based on Actual Number of Shares)	19.57	49.65	29.75
Net asset value per share (A/C) (Face Value of ₹ 10 Each) (Based on Weighted Average Number of Shares)	19.57	12.41	11.28
EBITDA	1,345.26	956.05	604.73

Note:

- The ratios have been computed as below:
  - Basic earnings per share (₹): Net profit after tax as restated for calculating basic EPS/ Weighted average number of equity shares outstanding at the end of the year
  - Diluted earnings per share (₹): Net profit after tax as restated for calculating diluted EPS/ Weighted average number of equity shares outstanding at the end of the year for diluted EPS
  - Return on net worth (%): Net profit after tax (as restated)/ Net worth at the end of the year
  - Net assets value per share: Net Worth at the end of the period or year/ Total number of equity shares outstanding at the end of the year
- Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).
- The figures disclosed above are based on the restated summary statements of the Company.
- EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

#### Analytical Ratios for Financial Year 2022-23 and 2021-22

Particulars	Numerator/ Denominator	31 March 2023	31 March 2022	Change in %	Reasons for more than 25% Variance
(a) Current Ratio	<u>Current Assets</u>	1.96	1.76	11.46%	-
	Current Liabilities				
(b) Debt-Equity Ratio	<u>Total Debts</u>	2.05	2.20	(6.93%)	-
	Equity				
(c) Debt Service Coverage Ratio	<u>Earning available for Debt Service</u>	4.61	4.05	13.76%	-
	Interest + Instalments				
(d) Return on Equity Ratio	<u>Profit after Tax</u>	0.45	0.50	(10.39%)	-
	Average Shareholder's Equity				
(e) Inventory turnover ratio	<u>Total Turnover</u>	9.43	7.81	20.83%	-
	Average Inventories				
(f) Trade receivables turnover ratio	<u>Total Turnover</u>	9.70	8.18	18.55%	-
	Average Account Receivable				
(g) Trade payables turnover ratio	<u>Total Purchases</u>	24.81	16.98	46.09%	The ratio improved due to better working capital management
	Average Account Payable				
(h) Net capital turnover ratio	<u>Total Turnover</u>	8.49	10.63	(20.13%)	The ratio improved due to better working capital management
	Net Working Capital				
(i) Net profit ratio	<u>Net Profit</u>	4.53	4.26	6.54%	-
	Total Turnover				
(j) Return on Capital employed	<u>Net Profit</u>	20.83	21.62	(3.64%)	-
	Capital Employed				

Particulars	Numerator/ Denominator	31 March 2023	31 March 2022	Change in %	Reasons for more than 25% Variance
(k) Return on investment (%)	<u>Return on Investment</u>	7.07	0.21	3252.21%	Previous year rent income is only for one month while in current year income is for whole year. Also in current year there is a income from investment in one partnership firm.
	Total Investment				

**Analytical Ratios for Financial Year 2021-22 and 2020-21**

Particulars	Numerator/Denominator	31 March 2022	31 March 2021	Change in %	Reasons for more than 25% Variance
(a) Current Ratio	<u>Current Assets</u>	1.76	1.34	30.94%	The Ratio improved due to better working capital management
	Current Liabilities				
(b) Debt-Equity Ratio	<u>Total Debts</u>	2.20	2.69	-18.02%	-
	Equity				
(c) Debt Service Coverage Ratio	<u>Earning available for Debt Service</u>	4.05	5.36	-24.41%	-
	Interest + Instalments				
(d) Return on Equity Ratio	<u>Profit after Tax</u>	0.50	0.68	-26.59%	Due to increase in Reserves in Current FY compared to Previous Year
	Average Shareholder's Equity				
(e) Inventory turnover ratio	<u>Total Turnover</u>	7.81	7.48	4.35%	-
	Average Inventories				
(f) Trade receivables turnover ratio	<u>Total Turnover</u>	8.18	6.23	31.19%	The Ratio improved due to better working capital management
	Average Account Receivable				
(g) Trade payables turnover ratio	<u>Total Purchases</u>	16.98	6.78	150.65%	The Ratio improved due to better working capital management
	Average Account Payable				
(h) Net capital turnover ratio	<u>Total Turnover</u>	10.63	13.38	-20.55%	-
	Net Working Capital				
(i) Net profit ratio	<u>Net Profit</u>	4.26	3.84	10.77%	-
	Total Turnover				
(j) Return on Capital employed	<u>Net Profit</u>	21.62	19.64	10.08%	-
	Capital Employed				
(k) Return on investment (%)	<u>Return on Investment</u>	0.21	-	NA	-
	Total Investment				

Note:

- The ratios have been computed as below:
  - Basic earnings per share (₹): Net profit after tax as restated for calculating basic EPS/ Weighted average number of equity shares outstanding at the end of the year
  - Diluted earnings per share (₹): Net profit after tax as restated for calculating diluted EPS/ Weighted average number of equity shares outstanding at the end of the year for diluted EPS
  - Return on net worth (%): Net profit after tax (as restated)/ Net worth at the end of the year
  - Net assets value per share: Net Worth at the end of the period or year/ Total number of equity shares outstanding at the end of the year
- Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).
- The figures disclosed above are based on the restated summary statements of the Company.  
EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income



**PROFORMA FINANCIAL STATEMENTS**

The Company has formed a partnership firm, namely, Shri Rang Energy Efficient on April 01, 2022, which has been considered as a Joint Venture for the purpose of preparing the Restated Consolidated Financial Statements for financial year ended March 31, 2023. With effect from April 01, 2023, the Company has retired from the said partnership firm, pursuant to which it ceased to be the Joint venture of the Company. Based on the materiality criteria mentioned in the schedule VI - Para 11 (II) (B)(iii) of SEBI (ICDR) Regulations, 2018, the said divestment does not qualify the criteria of materiality.

Accordingly, as required under schedule VI - Para 11 (II) (B)(iii) of SEBI (ICDR) Regulations, 2018, the following information has been furnished:

- Date of retirement in the partnership firm, pursuant to which it ceased to be Joint Venture of the Company- March 31, 2023 (w.e.f. April 01, 2023)
- Consideration receivable- The Company will receive the capital contribution amount of ₹ 34.15 lakhs as at March 31, 2023.

*The above information is based on the certificate dated June 14, 2023 issued by the Statutory Auditors.*

**OTHER FINANCIAL INFORMATION**

The audited financial statements of our Company as at and for financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 and their respective Audit reports thereon (Audited Financial Statements) are available at [www.kakaprofile.com](http://www.kakaprofile.com).

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) Red Herring Prospectus (iii) Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below: -

Particulars	Consolidated	Standalone	
	March 31, 2023	March 31, 2022	March 31, 2021
Profit After Tax (₹ in lakhs)	718.50	497.66	302.51
Basic & Diluted Earnings per Share (Based in Weighted Average Number of Shares)	7.19	4.98	4.59
Return on Net Worth (%)	36.72%	40.09%	40.68%
NAV per Equity Shares (Based on Actual Number of Shares)	19.57	49.65	29.75
NAV per Equity Shares (Based on Weighted Average Number of Shares - With Bonus Effect)	19.57	12.41	11.28
Earnings before interest, tax, depreciation and amortization (EBITDA)	1,345.26	956.05	604.73

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,  
**The Board of Directors,**  
**KAKA INDUSTRIES LIMITED**  
 Plot No.67, Bhagwati Nagar, Opp. Nilkanth Arcade,  
 Opp. Kathwada GIDC, Kuha-Kanbha Road,  
 Ahmedabad-382415 Gujarat.

Dear Sir,

Based on the independent examination of Books of Accounts, Audited Consolidated Financial Statements and other documents of **KAKA INDUSTRIES LIMITED (CIN: U25209GJ2019PLC108782)** having registered office at above mentioned address and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on **March 31, 2023** are mentioned below.

**A. SECURED LOANS****STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

(₹ in lakhs)

Name of Lender	Purpose	Loan/Agreement A/c No./ Ref. No.	Sanctioned Amount	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 31.03.2023 as per Books
Saraspur Nagrik Co Op Bank Limited	Business Mortgage Loan	388/2021-22	423.00	9.75%	Refer Note (a)	84 Structured EMI of ₹7,00,000/- From Dec-2021	NA	363.74
Saraspur Nagrik Co Op Bank Limited	Vehicle Loan	790/2021-22	6.50	7.00%	Refer Note (b)	36 Structured EMI of ₹ 21,000/- From April-2022	NIL	4.40
Saraspur Nagrik Co Op Bank Limited	Vehicle Loan	794/2022-23	16.50	7.75%	Refer Note (c)	60 Structured EMI of ₹ 33,500/- From Nov-2022	NIL	15.39
Saraspur Nagrik Co Op Bank Limited	Tractor Loan	198/2022-23	7.94	10.00%	Refer Note (d)	60 Structured EMI of ₹ 16,900/- From June-2022	NIL	6.88
Saraspur Nagrik Co Op Bank Limited	Commercial Vehicle Loan	1167/2022-23	12.40	10.75%	Refer Note (e)	60 Structured EMI of ₹26,807/- From March – 2023	NIL	12.35
State bank of India	Term Loan	SBI/13925 /KIPL/20-21/10	375.00	EBLR + 1.5% p.a Present Effective Rate 10.65% p.a.	Refer Note (f)	60 Structured EMI of ₹6,14,755/- From April-2021	3 Months	198.90
State Bank Of India	GECL (Working Capital Loan)	SBI/05146 /KIPL/21-22/06	420.00	EBLR+ 0.75% p.a Present Effective Rate 9.25% p.a.	Refer Note (f)	36 monthly Instalment of ₹ 11,66,667/-plus applicable interest from December, 2023	24 Months	423.30
State bank of India -CC	Cash Credit	SBI/13925 /KIPL/20-21/10	1,300.00	EBLR+ 1.5% p.a Present	Refer Note (f)	Repayable on Demand	NA	1018.45

Name of Lender	Purpose	Loan/Agreement A/c No./ Ref. No.	Sanctioned Amount	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 31.03.2023 as per Books
				Effective Rate 10.65% p.a.				
IDFC BANK Limited	Purchase of Property	0501026969	124.85	EBR+ 2.70% Present Effective Rate 9.20% p.a.	Refer Note (g)	240 EMI of ₹ 94,561/- from April,2022.	NA	123.12
ICICI Bank Limited	Loan Against Property	LBABD00005974852	117.00	Repo Rate + 4.25% Present Effective Rate 10.75% p.a.	Refer Note (h)	237 Structured EMI of ₹1,13,507/- From April-2022	NIL	113.90
HDFC Bank Ltd	Commercial Vehicle Loan	117161393	12.00	12.00%	Refer Note (i)	47 Structured EMI of ₹32,130/- From April-2021	NIL	6.57
Tata Capital Financial Services Ltd	General Purpose	CFD000017282	194.00	LTLR Less 10.55%. Subject to Minimum of 9.5% p.a) Present LTLR is 21.55%	Refer Note (j)	120 Structured EMI From Jan-23	NIL	189.75
SIDBI	Term Loan (for expansion)	2023MAR 28/L42828 9887/KIPL	2,000.00	7.73%	Refer Note (k)	72 EMI From April – 2024	12 Months	965.18
<b>Total Fund Based (A)</b>								<b>3441.92</b>
State bank of India	Letter of Credit	SBI/13925 /KIPL/ 20-21/10	(100.00)	Applicable Card Rate	Refer Note (f)	As per respective terms	NA	
State bank of India	Bank Guarantee	SBI/13925 /KIPL/ 20-21/10	(100.00)	Applicable Card Rate	Refer Note (f)	As per respective terms	NA	
<b>Total Non-Fund Based (B)</b>								<b>-</b>
<b>Grand Total (Fund &amp; Non Fund Based) (A+B)</b>								<b>3441.92</b>

**(a) Principal terms of Loan from Saraspur Nagrik Co Op Bank Limited**

- The loan secured by way of Mortgage of industrial NA Plots situated at bearing Nos. E49 & E 96 situated at GIDC, Sanand, Dist Ahmedabad owned by Director Shri Rajeshbhai Dhirubhai Gondaliya and Smt. Prabhaben Rajeshbhai Gondaliya.
- Personal Guarantee of Directors of the Company and also third party guarantee of Chintanbhai J Bodar and Sanjaybhai G Gondaliya.
- The loan is sanctioned with a Margin of 30% on value of the Security.

**(b) Principal terms of Loan from Saraspur Nagrik Co Op Bank Limited (Auto Loan)**

- Secured Against hypothecation of vehicle purchased
- Personal Guarantee of Director of the Company, Smt. Prabhaben R Gondaliya

**(c) Principal terms of Loan from Saraspur Nagrik Co Op Bank Limited (Auto Loan)**

1. Secured Against hypothecation of vehicle purchased
2. Personal Guarantee of Directors of the Company and also third party guarantee of Chintanbhai J Bodar and Jatinbhai B Patel.
3. The loan is sanctioned with a Margin of 20% of cost of the vehicle.

**(d) Principal terms of Loan from Saraspur Nagrik Co Op Bank Limited (Tractor Loan)**

1. Secured Against hypothecation of vehicle purchased
2. Personal Guarantee of Directors of the Company and also third party guarantee of Chintanbhai J Bodar.
3. The loan is sanctioned with a Margin of 20% of cost of the vehicle.

**(e) Principal terms of Loan from Saraspur Nagrik Co Op Bank Limited (Commercial Vehicle Loan)**

1. Secured Against hypothecation of vehicle purchased
2. Personal Guarantee of all Directors of the Company and third party guarantee of Chintanbhai J Bodar.
3. The loan is sanctioned with a Margin of 20% of cost of the vehicle.

