



SAHAJ FASHIONS LIMITED
CIN: U17119RJ2011PLC035248

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
Shree Bhawan Ajmer Road Madanganj Kishangarh- 305801, Rajasthan India	N.A.	Mr. Mukul Lakhotia, Chief Financial Officer	Email: cfo@sahajfashions.in Tel: +91 9462788792	www.sahajfashions.in

PROMOTERS OF THE COMPANY

MR. ROHIT TOSHNIWAL, MR. NORAT MAL CHOUDHARY MS. SADHANA TOSHNIWAL, MRS. PRABHA LAKHOTIA, MR. RAKESH CHOUDHARY, MR. MUKUL LAKHOTIA AND MR. NITIN TOSHNIWAL

DETAILS OF OFFER TO PUBLIC

Type	Fresh Issue Size (Rs. In Lakhs)	OFS Size (Rs. In Lakhs)	Total Offer Size (Rs. In Lakhs)	Eligibility
Fresh Issue & OFS	44,76,000 Equity Shares aggregating up to ₹ 1,342.80 Lakhs	1,76,000 Equity Shares aggregating up to ₹ 52.80 Lakhs	Rs. 1,395.60 Lakhs	THIS OFFER IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.

DETAILS OF OFFER FOR SALE BY THE SELLING SHAREHOLDER AND THEIR WEIGHTED AVERAGE COST OF ACQUISITION OF EQUITY SHARES

Name of Selling Shareholder	Type	Number of Shares Offered/Amount	Weighted Average Cost of Acquisition on fully diluted basis (In ₹)
Mr. Ankur Shah	Non-Promoter Selling Shareholder	Up to 1,76,000 Equity Shares aggregating up to ₹ 52.80 Lakhs	Negligible

RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is Rs. 10 each and the Offer Price is 3.00 times of the face value of the Equity Shares. The Offer Price (determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Offer Price" on page 85 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Offer 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 Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares issued in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 23.


ISSUER'S ABSOLUTE RESPONSIBILITY

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


LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of NSE (NSE Emerge) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

LEAD MANAGER TO THE OFFER

Name and Logo	Contact Person	Email and Telephone
Khambatta Securities Limited 	Mr. Vipin Aggarwal; Mr. Vinay Pareek	Email: ipo@khambattasecurities.com Tel: 011-41645051, 022-66413315

REGISTRAR TO THE OFFER

Name and Logo	Contact Person	Email and Telephone
Bigshare Services Private Limited 	Mr. Swapnil Kate	Email: ipo@bigshareonline.com Tel.: 022 6263 8200

OFFER PROGRAMME

OFFER OPENS ON: FRIDAY, AUGUST 25, 2023

OFFER CLOSES ON: TUESDAY, AUGUST 29, 2023



SAHAJ FASHIONS LIMITED
 CIN: U17119RJ2011PLC035248

Our Company was incorporated as Sahaj Fashions Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated May 20, 2011 in Roc of Jaipur. Later, our company was converted into a Public Limited Company pursuant to Shareholders Resolution dated April 02, 2018 and the name of our Company was changed to "Sahaj Fashions Limited" vide fresh Certificate of Incorporation dated April 17, 2018 with CIN U17119RJ2011PLC035248 issued by the Registrar of Companies, Jaipur. For details of change in registered office of our Company please refer to chapter titled "Our History and Certain Other Corporate Matters" beginning on page 126.

Registered Office: Shree Bhawan, Ajmer Road, Madanganj, Kishangarh-305801, Rajasthan, India

Tel No.: +91 9462788792; **E-mail:** cfo@sahajfashions.in **Website:** www.sahajfashions.in

Contact Person: Mr. Mukul Lakhotia, Chief Financial Officer

PROMOTER OF OUR COMPANY MR. ROHIT TOSHNIWAL, MR. NORAT MAL CHOUDHARY, MS. SADHANA TOSHNIWAL, MRS. PRABHA LAKHOTIA, MR. RAKESH CHOUDHARY, MR. MUKUL LAKHOTIA AND MR. NITIN TOSHNIWAL