**(f) Principal terms of Cash Credit/Term Loan/ GECL facilities availed from SBI Bank Limited:**

1. Term loan facility secured against hypothecation over entire plant & machineries (existing & proposed) of the company.
2. GECL facility secured against hypothecation over entire Current Assets and other Chargeable Current Assets.
3. The Availability of working capital facilities will be subject to availability of the Drawing power calculated after keeping margin of 25% on Raw Materials (Domestic & Imported), 25% on Stocks in progress, 25% on Finished Goods & 30% for receivables other than Associate / Sister Concerns. Cover period of 120 days.
4. For availability of Non Fund based facility of Letter of Credit, 25% margin required and for Bank Guarantee 20% margin required.
5. The limit is secured by way of Registered EM of
  - a. Immovable Property (Factory Land & Building) being Plot No. 3 Paiki land admeasuring 1399.85 Sq. Mtrs. and undivided share in Common Road admeasuring 176.04 Sq. Mtrs., total admeasuring 1575.89 Sq. Mtrs. with construction admeasuring 896 Sq. Yards situated upon land bearing Block No. 338 of Mouje Zak, Taluka Dehgam, Registration District Gandhingar and Sub District Dehgam & bounded as under including assignment of leasehold rights given to Kaka Industries Pvt Ltd by the lessor i.e. Shri Rajeshbhai D Gondaliya
  - b. Immovable Property (Factory Land & Building) being Plot No. 4 Paiki land admeasuring 1556.25 Sq. Mtrs. and undivided share in Common Road admeasuring 215.15 Sq. Mtrs., total admeasuring 1771.40 Sq. Mtrs. with construction admeasuring 1120 Sq. Yards situated upon land bearing Block No. 338 of Mouje Zak, Taluka Dehgam, Registration District Gandhingar and Sub District Dehgam & bounded as under including assignment of leasehold rights given to Kaka Industries Pvt Ltd by the lessor i.e. Shri Rajeshbhai D Gondaliya
  - c. Immovable Property being Flat No. F-202 on the second Floor in Block No F having Super Built-up area admeasuring about 122.91 square meters with undivided share of land 46.22 sq meters in the scheme known as Sahaj Residency constructed on NA land amalgamated revenue survey no. 283/2 was merged into town planning scheme no 103 and allotted final plot no. 84 admeasuring about 4736 sq meters situated at Mouje Village- Nikol, Taluka: Asarwa in the District Ahmedabad and Registration Sub District of Ahmedabad-12 (Nikol) within the State of Gujarat owned by Prabhaben R Gondaliya.
  - d. Immovable Property being Shop No. F/12 on 1st Floor having Super Built up area admeasuring about 371 square feet in the scheme Malavdeep Co Operative Housing Society Limited known as "Vikram Plaza" constructed on Non-agricultural land bearing Survey No. 254/1 included in T.P.S. No. 45 allotted Final Plot No. 67 admeasuring about 2726 square meters of Mouje, Village: Chandlodiya, Taluka: Sabarmati, District: Ahmedabad and sub district Ahmedabad-08 owned by Rajeshbhai D Gondaliya
  - e. Immovable Property being Shop No. F/13 on 1st Floor having Super Built up area admeasuring about 371 square feet in the scheme Malavdeep Co Operative Housing Society Limited known as "Vikram Plaza" constructed on Non-agricultural land bearing Survey No. 254/1 included in T.P.S. No. 45 allotted Final Plot No. 67 admeasuring about 2726 square meters of Mouje, Village: Chandlodiya, Taluka: Sabarmati, District: Ahmedabad and sub district Ahmedabad-08 owned by Mohanbhai R Varsani
6. Personal Guarantee of Shri Rajesh D Gondaliya, Smt Prabhaben R Gondaliya, Shri Bhavin R Gondaliya, Shri Mohan Varsani, Ms Jinal R Gondaliya & Shri Bhavesh Gondaliya.

7. In addition to the rate of interest, enhanced rate of interest will be applicable in following cases.
- i. Enhanced/penal rate of interest as applicable/decided by the bank from time to time will be charged for the period of delay in respect of :
    - a) Delayed/non-submission of financial data required for review / renewal of limits.
    - b) Delayed/non-submission of annual financial statements /FFR etc.,
    - c) Delayed/non-submission of stock statements.
    - d) Non-renewal of insurance policy (ies).
    - e) Diversion of Funds.
    - f) Adverse deviation from stipulated level in respect of various parameters
  - ii. Enhanced/Penal rate will be charged on the excess drawings in case any irregularity/breach of the Bank's extant instructions/guidelines applicable from time to time. Enhanced/ Penal interest will be compounded monthly.
  - iii. The Bank shall also be entitled to charge at its discretion, enhanced/ penal interest rates on the accounts either on the entire outstanding or on a portion thereof, for any irregularity including non-observance or non-compliance of the Terms and Conditions of the advances, for such period as the Bank deems it necessary.

8. OTHER CRITICAL COVENANTS:

- Opening new current or other accounts, with banks outside the lending arrangement without obtaining Bank's NOC, would amount to an event of default and will be dealt with accordingly.
- Any act of the borrower in opening or continuing an account with a bank outside the consortium /MBA without the permission of the existing lending banks will be treated as an act of wilful default. Merely bringing it to our attention and thereby assuming tacit permission will not be acceptable.
- Non-compliance of the instructions would attract levy of penal interest @ 5.00 % p.a. on Fund Based limits, withdrawal of all concessions, if extended and a freeze on grant of any additional facilities.
- The company will obtain all the necessary Approvals/Permissions from Govt Authorities regarding the business operations and will submit the copies of the same to bank before disbursement of credit facilities.
- The bank will obtain Non-Encumbrance certificate over the mortgaged properties annually to determine that no other charge other than our Bank's has been created over the mortgaged properties and charges thereof will be borne by the firm only.
- Valuation of the collateral securities is valid for 3 years. Fresh valuation shall be obtained before expiry of the validity of the valuation.
- The company shall not pay guarantee commission in cash or kind to guarantor(s) for guarantee given to Bank for this credit facility.
- Stock audit to be carried out at Yearly interval or as per Bank's extant instructions/guidelines.
- The company shall submit End Use Certificate, Balance Confirmation Certificate and Certificate regarding Investment made by firm in real estate, mutual fund etc quarterly.
- The company/Borrower will not make any investment in Real Estate, Stock Market, Mutual Fund, NBFCs, ICDs, Associate Companies, subsidiaries etc without Bank's written consent.
- The unit would route all the bills business through SBI only.
- While working drawing Power, receivables from Bills Discounting will be reduced from DP. Further, full outstanding sundry creditors shall also be deducted while calculating the drawing power.
- GST, wherever applicable, will be levied on all charges, as per bank extant instructions.
- The company shall furnish an undertaking that it will not go in for any short/long term borrowing without the Bank's prior approval.
- Any change in the management of the company to be done with Bank's approval.
- Any change in the nature of business, expansion of the company, acquisitions and mergers should not be effected without bank's consent and approval.
- Applicable rate of enhanced Interest:

i.	Non Submission of the Stock Statement	Flat penal interest of ₹ 1000.00 per day for delayed period.
ii.	Irregularity in Cash Credit Account	5.00 % per annum on the irregular portion for the period of irregularity
iii.	Non submission of Renewal Data, including Audited Balance Sheet	Non-submission of renewal data 30 days before the due date for renewal of limits: Flat ₹ 50,000/- upto the due date of renewal & flat ₹ 1,00,000/- per month thereafter till the date of submission.
iv.		Non submission of audited balance sheet within 6 months of the closure of the financial year of the borrowing entity:

		a) Delay of one month : NIL b) Delay of more than one month: Pricing to go up by 25 basis points till the audited balance sheet is submitted. For listed companies, the above penal provision would be applicable, if the audited financials are not filed with the stock exchange as per SEBI requirements/listing agreement.																
v.	Non Submission/ delayed submission of FFRs on due date (if applicable)	Flat penalty (penal interest) of ₹ 5000/- for each day of delay beyond due date for submission.																
vi.	Non Renewal of insurance policies in timely manner or inadequate insurance cover	Flat penalty of ₹ 200.00 per day for each day of delay beyond due date.																
vii.	Non Compliance with Financial Covenants	1% on the entire outstanding for the period of non- compliance.																
viii.	Diversion of funds	2.00% p.a. on the entire O/s (over and above the aggregate penal interest of 3% p.a) till such time the position is rectified.																
viii.	Term Loans (a) Non-payment of interest/ installment (b) Cross default (Default in payment of installment/ interest to other institutions/ banks (c) Adverse deviation from stipulated level in respect of any two of the following parameters: I. DSCR: (Cash accruals/Annual Repayment obligations of Term loan) II. FACR (Net Block/outstanding of Term loan) III. Interest Coverage Ratio: (EBIDTA/ Bank's Interest ) IV. Debt/ EBIDTA (Total Long Term liabilities/ EBIDTA)	5.00 % per annum on the irregular portion for the period of irregularity.  1.00 % p.a. on the entire outstandings for the period of non-adherence subject to a minimum period of 1 year.  Adverse deviation in respect of any two of the following four financial parameters, arrived at based on audited financial statements each year, from the estimated / projected levels accepted at the time of sanction / last review, will attract penal interest: <b>Term Loan:</b> <table border="1"> <thead> <tr> <th>Parameter</th> <th>Acceptable level for covenant testing</th> </tr> </thead> <tbody> <tr> <td>DSCR</td> <td>-</td> </tr> <tr> <td>ICR</td> <td>-</td> </tr> <tr> <td>FACR</td> <td>-</td> </tr> <tr> <td>Debt/ EBDITA</td> <td>-</td> </tr> </tbody> </table> Adverse deviation from the acceptable level for covenant testing beyond which penal provisions would be invoked (per parameter) <table border="1"> <tbody> <tr> <td>Up to 5%</td> <td>Nil</td> </tr> <tr> <td>More than 5% and upto 10%</td> <td>25 bps p.a.</td> </tr> <tr> <td>More than 10%</td> <td>50 bps p.a.</td> </tr> </tbody> </table>	Parameter	Acceptable level for covenant testing	DSCR	-	ICR	-	FACR	-	Debt/ EBDITA	-	Up to 5%	Nil	More than 5% and upto 10%	25 bps p.a.	More than 10%	50 bps p.a.
Parameter	Acceptable level for covenant testing																	
DSCR	-																	
ICR	-																	
FACR	-																	
Debt/ EBDITA	-																	
Up to 5%	Nil																	
More than 5% and upto 10%	25 bps p.a.																	
More than 10%	50 bps p.a.																	
		Penal interest would be charged retrospectively from the date of audited balance sheet on the basis of which, covenants have been tested, for the period of breach.																
(ix)	EPC Advance where exports do not materialize	2.00% p.a over applicable CC rate from the date of disbursal.																
	(*) Submission of stock statements with delay beyond 20 days of the succeeding month to be considered as non-submission. Charges which are not expressly mentioned here will be applicable as per Banks extant Instructions time to time. All the charges are subject to change without any prior notice.																	

**(g) Principal terms of Loan from IDFC Bank Limited**

1. Personal Guarantee of Rajeshkumar D Gondaliya, Prabhaben R Gondaliya, Bhavin R Gondaliya, Jinal R Gondaliya and Rajeshbhai D Gondaliya (HUF).
2. Mortgaged of Property situated at Bungalow No B/1, Satva 4, Near Vasant Vihar 2, B/h. Hanspura Residency, Naroda-Dehgam Road, Ahmedabad 382330 owned by Rajeshbhai D. Gondaliya.

**3. Part Payment Norms**

Nil charges for Individual Borrower

**4. Foreclosure Norms**

Nil for floating rate individual loans



**(h) Principal terms of Loan from ICICI Bank Limited**

1. Personal Guarantee of Rajeshkumar D Gondaliya.
2. Mortgaged of Property situated at F-42, F-43 and F-44, first floor, Karnavati Mega Mall, Vastral, Ahmedabad owned by the company.
3. **Part Payment Norms**

Nil charges for Individual Borrower

4. **Foreclosure Norms**

Nil for floating rate individual loans & MSME Customer.

**(i) Principal terms of Loan from HDFC Bank**

1. Secured Against hypothecation of vehicle purchased

**(j) Principal terms of Loan from Tata Capital Financial Services Ltd**

1. The loan is Secured by way of registered mortgage over identified commercial Self Occupied Property Situated at office No.501 & 601 , 5th & 6<sup>th</sup> Floor, Sahitya Business Park,B/H Sahajanand Business park , Odhav, Gujarat owned by the Company, KAKA Industries Private Limited.
2. **Pre payment Penalty** 4% of the amount prepaid between 0-3 years from the date of disbursement, 2% of the amount prepaid between 3-5 years from the date of disbursement. Nil prepayment penalty thereafter.
3. Unconditional and irrevocable personal guarantee of Rajeshkumar D Gondaliya, Prabhaben R Gondaliya, Bhavin R Gondaliya, Jinal R Gondaliya, and Bhavesh S Gondaliya.

**(k) Principal terms of Loan from SIDBI**

1. **SECURITY:** The entire financial assistance together with interest, costs. expenses, penal interest and all other monies due and payable by the borrower shall be secured by:

**A. Primary :**

- (i) First charge by way of hypothecation in favour of SIDBI, of all the movables of the borrower including plant, equipment, machinery, machinery spares, tools, accessories, furniture, fixtures, computers etc., acquired/ to be acquired under the project/ scheme.
- (ii) First Charge by way of mortgage in favour of SIDBI of the Borrower's leasehold rights over the of immovable properties bearing Revenue Survey No. 83, admeasuring 6,171 Sq. mtrs; Revenue Survey No. 84p1, admeasuring 13,962 Sq. Mtce Revenue Survey No. 84p2, admeasuring 1,619 Sq. Mtrs.; Revenue Survey No. 85, admeasuring 7,183 Sq. Mtrs. and Revenue Survey No. 2009-4, admeasuring 20,133 Sq. Mtrs. village: Lasundra,TaIuka: Kathlal, District: Kheda, Gujarat, N.A. land total admeasuring 49,068 Sq. Mtrs., including building and structure thereon.

**B. Collateral :**

- (i) First Charge by way of mortgage in favour of SIDBI of all the freehold immovable properties of Shri Bhavin Rajeshbhai Gondaliya, both present and future situated at Revenue Survey No. 83, admeasuring 6,171 Sq. mtrs; Revenue Survey No. 84p1, admeasuring 13,962 Sq. Mtrs.; Revenue Survey No. 84p2, admeasuring 1,619 Sq. Mtrs.; Revenue Survey No. 85, admeasuring 7,183 Sq. Mtrs. and Revenue Survey No. 2009-4, admeasuring 20,133 Sq. Mtrs. Village: Lasundra, TaIuka: Kathlal, District: Kheda, Gujarat, N.A. land total admeasuring 49,068 Sq. Mtrs., including building and structure thereon.

- C. The charge in respect of the term loan shall be first charge and for the soft loan the charge shall be residual but it shall rank pari passu on first charge basis with the term loan (*irrespective of intervening charges, if any*) after three years from the date of first disbursement under the soft loan or when the unit becomes ineligible for concessional funding under the scheme or in the event of default defined in the general conditions, in respect of soft loan, whichever is earlier.

Borrower shall make out a good and marketable title to its properties / above properties to the satisfaction of SIDBI and comply with all such formalities, at its costs and expenses, as may be necessary or required for the said purpose.

**D. Guarantee(s) :**

The Borrower shall procure and furnish irrevocable and unconditional guarantee of Shri Bhavin Rajeshbhai Gondaliya; Shri Rajesh Dhirubhai Gondaliya; Smt. Prabhaben Rajeshbhai Gondaliya and Ms. Jinal Rajeshbhai Gondaliya in favour of SIDBI for the due repayment of the dues outstanding under the loan and the payment of all interest and other monies payable by the Borrower in the form and manner prescribed by SIDBI and to be delivered to SIDBI before any part of the Loan is advanced. The Borrower shall

not pay any guarantee commission to the said Guarantors. The guarantee shall be joint and several and the guarantors shall be liable to SIDBI as if he/she/it is/are principal debtors to SIDBI.

**B. UNSECURED LOANS**

Name of Lender	Purpose	Rate of Interest	Re-Payment Schedule	Outstanding Amount as on March 31, 2023 as per Books (₹ In Lakhs)
<b>From Directors and Members:-</b>				
Bhavin Rajeshbhai Gondaliya	Business Loan	12.00%	On Demand	10.91
Kaka Engineering Private Limited (Formerly Known as Kaka Pvc Profile Pvt Ltd )	Business Loan	9.00%	On Demand	169.32
Pinaxis Hi-Tech Engineering Pvt.Ltd.	Business Loan	9%	On Demand	350.14
Rajeshbhai D Gondaliya	Business Loan	12.00%	On Demand	0.12
<b>Share in Unsecured loans of Jointly Controlled Entity :-</b>				
Bhavin Rajeshbhai Gondaliya	Business Loan	12.00%	On Demand	7.63
Chintan Jayantibhai Bodar	Business Loan	12.00%	On Demand	4.88
Dharmistaben Govindbhai Prajapati	Business Loan	12.00%	On Demand	6.56
Govindbhai F Prajapati	Business Loan	12.00%	On Demand	3.03
Jaiminiben S Prajapati	Business Loan	12.00%	On Demand	7.06
Shitalben Bhargavkumar Kukadiya	Business Loan	12.00%	On Demand	4.54
Sunilbhai Govindbhai Prajapati	Business Loan	12.00%	On Demand	7.57
<b>GRAND TOTAL</b>				<b>571.74</b>

**FOR, DINESH R THAKKAR & CO.**  
**CHARTERED ACCOUNTANTS**  
**FRN. 102612W**

Sd/-  
per **DINESH R. THAKKAR**  
**(PARTNER)**  
**M.NO.038216**  
**PLACE: AHMEDABAD**  
**DATE: June 14, 2023**  
**UDIN: 23038216BGZQFT2571**

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled “**Financial Information of the Company**” beginning on page 130. You should also read the section titled “**Risk Factors**” on page 25 and the section titled “**Forward Looking Statements**” on page 17 of this Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor March 23, 2023 which is included in this Red Herring Prospectus under “**Financial Statements**”. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

### OVERVIEW

We are a PVC profile brand, focused primarily on manufacturing of polymer-based profiles which finds application in doors, windows, partitions, false ceilings, wall paneling, kitchen cabinets & other interior and exterior works. Our product portfolio has over 1200 SKU's covering PVC Profile, uPVC door & window profile, WPC Profile & sheet in various sizes, specifications and colours. We are also engaged in fabrication of factory-made PVC & Solid PVC doors. Except for WPC (Wood-polymer composite) profile and doors, all our products are non-wood based, which substitute wood-products and results in saving trees.

We market our products through an extensive network of 300 dealers spread across over 20 States and Union Territories of India. As of date of this Red Herring Prospectus, our distribution network comprises of 3 depots situated in Gagilapur (Telangana), Dadri (Uttar Pradesh) and Surat (Gujarat). We have brands in the name of *Kaka*, *Poly Plast*, *Jinwin*, *Nice Plast* and *Barbarika* under which we sell our products. For the Fiscal 2023, we derived major portion of our revenue from the state of Gujarat (i.e. 63.73%), followed by Telangana (8.67%), Maharashtra (7.49%), Karnataka (4.61%) and remaining 15.50% were from other 19 states & union territories. We are also empaneled as “Approved Vendor” in two of the Government Organizations namely, Gujarat State Police Housing Nigam Limited and Military Engineer Services (Lucknow & Ahmedabad).

As on the date of this Red Herring Prospectus, we have three manufacturing units in village Zak, Gandhinagar district, Gujarat, which has a combined installed capacity of 15,425 MT for manufacturing PVC profile, 2,995 MT for WPC profile & sheet, 2,022 MT for uPVC door & window profile. We have a well-equipped laboratory, modern technology and testing equipments with supporting environment and facilities, to ensure that the products conform with the desired quality. As on the date of this Red Herring Prospectus, our manufacturing facility has accreditations such as ISO 9001:2015 for quality management system, ISO 45001:2018 for occupational health and safety management systems, ISO 14001:2015 for environmental management system, compliance certificate as per construction products regulations(CPR) 305/2011 and “Assured Green Business” from United Accrediting Services Limited, UK.

We have a strong track record of revenue growth and profitability. The following table sets forth certain key performance indicators for the years indicated:

(₹ in lakhs)

Key Financial Performance	FY 2022-23 (Consolidated)	FY 2021-22 (Standalone)	FY 2020-21 (Standalone)
Revenue from operations <sup>(1)</sup>	15,849.89	11,695.92	7,874.89
EBITDA <sup>(2)</sup>	1,345.26	956.05	604.73
EBITDA Margin <sup>(3)</sup>	8.49%	8.17%	7.68%
PAT <sup>(4)</sup>	718.50	497.66	302.51
PAT Margin <sup>(5)</sup>	4.53%	4.26%	3.84%
RoE(%) <sup>(6)</sup>	44.93%	50.14%	68.30%
RoCE (%) <sup>(7)</sup>	20.83%	21.62%	19.64%

#### **Notes:**

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

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

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

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

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

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

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Share holders Fund + Long term borrowing + Short term borrowing+ Deferred Tax Liability.

**Explanation for KPI metrics**

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

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

For details in respect of Statement of Significant Accounting Policies, please refer to “*Annexure IV of Restated Financial Statements*” beginning on page 130 of this Red Herring Prospectus.

**Factors Affecting our Results of Operations**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 25 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Changes in consumer demand;
3. Failure to successfully upgrade our product portfolio, from time to time;
4. Any change in government policies resulting in increases in taxes payable by us;
5. Our ability to retain our key managements persons and other employees;
6. Changes in laws and regulations that apply to the industries in which we operate.
7. Our failure to keep pace with rapid changes in technology;
8. Our ability to grow our business;
9. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
10. general economic, political and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Company's ability to successfully implement its growth strategy and expansion plans ;
13. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. inability to successfully obtain registrations in a timely manner or at all;
15. occurrence of Environmental Problems & Uninsured Losses;
16. conflicts of interest with affiliated companies, the promoter group and other related parties;
17. any adverse outcome in the legal proceedings in which we are involved;
18. Concentration of ownership among our Promoter;
19. The performance of the financial markets in India and globally;
20. Global distress due to pandemic, war or by any other reason.

**Discussion on Result of Operations**

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021.

*(₹ in lakhs)*

Particulars	Consolidated		Standalone			
	For the Period/ Year ended on					
	March 31, 2023	% of Total Income	March 31, 2022	% of Total Income	March 31, 2021	% of Total Income
Revenue from operations	15,849.89	99.76	11,695.92	99.88	7,874.89	99.95
Other income	37.81	0.24	14.06	0.12	4.12	0.05
<b>Total Income</b>	<b>15,887.70</b>	<b>100.00</b>	<b>11,709.98</b>	<b>100.00</b>	<b>7,879.00</b>	<b>100.00</b>

Particulars	Consolidated		Standalone			
	For the Period/ Year ended on					
	March 31, 2023	% of Total Income	March 31, 2022	% of Total Income	March 31, 2021	% of Total Income
<b>Expenses</b>						
Raw Material Consumption & Cost of Goods Sold	11,450.89	72.07	9,191.58	78.49	5,596.42	71.03
Change in inventories of finished goods, work in progress and stock in trade	365.75	2.30	(561.23)	(4.79)	2.35	0.03
Employee Benefit Expenses	974.99	6.14	892.24	7.62	722.07	9.16
Finance Costs	252.63	1.59	213.13	1.82	156.99	1.99
Depreciation and Amortisation Expenses	135.59	0.85	106.70	0.91	67.40	0.86
Other Expenses	1,703.88	10.72	1,201.10	10.26	917.20	11.64
<b>Total expenses</b>	<b>14,883.73</b>	<b>93.68</b>	<b>11,043.53</b>	<b>94.31</b>	<b>7,462.43</b>	<b>94.71</b>
<b>Profit/ (Loss) before tax</b>	<b>1,003.97</b>	<b>6.32</b>	<b>666.45</b>	<b>5.69</b>	<b>416.57</b>	<b>5.29</b>
<b>Tax expenses</b>						
1. Tax Expense for Current Year	(284.51)	(1.79)	(166.34)	(1.42)	(101.16)	(1.28)
2. Deferred Tax (Expense)/ Income	(0.96)	(0.01)	(2.45)	(0.02)	(12.90)	(0.16)
<b>Profit/ (Loss) after tax</b>	<b>718.50</b>	<b>4.52</b>	<b>497.66</b>	<b>4.25</b>	<b>302.51</b>	<b>3.84</b>

**Revenue from operations:**

Revenue from operations mainly consists of sale of manufactured and traded goods.

**Other Income:**

Our other income primarily comprises of Interest Income, Rental income, Exchange Rate Fluctuation on Import of Goods and Dividend income.

**Expenses:**

Company's expenses consist of Raw material consumption & cost of goods sold, Change in inventories of finished goods, work in progress and stock in trade, Employee benefits expense, Finance costs, Depreciation and amortization and other expenses.

**Raw material consumption & cost of goods sold:**

Our Raw Material Consumption comprises of purchase of material for manufacturing the end products.

**Change in inventories of finished goods, work in progress and stock in trade:**

Our changes in the inventory comprises of changes in the finished goods, work in progress and stock in trade.

**Employee benefits expense:**

Our employee benefits expense primarily comprises of Direct and Indirect Salaries, Wages & Bonus, Director Remuneration, Staff Welfare Expenses, Contribution to provident and other funds and Gratuity Expense.

**Finance Costs:**

Our finance cost includes Interest expense and Other Borrowing cost.

**Depreciation and Amortization Expenses:**

Depreciation includes depreciation on Property, Plant & Equipments etc.

**Other Expenses:**

Our other expenses includes Manufacturing Expenses, Administrative Expenses and Selling & Distribution Expenses. Manufacturing Expenses such as Power Expenses, Rent Expenses, Transportation Expenses, Repair & Maintenance – Machinery, etc.

Administrative Expenses such as Petrol & Diesel Expenses, Other Administrative Expenses, Insurance Expenses, Legal & Professional Expenses, Repair & Maintenance, etc.

Selling & Distribution Expenses such as Advertisement Expenses, Marketing Expenses, Exhibition Expenses, Commission Expenses, etc.

**Financial Year 2023 compared with Financial Year 2022 (Based on Restated Financial Statements)**

**Total Income:**

Total income for the financial year 2022-23 stood at ₹ 15,887.70 Lakhs whereas in Financial Year 2021-22 the same stood at ₹ 11,709.70 Lakhs representing significant increase of 35.68%. The main reason of increase was increase in the business operations of the company.

**Revenue from Operations:**

Revenue from Operations for the financial year 2022-23 stood at ₹ 15,849.89 Lakhs whereas in Financial Year 2021-22 the same stood at ₹ 11,695.92 Lakhs representing an increase of 35.52%. The main reason of increase was due to increase in the sale of goods.

**Other Income:**

For financial year 2022-23, it has increased to ₹ 37.81 Lakhs as against ₹ 14.06 Lakhs in the Financial Year 2021-22 representing an increase of 168.92% which is mainly due to Creditors Written off.

**Total Expenses:**

For financial year 2022-23, it has significantly increased to ₹ 14,883.73 Lakhs from ₹ 11,043.53 Lakhs in the financial year 2021-22 representing a significant increase of 34.77%.