DETAILS OF THE OFFER

INITIAL PUBLIC OFFERING OF UPTO 46,52,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF SAHAJ FASHIONS LIMITED ("OUR COMPANY" OR "COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ 30 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 20/- PER EQUITY SHARE), AGGREGATING UPTO ₹ 1,395.60 LAKHS ("THE OFFER") COMPRISING A FRESH ISSUE OF UP TO 44,76,000 EQUITY SHARES AGGREGATING UP TO ₹ 1,342.80 LAKHS ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 1,76,000 EQUITY SHARES ("OFFERED SHARES") AGGREGATING UP TO ₹ 52.80 LAKHS, BY MR. ANKUR SHAH, SELLING SHAREHOLDER, ("OFFER FOR SALE" OR "OFS"). THIS OFFER INCLUDES A RESERVATION OF UP TO 2,36,000 EQUITY SHARES AGGREGATING UP TO ₹ 70.80 LAKHS (CONSTITUTING UP TO 5.07% OF THE OFFER SIZE AND 1.79% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE OFFER LESS MARKET MAKER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE 35.33 % AND 33.54 % RESPECTIVELY OF THE FULLY DILUTED POST OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH. THE OFFER PRICE IS RS. 25/-,
 THE OFFER PRICE IS 2.5 TIMES THE FACE VALUE.**

In terms of Rule 19(2)(b)(i) of the SCRR this Offer is being made for at least 25% of the post-offer paid-up Equity Share capital of our Company. This offer is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Offer is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including corporate bodies or institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid applications being received from them at or above the Offer Price. Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. All potential investors shall participate in the Offer only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the respective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Offer Procedure" beginning on page 202. A copy will be filed with the Registrar of Companies as required under Section 26 and Section 28 of the Companies Act, 2013.

RISK IN RELATION TO THE FIRST OFFER

This being the first offer of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The Offer Price (as determined and justified by the Company and the Lead Manager as stated under chapter titled "Basis for Offer Price" beginning on page 85) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 23.

COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of NSE ("NSE Emerge"). Our Company has received an in-principle approval letter dated July 28, 2023, from NSE for using its name in this Offer document for listing of our Equity Shares on the NSE Emerge Platform. For this Offer, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

LEAD MANAGER TO THE OFFER



KHAMBATTA SECURITIES LIMITED
 1 Ground Floor, 7/10, Botawala Building, 9 Bank Street, Horniman Circle, Fort, Mumbai, Maharashtra – 400 001, India
Tel: 011-41645051, 022-66413315
Email: ipo@khambattasecurities.com
Investor Grievance Email: mbcomplaints@khambattasecurities.com
Website: www.khambattasecurities.com
Contact Person: Mr. Vipin Aggarwal;
 Mr. Vinay Pareek
SEBI Registration No.: INM000011914

REGISTRAR TO THE OFFER



BIGSHARE SERVICES PRIVATE LIMITED
 S6-2, 6th Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri East, Mumbai-400093, Maharashtra, India
Tel: (022) 6263 8200
Fax: (022) 6263 8299
Email: ipo@bigshareonline.com
Investor Grievance Email: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Swapnil Kate
SEBI Registration No: INR000001385

OFFER PROGRAMME

OFFER OPENS ON: FRIDAY, AUGUST 25, 2023

OFFER CLOSSES ON: TUESDAY, AUGUST 29, 2023

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SECTION – I GENERAL INFORMATION

DEFINITIONS AND ABBREVIATIONS

In this prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

Company Related Terms

Term	Description
AoA / Articles / Articles of Association	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, constituted on March 01, 2022 in accordance with Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” beginning on page 130.
Auditors / Statutory Auditors	The statutory auditors of our Company, currently being M/s Rama K Gupta & Co, Chartered Accountants, having their office at 1879-A, Shiv Nagar, Foy Sagar Road, Ajmer- 305001, Rajasthan, India
Banker(s) to our Company	State Bank of India.
Board of Directors / Board / Directors (s)	The Board of Directors of Sahaj Fashions Limited, including all duly constituted Committees thereof as the context may refer to
Managing Director	The Managing Director of our Company is Mr. Norat Mal Choudhary
Chief Financial Officer /CFO	The Chief Financial Officer of our Company is Mr. Mukul Lakhotia.
Company Secretary and Compliance Officer	The Company Secretary and Compliance officer of our Company is Ms. Shilpi Agarwal.
Corporate Identification Number / CIN	U17119RJ2011PLC035248
Equity Shares	Equity Shares of our Company of Face Value of Rs.10/- each fully paid-up
Equity Shareholders / Shareholders	Persons / entities holding Equity Share of our Company
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company
Group Companies	In terms of SEBI ICDR Regulations, the term “ <i>Group Companies</i> ” includes companies (other than our Promoter and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, any other companies as considered material by our Board, in accordance with the Materiality Policy and as disclosed in chapter titled “ <i>Our Group Entities</i> ” beginning on page 155.
Independent Director(s)	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI LODR Regulations. For details of the Independent Directors, please refer to chapter titled “ <i>Our Management</i> ” beginning on page 130.
ISIN	International Securities Identification Number. In this case being INE013901017
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, together with the Key Managerial Personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 130.