**Raw material consumption & cost of goods sold:**

For the financial year 2022-23 it was increased to ₹ 11,450.89 Lakhs from ₹ 9,191.58 Lakhs in the Financial Year 2021-22 representing an increase of 24.58%. Such increase was due to increase in business operations of the Company.

**Change in inventories of finished goods, work in progress and stock in trade:**

Change in inventory of finished goods, work in progress/ semi-finished goods for financial year 2021-22 was ₹ 365.75 Lakhs as compared to ₹ (561.23) Lakhs in financial year 2020-21. The said decrease of 165.17% was due to decrease in closing balance of finished goods and work in progress/ semi-finished goods.

**Employee benefits expense:**

It stood at ₹ 974.99 Lakhs during the financial year 2022-23 as compared to ₹ 892.24 Lakhs in the financial year 2021-22, representing an increase of 9.27%. The said increase is due the increase in Direct Salary & Wages Expenses.

**Finance costs:**

For financial Year 2022-23, it has increased to ₹ 252.63 Lakhs as against ₹ 213.13 Lakhs during the financial year 2021-22, representing an increase of 18.53%, which is mainly due to the increase in Interest Expenses.

**Depreciation and Amortization Expenses:**

For financial year 2022-23, it stood at ₹ 135.59 Lakhs as against ₹ 106.70 Lakhs during the financial year 2021-22, representing an increase of 27.08% due purchase of Plant & Machinery and Office Equipment.

**Other Expenses:**

For Financial Year 2022-23, other expenses was ₹ 1,703.88 Lakhs as against ₹ 1,201.10 Lakhs during the financial year 2021-22. The increase of 41.86% was mainly due to increase in Power Expenses, Consumption of Stores & Spare parts, Advertisement Expenses, Marketing Expenses, Bad Debts Written off etc.

**Restated Profit/ (Loss) before tax:**

For financial year 2022-23, it has increased to ₹ 1,003.97 Lakhs as compared to ₹ 666.45 Lakhs in the financial year 2021-22, representing an increase of 50.64%.

**Restated Profit/ (Loss) after tax:**

For financial year 2022-23, it stood at ₹ 718.50 Lakhs in comparison to ₹ 497.66 Lakhs in the financial year 2021-22, representing an increase of 44.38%.

**Financial Year 2022 compared with Financial Year 2021 (Based on Restated Financial Statements)**

**Total Income:**

Total income for the financial year 2021-22 stood at ₹ 11,709.98 Lakhs whereas in Financial Year 2020-21 the same stood at ₹ 7,879.00 Lakhs representing significant increase of 48.62%. The main reason of increase was increase in the business operations of the company.

**Revenue from Operations:**

Revenue from Operations for the financial year 2021-22 stood at ₹ 11,695.92 Lakhs whereas in Financial Year 2020-21 the same stood at ₹ 7,874.89 Lakhs representing an increase of 48.52%. The main reason of increase was due to increase in the sale of goods.

**Other Income:**

For financial year 2021-22, it has increased to ₹ 14.06 Lakhs as against ₹ 4.12 Lakhs in the Financial Year 2020-21 representing an significant increase of 241.50% which is mainly due to exchange rate fluctuation on import of goods.

**Total Expenses:**

For financial year 2021-22, it has significantly increased to ₹ 11,043.531 Lakhs from ₹ 7,462.43 Lakhs in the financial year 2020-21 representing a significant increase of 47.99%.

**Raw material consumption & cost of goods sold:**

For the financial year 2021-22 it was increased to ₹ 9,191.58 Lakhs from ₹ 5,596.42 Lakhs in the Financial Year 2020-21 representing an increase of 64.24%. Such increase was due to increase in business operations of the Company.

**Change in inventories of finished goods, work in progress and stock in trade:**

Change in inventory of finished goods, work in progress/ semi-finished goods for financial year 2021-22 was ₹ (561.23) Lakhs as compared to ₹ 2.35 Lakhs in financial year 2020-21. The said increase of 23,982.13% was due to increase in closing balance of finished goods and work in progress/ semi-finished goods.

**Employee benefits expense:**

It stood at ₹ 892.24 Lakhs during the financial year 2021-22 as compared to ₹ 722.07 Lakhs in the financial year 2020-21, representing an increase of 23.57%. The said increase is due the increase in salaries and wages.

**Finance costs:**

For financial Year 2021-22, it has increased to ₹ 213.13 Lakhs as against ₹ 156.99 Lakhs during the financial year 2020-21, representing an increase of 35.76%, which is mainly due to the increase in Interest Expenses.

**Depreciation and Amortization Expenses:**

For financial year 2021-22, it stood at ₹ 106.70 Lakhs as against ₹ 67.40 Lakhs during the financial year 2020-21, representing an increase of 58.31% due purchase of Plant & Machinery, Office Equipment and Building.

**Other Expenses:**

For Financial Year 2021-22, other expenses was ₹ 1,201.10 Lakhs as against ₹ 917.20 Lakhs during the financial year 2020-21. The increase of 30.95% was mainly due to increase in Transportation Expenses, Repair & Maintenance, Rates & Taxes, Other Administrative Expenses, Insurance Expenses, Loss on sale of fixed assets, Marketing Expenses etc.



**Restated Profit/ (Loss) before tax:**

For financial year 2021-22, it has increased to ₹ 666.45 Lakhs as compared to ₹ 416.57 Lakhs in the financial year 2020-21, representing an increase of 59.99%.

**Restated Profit/ (Loss) after tax:**

For financial year 2021-22, it stood at ₹ 497.66 Lakhs in comparison to ₹ 302.51 Lakhs in the financial year 2020-21, representing an increase of 64.51%.

**Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. Unusual or infrequent events or transactions**

There has not been any unusual trend on account of our business activity. Except as disclosed in this Red Herring Prospectus, there are no unusual or infrequent events or transactions in our Company.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 25 of the Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues**

Other than as described in the sections “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 25, 91 and 177 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

**5. Total turnover of each major industry segment in which our Company operates**

Our business activity primarily falls within a single business and geographical segment, i.e. is engaged in the business of event management services, wedding planning services and adventure tourism, as disclosed in “**Restated Financial Statements**” on page 130, we do not follow any other segment reporting.

**6. Status of any publicly announced New Products or Business Segment**

Except as disclosed in the Chapter “**Our Business**” on page 91, our Company has not announced any new product or service.

**7. Seasonality of business**

Our business is not subject to seasonality. For further information, see “**Industry Overview**” and “**Our Business**” on pages 82 and 91, respectively.

**8. Dependence on single or few customers**

Substantial portion of our revenues has been dependent upon few customers, which are mainly our dealers. For instance, our top ten customers for the F.Y. ended March 31, 2023 and March 31, 2022 accounted for 32.67% and 37.68% of our revenue from operations for the respective period/year. Our reliance on a limited number of customers for our business exposes us to risks, that may include, but are not limited to, reductions, delays or cancellation of orders from our significant customers, a failure to negotiate favourable terms with our key customers or the loss of these customers, all of which would have a material adverse effect on the business, financial condition, results of operations, cash flows and future prospects of our Company. For further details, refer Risk Factor “**Substantial portion of our revenues has been dependent upon few customers, with which we do not have any firm commitments. The loss of any one or more of our major customer would have a material adverse effect on our business, cash flows, results of operations and financial condition**” on page 30 of this Red Herring Prospectus.

**9. Competitive conditions**

Competitive conditions are as described under the Chapters “**Industry Overview**” and “**Our Business**” beginning on pages 82 and 91 respectively of this Red Herring Prospectus.

**10. Details of material developments after the date of last balance sheet i.e. March 31, 2023.**

After the date of last Balance sheet i.e. March 31, 2023, the following material events have occurred after the last audited period:

1. We have appointed Jaimish Govindbhai Patel as Independent Director of the Company w.e.f. May 05, 2023 and Ushakant Naranbhai Patel has resigned from the directorship w.e.f. May 05, 2023.
2. The Company retired as a partner from the partnership firm namely, Shri Rang Energy Efficient w.e.f. April 01, 2023, pursuant to which the said firm ceased to be the Joint Venture of the Company.

**CAPITALISATION STATEMENT**

(₹ in Lakhs)

Particulars	Consolidated	
	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	1,756.16	1,756.16
Long Term Debt (B)	2,257.50	2,257.50
<b>Total debts (C)</b>	<b>4,013.66</b>	<b>4,013.66</b>
<b>Shareholders' funds</b>		
Equity share capital	1,000.00	*
Reserve and surplus - as restated	956.88	*
<b>Total shareholders' funds</b>	<b>1,956.88</b>	*
<b>Long term debt / shareholders funds (in ₹)</b>	<b>1.15</b>	*
<b>Total debt / shareholders funds (in ₹)</b>	<b>2.05</b>	*

(\*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

## Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on Restated statement of Assets and Liabilities of the Company as at 31.03.2023.

**SECTION VII – LEGAL AND OTHER INFORMATION****OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.

Our Board, in its meeting held on March 17, 2023, determined that outstanding legal proceedings involving the Company, its Directors and Promoter will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last audited financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5.00% of the Company’s trade payables as per the last restated financial statements.

**A. LITIGATION INVOLVING THE COMPANY****(a) Criminal proceedings against the Company**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

**(b) Criminal proceedings filed by the Company**

Except as mentioned below, there are no outstanding criminal proceedings initiated by the Company:-

***Kaka Industries Pvt. Ltd. (“Company”) vs Helcy PVC Furniture and its Proprietor Mr. Arvindbhai Umeddasa Patel***

The company has filed case bearing Case Number- 14673/2022 on 27.09.2022 before 7th Addl. Civil Judge and JMFC, Ahmedabad against Helcy PVC Furniture and its Proprietor Mr. Arvindbhai Umeddasa Patel under section 138, 141 and 142 of the Negotiable Instruments Act, 1881 on account of dishonour of cheque bearing no. 001345 dated 27.06.2022 for an amount of INR 21,01,479/- (Rupees Twenty One Lakhs One Thousand Four Hundred Seventy Nine only). The said amount was payable against the purchase of goods of PVC Sheet from the period of 01.04.2022 to 06.07.2022. The next date of the matter is 17.05.2023 and the matter is listed for Summons-Notice.

***Kaka Industries Pvt Ltd (“Company”) vs M/s Suman Art Glass and its Proprietor Mr. Anand Shaw***

The company has filed case bearing Case Number- 3853/2023 on 15.03.2023 before 5th Addl. Civil Judge and JMFC, Ahmedabad against M/s Suman Art Glass and its Proprietor Mr. Anand Shaw under section 138, 141, 142 of the Negotiable Instruments Act, 1881 on account of dishonour of cheque bearing no. 114988 dated 29.11.2022 for an amount of INR 2,42,266/- (Rupees Two Lakh Forty Two Thousand Two Hundred Sixty Six only). The said amount was payable against the purchase of goods of PVC Sheet on 19.05.2022. The next date of the matter is 02.06.2023 and the matter is listed for Summons-Notice.

**(c) Actions by statutory and regulatory authorities against the Company**

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

**(d) Tax Proceedings**

Nature of Proceedings	Number of cases	Amount involved (₹ in lakhs)
Direct Tax	-	-
Indirect Tax	-	-

**(e) Other pending material litigations against the Company**

As on the date of this Red Herring Prospectus, there are no outstanding litigations initiated against the Company, which have been considered material by the Company in accordance with the Materiality Policy.

**(f) Other pending material litigations filed by the Company**

As on the date of this Red Herring Prospectus, there are no outstanding litigations initiated by the company, which have been considered material by the Company in accordance with the Materiality Policy.

**B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY****(a) Criminal proceedings against the Promoters & Directors of the company**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings against the Promoters & Directors of the company.

**(b) Criminal proceedings filed by the Promoters & Directors of the company**

Except as disclosed below, there are no outstanding criminal proceedings filed by the Promoters & Directors of the company:

***Rajeshbhai Dhirubhai Gondaliya v/s Masumbhai Rajani***

The criminal case was filed bearing no. - 3200263/2016 on 29.04.2016 before Addl. Metropolitan Magistrate, Ahmedabad against Masumbhai Rajani under section 138 of the Negotiable Instruments Act, 1881 on account of dishonour of cheque bearing no. 564568 dated 08.02.2016 for an amount of INR 1,08,078/- (Rupees One lakh Eight Thousand Seventy Eight only). The said amount was payable against the purchase of goods of PVC and UPVC from the period of 01.04.2014 to 30.09.2015. The next date of the matter is 16.05.2023 and the matter is listed for evidence.

***Rajeshbhai Dhirubhai Gondaliya v/s Manoj Arunkumar Maheta and Chhaya Manojkumar Maheta***

Four criminal cases were filed bearing no. - 78553/2018, 78546/2018, 78543/2018 and 78537/2018 on 23.08.2018 before Addl. Metropolitan Magistrate, Ahmedabad against Manoj Arunkumar Maheta and Chhaya Manojkumar Maheta under section 138 of the Negotiable Instruments Act, 1881 on account of dishonour of cheque bearing no. 000136 dated 16.05.2017 for an amount of INR 15,00,000/- (Rupees Fifteen Lakhs only). The next date of the matter is 12.06.2023 and the matter is listed for hearing.

**(c) Actions by statutory and regulatory authorities against the Promoters & Directors of the company**

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors.

**(d) Tax Proceedings**

Nature of Proceedings	Number of cases	Amount involved* (₹ in lakhs)
<b>Promoters and Directors:</b>		
<b>Bhavin Rajeshbhai Gondaliya</b>		
Income Tax	5	Not Determinable*
<b>Rajesh Dhirubhai Gondaliya</b>		
Income Tax	14	Not Determinable*
Central Excise	1	253.16**
<b>Prabhahen R Gondaliya</b>		
Income Tax	8	Not Determinable*
<b>Total</b>	<b>28</b>	

\*Search and seizure proceedings u/s 132 of the Income Tax Act, 1961 were carried out by the Income Tax Department on 24<sup>th</sup> October, 2018 on the residential and business premises of our Promoters & Directors, namely Rajesh Dhirubhai Gondaliya, Bhavin Rajeshbhai Gondaliya and Prabhahen Rajeshbhai Gondaliya; Group Companies, namely, Kaka Engineering Private Limited and Pinaxis Hi-tech Engineering Private Limited and certain other promoter group entities & employees and simultaneously survey action u/s 133A of the Income Tax Act, 1961 were also conducted on promoter group entities and other associate persons. During the course of search operations, certain assets, documents, records, hard discs, cash etc., were seized and sworn statements of Directors and employees were recorded. Thereafter, notices u/s 153A, 142(1), 143(2) and 143(3) of the Income Tax Act, 1961 were issued by the Income tax department for A.Y. 2013-14 to 2019-20, and subsequently show cause notices u/s 153A seeking reasons for not making certain additions to total income and penalty notices u/s 271 of the Income Tax Act, 1961 were issued by the Income Tax department for the said assessment years. During this course, the Promoters, Mr. Rajesh Dhirubhai Gondaliya and Mrs. Prabhahen Rajeshbhai Gondaliya along with Group Company, Kaka Engineering Private Limited (“KEPL”), filed the Settlement Applications u/s 245C on 24.03.2021 before the Income Tax Settlement Commission (now Interim Board for Settlement), disclosing the additional income of Rs. 1010.00 lakhs, Rs. 260.00 lakhs and Rs. 225.00 lakhs respectively and resultant additional income tax payable (along with interest) as Rs. 603.75 lakhs, Rs. 131.49 lakhs and Rs. 87.20 lakhs respectively. Mr. Rajesh Dhirubhai Gondaliya, Mrs. Prabhahen Rajeshbhai Gondaliya and KEPL paid an amount of ₹ 614 lakhs (including 100 lakhs as cash seized by IT Department), ₹ 137 lakhs and ₹ 90.25 lakhs (including 3.25 lakhs as cash seized by IT Department) respectively towards the said declared income tax liability.

The PCIT(Central), Ahmedabad has furnished its report dated July 05, 2022 to the Interim Board of Settlement under Rule 9 of Income tax Settlement Commission (Procedure) Rule, 1997 objecting inter-alia, that the assesses additional undisclosed income

offered in the Settlement Application is not true and correct as well as below the actual undisclosed income earned by the applicant(s). In response to the report issued by PCIT, our Directors and Group Company has filed their reply to Rule 9 Report on January 15, 2023 and January 19, 2023 to the Interim Board. These settlement applications are currently pending before the Interim Board for Settlement, New Delhi.

\*\* The matter relates to the SCN bearing no. DGGI/AZU/Gr. C/36-04/2022-23 dated 08.04.2022 issued by Director General of Good and Service Tax Intelligence, Ahmedabad under section 11A(4) of the Central Excise Act, 1944 read with Section 174 of the Central Goods and Services Tax Act, 2017 to M/s Shreeji Plast Mart (proprietorship of Mr. Rajeshkumar Dhirbhai Gondaliya), M/s Gondaliya Plast Mart LLP and M/s G P Plast Mart (owned by Mr. Rajeshkumar Dhirbhai Gondaliya). The show cause was issued as to why ₹ 28,12,863/- against central excise duty on the turnover between March 2017 to June 2017 of M/s G P Plast Mart, owned by Mr. Rajeshkumar Dhirubhai Gondaliya should not be recovered and goods worth ₹ 2,25,02,896/- should not be confiscated under Rule 25 of Central Excise Rules, 2002 along with penalty and interest be charged against the assessee. The matter is under adjudication.

**(e) Other pending material litigations against the Promoters & Directors of the company**

As on the date of this Red Herring Prospectus, there are no outstanding litigations initiated against the Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(f) Other pending material litigations filed by the Promoters & Directors of the company**

As on the date of this Red Herring Prospectus, there are no outstanding litigations initiated by the Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**C. LITIGATIONS INVOLVING THE GROUP COMPANIES WHICH CAN HAVE A MATERIAL IMPACT ON OUR COMPANY**

Except as mentioned below, as on date of Red Herring Prospectus, our Group Companies does not have any pending litigation which can have a material impact on our Company:-

**Tax Proceedings**

Nature of Proceedings	Number of cases	Amount involved* (₹ in lakhs)
<b>Kaka Engineering Private Limited</b>		
Income Tax	4	Not Determinable*

\*Please refer to the search and seizure case summary as mentioned on page 186 of this RHP along with the Risk factor no. 3 on page 26 of this RHP.

**D. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding 5% of our Company's total Trade payables as per Restated financial statements, to small scale undertakings and other creditors as material dues for our Company.

Our Board of Directors considers dues owed by our Company to the creditors exceeding 5% of the Company's trade payables as per the last restated financial statements as material dues for the Company. The trade payables for the Fiscal 2023 were ₹ 358.23 lakhs on standalone basis. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 16.90 lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on March 17, 2023.

Based on this criteria, details of outstanding dues owed as on March 31, 2023 by our Company on standalone basis is set out below:

Type of Creditors	Number of Creditors	amt. (in lakhs)
Micro, small and medium enterprises	11	176.47
Material Creditors (Non MSME)	3	109.49
Other Creditors	78	72.27
<b>Total</b>	<b>92</b>	<b>358.23</b>

The details pertaining to amounts due towards material creditors are available on the website of our Company.

**MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE:**

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 177 of this Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## **GOVERNMENT AND OTHER APPROVALS**

Except as mentioned below, our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Central and State Governments and other government agencies/ regulatory authorities/ certification bodies required to undertake the Issue or continue our business activities and no further approvals are required for carrying on our present or proposed business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

For details in connection with the regulatory and legal framework within which we operate, see the section titled “**Key Industrial Regulations and Policies**” at page 101 of this Red Herring Prospectus. The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.

### **I. APPROVALS FOR THE ISSUE**

The following approvals have been obtained in connection with the Issue:

#### **Corporate Approvals:**

- a) The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on March 17, 2023 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
- b) The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a Special Resolution passed in the Extra Ordinary General Meeting held on March 18, 2023 authorized the Issue.
- c) Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated May 09, 2023.
- d) Our Board approved the Red Herring Prospectus pursuant to its resolution dated July 03, 2023.

#### **Approval from the Stock Exchange:**

- e) In-principle approval dated June 14, 2023 from BSE for using the name of the Exchange in the offer documents for listing of the Equity Shares on SME Platform of BSE, issued by our Company pursuant to the Issue.

#### **Agreements with NSDL and CDSL:**

- f) The company has entered into an agreement dated March 09, 2023 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Bigshare Services Private Limited for the dematerialization of its shares.
- g) Similarly, the Company has also entered into an agreement dated March 10, 2023 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- h) The International Securities Identification Number (ISIN) of our Company is INE0P3N01018.

### **II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY**

S. No.	Nature of Registration	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation	U25209GJ2019PTC108782	Companies Act, 2013	Registrar of Companies, Central Registration Centre	June 21, 2019	Valid till cancelled
2.	Certificate of Incorporation Consequent upon	U25209GJ2019PLC108782	Companies Act, 2013	Registrar of Companies,	March 14, 2023	Valid till cancelled



S. No.	Nature of Registration	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
	conversion to public company			Ahmedabad, Gujarat		

### III. GENERAL APPROVALS

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

#### A. TAX RELATED APPROVALS:

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department, Government of India	AAHCK6874G	June 21, 2019	Valid until cancelled
2.	TAN (Tax Deduction Account Number)	Income Tax Act, 1961	Commissioner of Income Tax	AHMK11317F	June 21, 2019	Valid till cancelled
3.	Goods & Service Tax Registration Certificate (Gujarat)	Central Goods and Services Tax Act, 2017	Government of India	24AAHCK6874G1Z9	Valid from June 21, 2019 and Date of Issue of renewed certificate January 01, 2023	Valid till cancelled
4.	Goods & Service Tax Registration Certificate (Uttar Pradesh)	Central Goods and Services Tax Act, 2017	Government of India	09AAHCK6874G1Z1	July 20, 2022	Valid till cancelled
5.	Goods & Service Tax Registration Certificate (Telangana)	Central Goods and Services Tax Act, 2017	Government of India	36AAHCK6874G1Z4	March 03, 2020	Valid till cancelled
6.	Professional Tax Registration (Enrolment Certificate) for Registered Office	The Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976	Amdavad Municipal Corporation	PEC010449002975	March 09, 2023	Valid Till Cancelled
7.	Professional Tax Registration (Registration Certificate) for Registered Office	The Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976	Amdavad Municipal Corporation	PRC010449000317	March 20, 2023	Valid Till Cancelled
8.	Professional Tax Registration (Registration Certificate) for manufacturing facility situated at Plot No. 3,4 , Survey No. 286, Industrial Area, Zak.	The Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976	Development Authority, Taluka Dehgam	06040330016	.*	Valid Till Cancelled
9.	Professional Tax Registration (Registration Certificate) for manufacturing	The Gujarat State Tax on Professions, Trades, Callings	Vahela Gram Panchayat, Daskroi, Ahmedabad	07010600061	March 19, 2023	Valid Till Cancelled

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
	facility situated at Suprim -2 Industrial Park, Zak, Gandhinagar	and Employments Act, 1976				

\* Date not identifiable

#### B. INDUSTRIAL AND LABOUR LAW RELATED APPROVALS:

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Factory License (P. No. 3&4 Gandhinagar)	Factories Act, 1948	Deputy Director, Industrial Safety and Health, Gandhinagar, Gujarat State	1957/22201/2020	June 06, 2020	December 31, 2023
2.	Factory License (S. No. 285, 339 (Old) Gandhinagar)	Factories Act, 1948	Deputy Director, Industrial Safety and Health, Gandhinagar, Gujarat State	2548/22201/2020	July 18, 2020	December 31, 2024
3.	Importer-Exporter Code number (IEC)	The Foreign trade (Development and Regulation) Act, 1992	Additional Directorate General of Foreign Trade	AAHCK6874G	July 12, 2019	Valid till cancelled
4.	Udyam Registration as Small Unit in manufacturing	MSME Development Act, 2006	Ministry of Small, Micro and medium enterprises	UDYAM-GJ-01-0035177	December 28, 2020	Valid till cancelled
5.	Registration under Employees' Provident Funds	Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organisation	GJNRD2080366000	March 13, 2020	Valid till cancelled
6.	Employees' State Insurance Corporation (ESIC)	Employees' State Insurance Act, 1948	Office of the Dy. Director, Ahmedabad	37001362400001099	February 17, 2023	Valid till cancelled
7.	Legal Entity Identifier (LEI)	LEI Code	Legal Entity Identifier India Limited	335800SOQJL678GCJT06	February 28, 2022	February 28, 2024

#### C. ENVIRONMENTAL LAW RELATED APPROVALS:




Sr. No	Description	Applicable law	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Provisional Consent Order (CCA) Consolidated Consent & Authorization for manufacturing facility at 3/338, Zak, Dehgam, Gandhinagar*	Water (Prevention and Control of Pollution) Act-1974 and Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules 2016	Gujarat Pollution Control Board	AWH-58045	September 03, 2022	September 02, 2027

\*The above provisional consent order has been issued by Gujarat Pollution Control Board ("GPCB") in the name of M/s Shreeji Plast (sole proprietorship of Rajeshbhai Dhirubhai Patel, who is the owner of the said factory premises). Our Company has made an application dated September 09, 2022 with GPCB for change in name in the said order to Kaka Industries Private Limited.

**D. Quality Certifications:**

Sr. No	Nature of Registration	Registration/ Licence	Licence No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Quality Management System Manufacturing and Supply of PVC Profiles, CPVC & UPVC Pipes, Fitting, Doors, Windows, HDPE Granules and Pipes.	ISO 9001:2015	QMS/015392/0320	United Ackrederiting Services Limited, UK	Valid from March 18, 2020; Issued on February 11, 2023	February 10, 2026
2.	BIFMA LEVEL 1 Manufacturing and Supply of PVC Profiles, CPVC & UPVC Pipes, Fitting, Doors, Windows, HDPE Granules and Pipes	BIFMA LEVEL 1	BIFMA/015396/0320	United Ackrederiting Services Limited, UK	Valid from March 18, 2020; Issued on February 10, 2023	February 09, 2026
3.	Environmental Management System Manufacturing and Supply of PVC Profiles, CPVC & UPVC Pipes, Fitting, Doors, Windows, HDPE Granules and Pipes	ISO 14001:2015	EMS/015393/0320	United Ackrederiting Services Limited, UK	Valid from March 18, 2020; Issued on February 11, 2023	February 10, 2026
4.	Certificate of Compliance Manufacturing and Supply of PVC Profiles, CPVC & UPVC Pipes, Fitting, Doors, Windows, HDPE Granules and Pipes	Construction Products Regulation (CPR) 305/2011	CE/015395/0320	United Ackrederiting Services Limited, UK	Valid from March 18, 2020; Issued on February 11, 2023	February 10, 2026
5.	Occupational Health and Safety Management Systems Manufacturing and Supply of PVC Profiles, CPVC & UPVC Pipes, Fitting, Doors, Windows, HDPE Granules and Pipes	ISO 45001:2018	OHSMS/015394/0320	United Ackrederiting Services Limited, UK	Valid from March 18, 2020; Issued on March 11, 2023	March 10, 2026
6.	Assured Green Business Manufacturing and Supply of PVC Profiles, CPVC & UPVC Pipes, Fitting, Doors, Windows, HDPE Granules and Pipes	Assured Green Business	AGB/015397/0320	United Ackrederiting Services Limited, UK	Valid from March 18, 2020; Issued on February 10, 2023	February 09, 2026

**E. INTELLECTUAL PROPERTY RELATED APPROVALS:**

Sr. No.	Brand Name/ Logo/ Trademark	Class	TM Category	Owner*	Application No./ Registration Certificate No.	Date of Registration	Current Status
1.		17	Trade Mark	Shreeji Plast Mart sole proprietorship of Rajesh Dhirubhai Gondaliya	Application No. 1853412 Certificate No. 1616410	August 21, 2009	Registered
2.		20	Trade Mark	Shreeji Plast Mart sole proprietorship of Rajesh Dhirubhai Gondaliya	Application No. 5023177 Certificate No. 2882275	June 29, 2021	Registered
3.		19	Trade Mark	Shreeji Plast Mart sole proprietorship of Rajesh Dhirubhai Gondaliya	Application No. 5023176 Certificate No. 2882274	June 29, 2021	Registered
4.	KAKA	37	Trade Mark	Shreeji Plast Mart sole proprietorship of Rajesh Dhirubhai Gondaliya	Application No. 4996634 Certificate No. 3153205	June 07, 2021	Registered
5.	KAKA	19	Trade Mark	Shreeji Plast Mart sole proprietorship of	Application No. 4996632	June 07, 2021	Accepted and advertised

Sr. No.	Brand Name/ Logo/ Trademark	Class	TM Category	Owner*	Application No./ Registration Certificate No.	Date of Registration	Current Status
				Rajesh Dhirubhai Gondaliya			
6.	KAKA	20	Trade Mark	Shreeji Plast Mart sole proprietorship of Rajesh Dhirubhai Gondaliya	Application No. 4996633	June 07, 2021	Accepted and advertised

*\*The said trademarks are registered/ accepted and advertised in the name of Shreeji Plast Mart, a sole proprietorship of Rajesh Dhirubhai Gondaliya, our Promoter, Chairman and Managing Director, and is used by company vide No Objection Certificates. Further, we are also in use of certain other trademarks which are not registered by us or our promoters. For details, please refer to Risk factor “We have not registered the trademarks which we are using for our business. If we are unable to protect our intellectual property against third party infringement or are found to infringe on the intellectual property rights of others, it could have a material adverse effect on our business, results of operations and financial condition” on page 31 of this Red Herring Prospectus.*

#### IV. Approvals or Licenses pending to be applied:

- Consent to operate and Consent to establish from Gujarat Pollution Control Board in respect of manufacturing facilities located at (i) Survey No. 285, Industrial Area Zak, Taluka - Dehgam, Gandhinagar and (ii) Plot No 1, Suprim -2, Industrial Park, Zak, Taluka Daskroi, Gamvehlal, Ahmedabad.
- Professional tax registration for (i) depots situated at Surat and Hyderabad (ii) manufacturing facility at Survey No. 338, Plot No. 3 And 4, G.I.D.C. Zak, Taluka Dehgam, Gandhinagar
- Registration under the Shop & Establishment Act in the respective state laws for (i) depots located at (a) Gagilapur (Telangana), (b) Dadri (Uttar Pradesh) and (c) Surat (Gujarat) and (ii) all the Godowns.
- ESIC registration for all the factory workers/employees in the manufacturing facilities & godowns at Gandhinagar, Gujarat
- Fire NOC in respect of registered office and other applicable premises.
- Change in name of all the licenses and approvals which are in the name of “Kaka Industries Private Limited”, the same are required to be updated/ changed with various government/ semi government authorities and various organization consequent to the conversion of the Company to Public Company i.e. Kaka Industries Limited;

#### V. Approvals or Licenses applied but not received:

- Professional tax registration for manufacturing facility located at Survey No. 285, Old Survey No. 339, Industrial Area Zak, Village Zak, Opp. Honest Petrol Pump, Vehlal Road, Taluka - Dehgam, Gandhinagar, Gujarat, 382330
- Professional tax registration for godown located at Plot No 1 and 2, Sur No 282, Zak GIDC, Zak, Gandhinagar, Gandhinagar, Gujarat, 382305
- Our Company has made an application dated September 09, 2022 with GPCB to change the name in the Provisional Consent Order (CCA) Consolidated Consent & Authorization for manufacturing facility at 3/338, Zak, Dehgam, Gandhinagar, which is in the name of M/s Shreeji Plast (sole proprietorship of Rajeshbhai Dhirubhai Patel, who is the owner of the said factory premises), to Kaka Industries Private Limited. We are yet to receive the final Consolidated Consent & Authorization in respect of the said manufacturing unit.
- Registration under the Shop & Establishment Act in respect of registered office.

## OUR GROUP COMPANIES

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group companies with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and stub period and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated March 17, 2023 for the purpose of disclosure in relation to Group companies in connection with the Issue, a company shall be considered material and disclosed as a Group companies if such company fulfills both the below mentioned conditions:

- i. Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations; and
- ii. Our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of total revenue of the company as per Restated Financial Statements.

Based on the above, the following Companies are identified as our Group Companies:

1. Pinaxis Hi-Tech Engineering Private Limited
2. Kaka Engineering Private Limited
3. Bakelite Engineering Private Limited

### Details of our Group Companies:

#### **1. Pinaxis Hi-Tech Engineering Private Limited**

Pinaxis Hi-Tech Engineering Private Limited was incorporated on February 08, 2013 as a private limited company under the Companies Act, 1956 with name “Shreeji PVC Profile Private Limited” pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Further, the company has changed its name from “Shreeji PVC Profile Private Limited” to “Pinaxis Hi-Tech Engineering Private Limited” vide new certificate of incorporation dated September 26, 2016, issued by the Registrar of Companies, Ahmedabad pursuant to the change in name.

<b>CIN</b>	U29100GJ2013PTC073513
<b>PAN</b>	AASCS6744G
<b>Registered Office</b>	Block No 434, Ahmedabad-Indore Highway Village: Mirzapur, Taluka Kathlal, Mirzapur, Kheda-387630 Gujrat

#### **2. Kaka Engineering Private Limited (formerly known as Kaka PVC Profile Private Limited)**

Kaka Engineering Private Limited was incorporated on October 24, 2017 as a private limited company under the Companies Act, 2013 with name “Kaka PVC Profile Private Limited” pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Further, company has changed its name from “Kaka PVC Profile Private Limited” to “Kaka Engineering Private Limited” vide new Certificate of incorporation dated January 20, 2022 issued by the Registrar of Companies, Ahmedabad pursuant to change in name.

<b>CIN</b>	U31100GJ2017PTC099569
<b>PAN</b>	AAGCK8138A
<b>Registered Office</b>	303, 3 <sup>rd</sup> Floor, Plot No 537, Span Arcade, Road No 15, Kathwada GIDC Ahmedabad-382430 Gujarat

#### **3. Bakelite Engineering Private Limited**

Bakelite Engineering Private Limited was incorporated on January 08, 2020 as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre.

<b>CIN</b>	U25209GJ2020PTC111943
<b>PAN</b>	AAICB8478J
<b>Registered Office</b>	248/1/1, Rania , Village: Raniya Taluka: Savli Vadodara-391780 Gujarat

## **Financial Information**

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, basic earnings per share, diluted earnings per share and Net Asset Value, derived from the latest audited financial statements available on a standalone basis of our group companies are available on the website of our company at [www.kakaprofile.com](http://www.kakaprofile.com).

It is clarified that such details available on our group companies' websites do not form a part of this Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Group Companies' website, as mentioned above, would be doing so at their own risk.

## **Litigations**

Our Group Companies does not have any pending litigation which can have a material impact on our Company.

## **Common pursuits among Group Companies**

Kaka Engineering Private Limited (*formerly known as Kaka PVC Profile Private Limited*) is engaged in the business of UPCV/ PVC doors, windows and other products, which is similar line of business as of our Company. Our Company will ensure necessary procedures and practices as permitted by laws and regulatory guidelines to address situations of conflict of interest as and when they arise. For further details, see "**Risk Factor**" on page 25.

## **Nature and Extent of Interest of Group Companies**

### **a) In the promotion of our Company:**

Our Group Companies does not have any interest in the promotion of our Company.

### **b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Red Herring Prospectus with stock exchange:**

Our Group Companies does not have any interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Red Herring Prospectus with Stock Exchange.

### **c) In transactions for acquisition of land, construction of building and supply of machinery:**

Except as disclosed below, none of our Group Companies have any interest in any transactions for the acquisition of land, construction of building or supply of machinery:

(i) Pinaxis Hi-Tech Engineering Private Limited is currently supplying us steel structural items for construction of our new manufacturing unit at village Lasundra, Kheda district (Gujarat). For details of amount of material supplied, please refer to "**Restated Financial Statements-Related Party Transactions**" on page 162 of this Red Herring Prospectus.

(ii) In F.Y. 2019-20, we acquired the profile sheet machinery setup of our Group Company, Kaka Engineering Private Limited (*formerly known as Kaka PVC Profile Private Limited*). For details, please refer to "**Restated Financial Statements-Related Party Transactions**" on page 130 of this Red Herring Prospectus.

## **Related business transactions and their significance on the financial performance of our Company**

Other than the transactions disclosed in the section "**Restated Financial Statements-Related Party Transactions**" on page 130, there are no related business transactions between the Group Companies and our Company.

## **Business interest of our Group Companies in our Company**

Except as disclosed in the section "**Other Financial Information-Related Party Transactions**" and "**History and certain Corporate Structure**" on page 162 and page 109, our Group Companies have no business interests in our Company.

## **Other confirmations**

- a) None of the above-mentioned Group Companies has made any public and/ or rights issue of securities in the preceding three years.
- b) None of the above-mentioned Group Companies are in defaults in meeting any Statutory/ bank/ institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies.



- c) Our Group Companies has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

**Undertaking/ Confirmations by our Group Companies**

None of our Promoters or Promoter Group or Group companies or person in control of our Company has been:

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company have ever been a Promoters, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group companies/ Promoter Group entities have been declared as a willful defaulter or economic offender by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

The information as required by the SEBI ICDR Regulations with regards to the Group companies, are also available on the website of our company i.e. [www.kakaprofile.com](http://www.kakaprofile.com).



## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

### **Corporate Approvals**

The Board of Directors, pursuant to a resolution passed at their meeting held on March 17, 2023 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting held on March 18, 2023 authorized the Issue.

### **In-principal Approval**

Our Company has obtained in-principal approval from the SME Platform of BSE (BSE SME) for using its name in this Offer Document pursuant to an approval letter dated June 14, 2023. BSE being the Designated Stock Exchange.

### **Prohibition by SEBI, RBI or governmental authorities**

As on date of this Red Herring Prospectus, we confirm that our Company, our Promoters, our Promoter Group, our Directors, person(s) in control of the promoter, our Group Companies or the natural person(s) in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court.

The companies, with which our Directors are or were associated as promoter, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

None of our Directors or the entities that our Directors are associated with as promoter or directors is in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are associated with as promoter or directors.

### **Prohibition with respect to wilful defaulter or a fraudulent borrower**

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as wilful defaulter or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Red Herring Prospectus.

### **Eligibility for the Issue**

Our Company is eligible in terms of Regulations 230 of SEBI (ICDR) Regulations for this issue.

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this issue is an Initial Public Issue in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than ten crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange [in this case being the "SME Platform of BSE (BSE SME)"].

### **We confirm that:**

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the BRLM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "**General Information – Underwriting**" beginning on page 54 of this Red Herring Prospectus.
2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or Equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our

Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.

3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Red Herring Prospectus/ Red Herring Prospectus/ Prospectus.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE (BSE SME). For further details of the arrangement of market making please refer to section titled “**General Information- Details of the Market Making Arrangements for this Issue**” beginning on page 54 of this Red Herring Prospectus.
5. In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.
6. In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoters or directors is a fugitive economic offender.
7. In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to SME Platform of BSE and BSE Ltd. is the Designated Stock Exchange.
8. In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.
9. In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital is fully Paid-up.
10. In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialised form.
11. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated March 09, 2023 and National Securities Depository Limited (NSDL) dated March 10, 2023 for establishing connectivity.
12. Our Company has a website i.e. [www.kakaprofile.com](http://www.kakaprofile.com)
13. There has been no change in the promoters of the Company in the preceding one year from date of filing application to SME Platform of BSE.

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

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of BSE:-

- 1) Our Company was originally incorporated as a private limited Company under the name of “Kaka Industries Private Limited” on June 21, 2019 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad bearing registration number as 108782. Subsequently, the name of our Company was changed from “Kaka Industries Private Limited” to “Kaka Industries Limited” vide Certificate of Incorporation Consequent upon conversion to Public Limited Company dated March 14, 2023, issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate identification number of our Company is U25209GJ2019PLC108782.
- 2) The post issue paid up capital of the company will be upto 1,36,60,000 shares of face value of ₹ 10/- aggregating up to ₹ 13.66 Crores which is less than ₹ 25 Crores.
- 3) The Company has a track record of at least 3 years as on the date of filling Red Herring Prospectus.
- 4) As on March 31, 2023, the Company has net tangible assets of ₹ 6,748.40 Lakhs.

- 5) The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for atleast 2 financial years out of preceding three financial years and its net-worth as on March 31, 2023, March 31, 2022 and March 31, 2021 is positive.

Particulars	(₹ Lakhs)		
	March 31, 2023	March 31, 2022	March 31, 2021
Cash Accruals	1,139.56	773.16	483.97
EBITDA	1,345.26	956.05	604.73
Networth	1,956.88	1,241.31	743.65

- 6) 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 promoter, Group Companies, companies promoted by the promoter of the Company;
- 7) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);
- 8) 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.
- 9) No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company
- 10) The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years

#### DISCLAIMER CLAUSE OF SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MAY 09, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT OFFER DOCUMENT/ OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT.**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Red Herring Prospectus with the Registrar of Companies, Ahmedabad in terms of sections 26 and 33 of the Companies Act, 2013.

#### Statement on Price Information of Past Issues handled by Hem Securities Limited:

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing
1.	Lloyds Luxuries Limited	24.00	40.00	October 11, 2022	45.15	25.63% [6.15%]	29.75% [6.58%]	-44.87% [3.77%]
2.	Vedant Asset Limited	3.00	40.00	October 12, 2022	65.00	44.25% [5.91%]	37.50% [4.32%]	-1.82% [3.85%]
3.	Baheti Recycling Industries Limited	12.42	45.00	December 08, 2022	120.00	174.67% [-2.73%]	107.78% [4.82%]	135.22% [0.14%]
4.	Chaman Metallics Limited	24.21	38.00	January 16, 2023	68.00	44.47% [0.68%]	19.74% [-1.05%]	N.A.
5.	Earthstahl & Alloys Limited	12.96	40.00	February 08, 2023	55.00	22.50% [1.41%]	45.83% [1.81%]	N.A.
6.	Macfos Limited	23.75	102.00	March 01, 2023	184.00	69.61% [0.71%]	174.41% [5.99%]	N.A.
7.	Systango Technologies Limited	34.82	90.00	March 15, 2023	98.00	110.56% [5.00%]	132.56% [10.28%]	N.A.
8.	Labelkraft Technologies Limited	4.75	55.00	March 23, 2023	56.00	0.27% [3.68%]	24.55% [9.66%]	N.A.
9.	Vasa Denticity Limited	54.06	128.00	June 02, 2023	211.00	156.13% [3.53%]	N.A.	N.A.
10.	Hemant Surgical Industries Limited	24.84	90.00	June 05, 2023	171.00	N.A.	N.A.	N.A.

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

1. The scrip of Chaman Metallics Limited, Earthstahl & Alloys Limited, Macfos Limited Systango Technologies Limited and Labelkraft Technologies Limited has not completed its 180<sup>th</sup> days from the date of listing; Vasa Denticity Limited has not completed its 90<sup>th</sup> days from the date of listing and Hemant Surgical Industries Limited has not completed its 30<sup>th</sup> days from the date of listing.

#### Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over 50 %	Between 25-50%	Less than 25 %	Over 50 %	Between 25-50%	Less than 25 %	Over 50 %	Between 25-50%	Less than 25 %	Over 50 %	Between 25-50%	Less than 25 %
2021-22	6 <sup>(1)</sup>	130.40	-	-	-	4	-	2	-	-	-	6	-	-
2022-23	15 <sup>(2)</sup>	220.57	-	-	-	6	5	3	-	-	-	7	-	3
2023-24	2 <sup>(3)</sup>	78.90	1	-	-	-	-	-	-	-	-	-	-	-

- 1) *The scrip of EKI Energy Services Limited, DU Digital Technologies Limited, Prevest Denpro Limited, Jainam Ferro Alloys (I) Limited, Shri Venkatesh Refineries Ltd. and KN Agri Resources Limited was listed on April 7, 2021, August 26, 2021, September 27, 2021, October 08, 2021, October 11, 2021 and March 28, 2022 respectively; and.*
- 2) *The scrip of Krishna Defence and Allied Industries Limited was listed on April 6, 2022; Eighty Jewellers Limited was listed on April 13, 2022; Kesar India Limited was listed on July 12, 2022; Silicon Rental Solutions Limited was listed on October 10, 2022; Cargosol Logistics Limited was listed on October 10, 2022; Cargotrans Maritime Limited was listed on October 10, 2022; Concord Control Systems Limited was listed on October 10, 2022; Lloyds Luxuries Limited was listed on October 11, 2022; Vedant Asset Limited was listed on October 12, 2022; Baheti Recycling Industries Limited was listed on December 08, 2022; Chaman Metallics Limited was listed on January 16, 2023; Earthstahl & Alloys Limited was listed on February 08, 2023; Macfos Limited was listed on March 01, 2023; Systango Technologies Limited was listed on March 15, 2023 and Labelkraft Technologies Limited was listed on March 23, 2023.*
- 3) *The scrip of Vasa Denticity Limited was listed on June 02, 2023; Hemant Surgical Industries Limited was listed on June 05, 2023.*

**Note:**

- a) Based on date of listing.
- b) BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings) managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Manager are provided.

**Track Record of past issues handled by Hem Securities Limited**

For details regarding track record of BRLM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at [www.hesecurities.com](http://www.hesecurities.com).

**Disclaimer from our Company and the Book Running Lead Manager**

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus or, in case of the Company, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement entered between the BRLM (Hem Securities Limited), and our Company on May 05, 2023 and the Underwriting Agreement dated May 29, 2023 entered into between the Underwriter, and our Company and the Market Making Agreement dated May 29, 2023 entered into among the Market Maker and our Company.

All information shall be made available by our Company, and the Book Running 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 Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, 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 Companies, and our affiliates or associates for which they have received and may in future receive compensation.

**Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the issue.

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Ahmedabad, 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. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **Disclaimer Clause of the SME Platform of BSE**

BSE Limited (“BSE”) has vide its letter dated June 14, 2023, given permission to “Kaka Industries Limited” to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform (“SME platform”) the Company’s securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

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

### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

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



jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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

### **Filing of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with the SEBI/ RoC**

The Red Herring Prospectus is being filed with BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 Maharashtra, India.

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

A copy of the Red Herring Prospectus/ Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 26 & 32 of the Companies Act, 2013, and a copy of the Red Herring Prospectus/ Prospectus, required to be filed under Section 26 & 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Ahmedabad at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat

### **Listing**

The Equity Shares of our Company are proposed to be listed on BSE SME. Our Company has obtained in-principle approval from BSE Limited by way of its letter dated June 14, 2023 for listing of equity shares on SME Platform of BSE (BSE SME).

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the BSE SME is not granted by BSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE SME mentioned above are taken within Six (6) Working Days of the Bid/Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- iii. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

### **Consents**

Consents in writing of Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker to the Company, Book Running Lead Manager, Registrar to the Issue, Legal Advisor to the Issue, Banker to the Issue/ Sponsor Bank, Syndicate Members, Underwriter to the Issue and Market Maker to the Issue to act in their



respective capacities have been obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus/ 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 Red Herring Prospectus/ Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 2018, M/s. Dinesh R Thakkar & Co., Chartered Accountants, Statutory Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Red Herring Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC.

#### **Experts Opinion**

Except for the reports in the section titled “*Financial Statements*” and “*Statement of Special Tax Benefits*” on page 130 and 80 respectively of this Red Herring Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

#### **Fees, Brokerage and Selling Commission payable**

The total fees payable to the Book Running Lead Manager will be as per the (i) Agreement dated May 05, 2023 with the Book Running Lead Manager, (ii) the Underwriting Agreement dated May 29, 2023 with the Underwriter and (iii) the Market Making Agreement May 29, 2023 with the Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 AM to 5.00 PM on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

#### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company, and the Registrar to the Issue dated May 05, 2023, a copy of which is available for inspection at our Company’s Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

#### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Red Herring Prospectus.

#### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to the section titled “*Capital Structure*” beginning on page 57 of this Red Herring 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.

#### **Previous capital issue during the last three years by listed Group Companies of our Company**

We do not have any Group Company.

#### **Performance vis-à-vis objects**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

#### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **Partly Paid-Up Shares**

As on the date of this Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Red Herring Prospectus.

### **Option to Subscribe**

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

### **Stock Market Data for our Equity Shares**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

### **Investor Grievances and Redressal System**

The agreement between 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) years from the last date of dispatch of the letters of allotment and Demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investors complaints received during the three years preceding the filing of this Red Herring Prospectus. Since there are no investors complaints received, none are pending as on the date of filing of this Red Herring Prospectus.

Investors may contact the BRLM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants’ DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, BRLM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

### **Disposal of Investor Grievances by our Company**

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 within 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 appointed Vandana Arun Baldi, as the Company Secretary and 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:

Vandana Arun Baldi  
Company Secretary and Compliance Officer  
**Kaka Industries Limited**  
**Address:** Plot No.67, Near Bhagwatinagar, Opp, Nilkanth Arcade,  
Ahmedabad-382415, Gujarat, India  
**Tel. No.:** +91-97253-33718  
**Email:** [investors@kakaprofile.com](mailto:investors@kakaprofile.com)  
**Website:** [www.kakaprofile.com](http://www.kakaprofile.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).

Our Board by a resolution on March 17, 2023 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled “**Our Management**” beginning on page 111 of this Red Herring Prospectus.

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Red Herring Prospectus.

### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “*Statement of Special Tax Benefits*” beginning on page 80 of this Red Herring Prospectus.

### **Purchase of Property**

Other than as disclosed in Section “*Our Business*” beginning on page 91 of this Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus.

Except as stated elsewhere in this Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

### **Capitalization of Reserves or Profits**

Save and except as stated in “*Capital Structure*” on page 57 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

### **Revaluation of assets**

There has not been any revaluation of assets since incorporation of the Company.

### **Servicing Behavior**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under chapter titled “*Our Management*” beginning on page 111 and chapter “*Financial Information*” beginning on page 130 of this Red Herring Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

### **Exemption from complying with any provisions of securities laws, if any**

As on date of the Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

## **SECTION VIII: ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applicants with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.*

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

#### **Authority for the Issue**

The present Public Issue of upto 36,60,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on March 17, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on March 18, 2023 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, “**Main Provisions of Article of Association**”, beginning on page 243 of this Red Herring Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled “**Dividend Policy**” and “**Main Provisions of Article of Association**” beginning on page 129 and 243 respectively of this Red Herring Prospectus.

## Face Value and Issue Price

The face value of each Equity Share is ₹ 10.00 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share (“Floor Price”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“Cap Price”). The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of Business Standard, an English national daily newspaper and all editions of Business Standard, a Hindi national daily newspaper and Ahmedabad edition of Amdavad Today, a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## Compliance with SEBI ICDR Regulations, 2018

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

## Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## Rights of the Equity Shareholders

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

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled “*Main Provisions of the Articles of Association*” beginning on page 243 of this Red Herring Prospectus.

## Minimum Application Value, Market Lot and Trading Lot

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being issued can be applied for in the dematerialized form only. In this context, two agreements shall be signed among our Company, the respective Depositories and Registrar to the Issue.

Tripartite Agreement dated March 10, 2023 between NSDL, our Company and Registrar to the Issue; and  
Tripartite Agreement dated March 09, 2023 between CDSL, our Company and Registrar to the Issue;

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 (BSE SME) 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.

### Minimum Number of Allottees

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

### Jurisdiction

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

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

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

### Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

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

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

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

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

### Issue Program

Event	Indicative Date
Bid/ Issue Opening Date	Monday, July 10, 2023
Bid/ Issue Closing Date	Wednesday, July 12, 2023
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about Monday, July 17, 2023
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	On or about Tuesday, July 18, 2023
Credit of Equity Shares to Demat Accounts of Allottees	On or about Wednesday, July 19, 2023

Event	Indicative Date
Commencement of Trading of The Equity Shares on the Stock Exchange	On or about Thursday, July 20, 2023

*Note Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations*

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

\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM 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 dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running 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 Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band 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.

Bid-Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

On the Bid/ Issue Closing Date, the Bids shall be uploaded until:

- (i) 4.00 P.M. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 P.M. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

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

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Issue, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise.

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



In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular Bidder, the details as per the file received from 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 Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level and 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 30 days from the date of the 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 Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, 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 or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “**General Information - Underwriting**” on page 54 of this Red Herring Prospectus.

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

### **Migration to Main Board**

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

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

If the Paid-up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## **Market Making**

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (BSE SME), wherein the Book Running 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 Book Running Lead Manager and the Market Maker please refer to section titled “*General Information - Details of the Market Making Arrangements for this Issue*” on page 54 of this Red Herring Prospectus.

## **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 platform of BSE Limited.

## **As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue**

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

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

## **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

## **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

## **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

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

## **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed under section titled “*Capital Structure*” beginning on page 57 of this Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled “*Main Provisions of the Articles of Association*” beginning on page 243 of this Red Herring Prospectus.

## **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after filing the Red Herring Prospectus/ 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.

## **Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the issue after the Bid/ Issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-issue

advertisements were published, within two days of the Bid/ Issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The BRLM through, the Registrar of the issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed.

*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 Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

**ISSUE STRUCTURE**

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than or equal to ten Crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the BSE SME i.e. SME platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled “Terms of the Issue” and “Issue Procedure” on page 206 and 216 of this Red Herring Prospectus.

**Issue Structure:**

Initial Public Issue of upto 36,60,000 Equity Shares of ₹ 10 each (*the “Equity Shares”*) for cash at a price of ₹. [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] Lakhs (*“the Issue”*) by the issuer Company (the “Company”).

The Issue comprises a reservation of upto 1,92,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker (*“the Market Maker Reservation Portion”*) and Net Issue to Public of upto 34,68,000 Equity Shares of ₹ 10 each (*“the Net Issue”*). The Issue and the Net Issue will constitute 26.79% and 25.39 %, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Book Building Process.

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	Upto 1,92,000 Equity Shares	Not more than 17,32,000 Equity Shares	Not less than 5,22,000 Equity Shares	Not less than 12,14,000 Equity Shares
<b>Percentage of Issue available for allocation</b>	5.25% of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
<b>Basis of Allotment<sup>(3)</sup></b>	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.  Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares.	Proportionate basis subject to minimum allotment of [●] Equity Shares

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
		discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits	[●] Equity Shares
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
<b>Mode of Bid</b>	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process via Banks or by using UPI ID for payment

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

- (1) Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- (3) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.
- (4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid-cum- Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

The Bids by FPIs with certain structures as described under “*Issue Procedure - Bids by FPIs*” on pages 213 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

#### Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/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 Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Bid/Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Red Herring 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) filing of the Red Herring Prospectus/ Prospectus with ROC.

#### Issue Program

Event	Indicative Dates
Bid/ Issue Opening Date	Monday, July 10, 2023
Bid/ Issue Closing Date	Wednesday, July 12, 2023
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about Monday, July 17, 2023
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or about Tuesday, July 18, 2023
Credit of Equity Shares to Demat accounts of Allottees	On or about Wednesday, July 19, 2023
Commencement of trading of the Equity Shares on the Stock Exchange	On or about Thursday, July 20, 2023

*Note <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations*

*<sup>2</sup>Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

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 Bid-Cum Application Form.

Standardization of cut-off time for uploading of applications on the Bid/ Issue Closing Date:

- A standard cut-off time of 3.00 P.M. for acceptance of applications.
- A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual applicants.
- 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 BRLM to BSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Bid-Cum Application form, for a particular applicant, the details as per physical Bid-Cum application form of that Applicant may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

## **ISSUE PROCEDURE**

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

Additionally, all Bidders may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for Bidders applying through ASBA process and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Bid Cum Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running 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 Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Red Herring Prospectus. Bidders 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 Red Herring Prospectus and the Prospectus.

This section applies to all the Bidders, please note that all the Bidders are required to make payment of the Full Application Amount along with the Bid Cum Application Form.

### **Phased implementation of Unified Payments Interface**

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth



transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

## PART A

### **Book Building 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(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, 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 BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

*Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.*

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy

of the Bid cum Application Form will also be available for download on the websites of the BSE, at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

**Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour*
Anchor Investor**	White
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained

Sr. No.	Designated Intermediaries
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

#### **Availability of Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

#### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, 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. Bidders are requested to refer to the RHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in

- single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: -Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
  - c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
  - d) Mutual Funds registered with SEBI;
  - e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
  - f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
  - g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
  - h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
  - i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
  - j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
  - k) Foreign Venture Capital Investors registered with the SEBI;
  - l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
  - m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
  - n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
  - o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
  - p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
  - q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
  - r) Multilateral and bilateral development financial institution;
  - s) Eligible QFIs;
  - t) Insurance funds set up and managed by army, navy or air force of the Union of India;
  - u) Insurance funds set up and managed by the Department of Posts, India;
  - v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

## 2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder 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 Bidders, 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.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders 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.**

### METHOD OF BIDDING PROCESS

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Ahmedabad Edition of Regional newspaper Amdavad Today where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period may be extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Ahmedabad Edition of Regional newspaper Amdavad Today where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Buildup of the Book and Revision of Bids".
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form

- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “**Issue Procedure**” beginning on page 216 of this Red Herring Prospectus
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum 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 Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

#### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

The BRLM 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 BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

**Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

**Information for the Bidders**

1. Our Company and the Book Running Lead Manager shall declare the Bid/ Issue Opening Date and Bid/ Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

**BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the



QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹ 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹ 200.00 Lakhs but upto ₹ 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹ 2500.00 Lakhs:(i)minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS BY ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

#### **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI 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 SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All 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 BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

**BIDS BY HUFs:**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum 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". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

**BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum 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 Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids 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.

**BIDS BY SYSTEMATICALLY IMPORTANT NON BANKING FINANCIAL COMPANIES:**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

**BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

**BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) 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;
- 2) 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
- 3) 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 (1), (2) and (3) 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.

#### **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids 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 along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, 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 Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids 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 lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paidup share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB'S:**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January

2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public 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, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective

names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: - “KAKA INDUSTRIES LIMITED IPO – ANCHOR ACCOUNT- R”
- b. In case of Non-Resident Anchor Investors: - “KAKA INDUSTRIES LIMITED IPO – ANCHOR ACCOUNT- NR”
- c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

**Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. of the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:

- Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 5.00 p.m. on the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.



### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

<b>Bid Quantity</b>	<b>Bid Amount (₹)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC**

- a) Our company has entered into an Underwriting Agreement dated May 29, 2023
- b) A copy of Red Herring Prospectus will be filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid/Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI

ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

**ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Red Herring Prospectus/ Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

**GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/Issue period and withdraw their Bids until Bid/issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

**Do's:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum 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 Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (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) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. 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;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum 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 Bids are liable to be rejected. Where the Bid cum 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 Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. 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;
24. 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;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed ₹ 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid 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 Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Other instructions for the Bidders**

**Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders 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 Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

## **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

## **Investor Grievance**

In case of any pre-issue or post issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

## **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

## **Submission of Bids**

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the RHP.

## **GROUND OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the RHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the RHP and as per the instructions in the RHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders),the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;

- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

#### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

#### **BASIS OF ALLOTMENT**

##### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●]Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;
  - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more

than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and

- in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

**c) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

**d) In the event the Issue Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the BSE SME (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) 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 oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders 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).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this RHP.

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 BSE.

The Executive Director/ Managing Director of BSE - the Designated Stock Exchange in addition to Book Running



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.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

### **Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

#### **“Any person who-**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

### **Undertakings by Our Company**

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter 's contribution in full has already been brought in;
6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite Agreement dated March 10, 2023 between NSDL, the Company and the Registrar to the Issue;
- Tripartite Agreement dated March 09, 2023 between CDSL, the Company and the Registrar to the Issue;
- The Company's equity shares bear an ISIN INE0P3N01018.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“RBI”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”).

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the “FDI Policy”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/ restrictions for overseas entities**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management. (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/ statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

### **Investment by NRI or OCI on repatriation basis**

The purchase/ sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Red Herring Prospectus.

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

The above information is given for the benefit of the Applicants. Our Company and the Book Running 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 Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## **SECTION IX - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY**

*The following regulations comprised in the Articles of Association were adopted pursuant to the member's special resolution passed at the Extra Ordinary General Meeting held on February 27, 2023 In substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the Company.*

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

### **INTERPRETATION**

- I 1. In these regulations-
  - b. "the Act" means the Companies Act, 2013,
  - c. "the seal" means the common seal of the company.
2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### **SHARE CAPITAL AND VARIATION OF RIGHTS**

- II. 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2.
  - i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,-
    - a. one certificate for all his shares without payment of any charges; or
    - b. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
  - ii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid - up thereon.
  - iii. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3.
  - i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
  - ii. The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5.
  - i. The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

- ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6.
  - i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
  - ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **LIEN**

9.
  - i. The company shall have a first and paramount lien
    - a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
    - b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:  
Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
  - ii. The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
  - iii. That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made-
  - a. unless a sum in respect of which the lien exists is presently payable; or
  - b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11.
  - i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof
  - ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.
  - iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12.
  - i. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
  - ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **CALLS ON SHARES**



13. i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
- Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- iii. A call may be revoked or postponed at the discretion of the Board.
- iv. That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits

14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board -

- a. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him and
- b. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### **TRANSFER OF SHARES**

19. i. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

iii. That a common form of transfer shall be used

20. i. The Board may, subject to the right of appeal conferred by section 58 decline to register—

ii. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

iii. any transfer of shares on which the company has a lien.

21. The Board may decline to recognise any instrument of transfer unless—

- a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

- b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- c. the instrument of transfer is in respect of only one class of shares.

That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### **TRANSMISSION OF SHARES**

- 23.
- i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares
  - ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
  - iii. That a common form of transmission shall be used
- 24.
- i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-
    - a. to be registered himself as holder of the share; or
    - b. to make such transfer of the share as the deceased or insolvent member could have made.
  - ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 25.
- i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
  - ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
  - iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### **FORFEITURE OF SHARES**

27. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

28. The notice aforesaid shall-
- a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30.
  - i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
  - ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31.
  - i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
  - ii. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
32.
  - i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
  - ii. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
  - iii. The transferee shall thereupon be registered as the holder of the share; and
  - iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **ALTERATION OF CAPITAL**

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35. Subject to the provisions of section 61, the company may, by ordinary resolution-
- i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and
  - iv. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
  - v. Permission for sub-division/ consolidation of share certificates
36. Where shares are converted into stock,—
- the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

- Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law-
- it share capital;
  - any capital redemption reserve account; or
  - any share premium account.

### **CAPITALISATION OF PROFITS**

38. The company in general meeting may, upon the recommendation of the Board, resolve-
- i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
  - ii. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
  - iii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-
    - a. paying up any amounts for the time being unpaid on any shares held by such members respectively;
    - b. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
    - c. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - iv. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - v. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
39. i. Whenever such a resolution as aforesaid shall have been passed, the Board shall-
- a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all
  - b. allotments and issues of fully paid shares if any; and
  - c. generally do all acts and things required to give effect thereto.
- ii. The Board shall have power-
- a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- iii. Any agreement made under such authority shall be effective and binding on such members

### **BUY-BACK OF SHARES**

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

### **GENERAL MEETINGS**

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.
42. i. The Board may, whenever it thinks fit, call an extraordinary general meeting.
- ii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### **PROCEEDINGS AT GENERAL MEETINGS**

43. i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

### **ADJOURNMENT OF MEETING**

47. i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **VOTING RIGHTS**

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,
- i. on a show of hands, every member present in person shall have one vote;
- ii. and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- iii. That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50. i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

- ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded maybe proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid
54. i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### **PROXY**

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105
57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **BOARD OF DIRECTORS**

58. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. The following are the First Directors of the Company:
1. Rajesh Dhirubhai Gondaliya
  2. Jinal Rajeshbhai Gondaliya
  3. Bhavin Rajeshbhai Gondaliya
59. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-
- in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - in connection with the business of the company.
60. The Board may pay all expenses incurred in getting up and registering the company.
61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
64. i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- ii. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

### **PROCEEDINGS OF THE BOARD**

65. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
66. i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- ii. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68. i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
69. i. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
70. i. A committee may elect a Chairperson of its meetings.
- ii. If no such Chairperson is elected, or if at any meeting the 72 Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
71. i. A committee may meet and adjourn as it thinks fit.
- ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.



73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

74. Subject to the provisions of the Act,
- i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **THE SEAL**

76.
  - i. The Board shall provide for the safe custody of the seal.
  - ii. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVE**

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79.
  - i. The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
  - ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
80.
  - i. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
  - ii. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
  - iii. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82. i. Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- ii. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85. No dividend shall bear interest against the company.

#### **ACCOUNTS**

86. i. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- ii. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### **WINDING UP**

87. Subject to the provisions of Chapter XX of the Act and rules made thereunder-
- i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY**

88. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## **SECTION IX – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the registered office between 10 A.M. and 5 P.M. on all Working Days from the date of this Red Herring Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Agreement dated May 05, 2023 executed between our Company and the Book Running Lead Manager to the Issue.
2. Agreement dated May 05, 2023 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated May 11, 2023 among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Syndicate Agreement dated May 29, 2023 among our Company, the Book Running Lead Manager and Syndicate Member.
5. Market Making Agreement dated May 29, 2023 between our Company, Book Running Lead Manager and Market Maker.
6. Underwriting Agreement dated May 29, 2023 between our Company, Book Running Lead Manager and Underwriter.
7. Tripartite Agreement dated March 09, 2023 among CDSL, the Company and the Registrar to the Issue.
8. Tripartite Agreement dated March 10, 2023 among NSDL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated June 21, 2019 issued by the Registrar of Companies, Central Registration Centre.
3. Fresh Certificate of Incorporation dated March 14, 2023 issued by the Registrar of Companies, Ahmedabad, Gujarat consequent upon change of Name of the company from “Kaka Industries Private Limited” to “Kaka Industries Limited”.
4. Copy of the Board Resolution dated March 17, 2023 authorizing the Issue and other related matters.
5. Copy of Shareholder’s Resolution dated March 18, 2023 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.
7. Statutory Auditors Report dated May 29, 2023 on the Restated Financial Information of our Company for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.
8. Copy of the Statement of Special Tax Benefits dated April 11, 2023 from the Statutory Auditor.
9. Certificate on KPI’s issued by Statutory Auditors dated June 14, 2023.
10. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Statutory Auditor of the Company, Advisors to the Issue, Market Maker, Underwriter, Bankers to our Company, Banker to the Issue/ Sponsor Bank, Syndicate Member, Promoter of our Company, Directors of our Company, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
11. Board Resolution dated May 09, 2023 for approval of Draft Red Herring Prospectus, dated July 03, 2023 for approval of Red Herring Prospectus and dated [●] for approval of Prospectus.
12. Due Diligence Certificate from Book Running Lead Manager dated May 09, 2023.
13. Approval from BSE vide letter dated June 14, 2023 to use the name of BSE in the Red Herring Prospectus/ Prospectus for listing of Equity Shares on the BSE SME (SME Platform) of the BSE Ltd.

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Rajesh Dhirubhai Gondaliya Chairman & Managing director DIN: 03454540	Sd/-

Date: July 03, 2023

Place: Ahmedabad

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Bhavin Rajeshbhai Gondaliya Wholeitme Director DIN: 07965097	Sd/-

Date: July 03, 2023

Place: Ahmedabad

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Prabhaven Rajeshbhai Gondaliya Non-Executive Director DIN: 06851276	Sd/-

Date: July 03, 2023

Place: Ahmedabad

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

Name and Designation	Signature
Niraj Davariya Independent Director DIN: 09371601	Sd/-

Date: July 03, 2023

Place: Ahmedabad



**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Jaimish Govindbhai Patel Independent Director DIN: 09647742	Sd/-

Date: July 03, 2023

Place: Ahmedabad

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Chintan Jayantibhai Bodar Chief Financial Officer	Sd/-

Date: July 03, 2023

Place: Ahmedabad

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Vandana Arun Baldi Company Secretary and Compliance Officer	Sd/-

Date: July 03, 2023

Place: Ahmedabad