Term	Description
Materiality Policy	The policy adopted by our Board on March 01, 2023 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations.
MOA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted on March 01, 2023 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 130.
Non-Executive Director	A Director not being an Executive Director or is an Independent Director
Peer Reviewed Auditors	The peer reviewed auditors for Restated Financials of our Company, being M/s Raman Chawla & Associates, Chartered Accountants, having their office at 60/2C, 2 nd Floor Yusuf Sarai, Indian Oil Complex, New Delhi-110016, India.
Promoters	Promoters of our company being Mr. Rohit Toshniwal, Ms. Sadhana Toshniwal Mr. Norat Mal Choudhary, Ms. Prabha Lakhotia, Mr. Rakesh Choudhary, Mr. Mukul Lakhotia and Mr. Nitin Toshniwal.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations as disclosed in the Chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 145.
Registered Office	The Registered Office of our Company situated at Shree Bhawan Ajmer Road, Madanganj, Kishangarh-305801 Rajasthan India.
Registrar of Companies / RoC	Registrar of Companies, Jaipur situated at C/6-7, 1st Floor, Residency Area, Civil Lines, Jaipur-302001, Rajasthan.
Restated Financial Statements	Restated Financial Statements of our Company as at and for the period ended February 28, 2023 and financial years ended on 2022, 2021 and 2020 (prepared in accordance with the Indian GAAP read with Section 133 of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations) which comprises the restated summary statement of assets & liabilities, the restated summary statement of profit and loss and restated summary statement of cash flows along with all the schedules and notes thereto
Stakeholders’ Relationship Committee	The Stakeholders’ Relationship Committee of our Company, constituted on March 01, 2023 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 130.

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged Prospectus to be Issued under SEBI ICDR Regulations and appended to the Application Forms
Acknowledgement Slip	The slip or document Issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allot / Allotment / Allotted / Allotment of Equity shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Offer to the successful applicants, including transfer of the Equity Shares pursuant to the Offer for Sale to the successful applicants
Allotment Advice	A note or advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made
Allottees	The successful applicant to whom the Equity Shares are being / have been allotted
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus. All the applicants should make application through ASBA only
Application lot	4,000 Equity Shares and in multiples thereof
Application Amount	The amount at which the prospective investors shall apply for Equity Shares of our Company.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include applications made by RIIs using the UPI Mechanism, where the Application Amount shall be blocked upon acceptance of UPI Mandate Request by RIIs using UPI Mechanism
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB or the account of the RII blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism to the extent of the Application Amount of the Applicant
ASBA Applicant(s)	Any prospective investors in the Offer who intend to submit the Application through the ASBA process
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicants and which will be considered as an application for Allotment in terms of the Prospectus
Banker(s) to the Offer	The banks which are registered with SEBI as Banker to an Offer with whom the Escrow Agreement is entered and in this case being August 14, 2023
Banker(s) to the Offer and Sponsor Bank Agreement	Agreement dated August 14, 2023, entered into between our Company, Lead Manager, the Registrar to the Offer, Banker to the Offer and Sponsor Bank for collection of the Application Amount on the terms and conditions thereof
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Offer and which is described in the chapter titled “Offer Procedure” beginning on page 202.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations

Term		Description
		in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 Issued by SEBI
Controlling Branches		Such branches of the SCSBs which coordinate with the Lead Manage, the Registrar to the Offer and the Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Collection Centres		Centres at which the Designated intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP788 locations for CDPs
Demographic Details		The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable)
Designated Locations	CDP	Such locations of the CDPs where Applicants can submit the ASBA Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange
Designated Date		The date on which relevant amounts are transferred from the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, and the instructions are Issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction Issued through the Sponsor Bank) for the transfer of amounts locked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Offer.
Designated Intermediaries / Collecting Agent		Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Exchange	Stock	National Stock Exchange of India Limited (SME Platform – NSE Emerge)
Draft Prospectus		The Draft Prospectus Issued in accordance with the SEBI ICDR Regulations
Eligible NRI(s)		NRIs from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants
Eligible QFIs		Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an Offer or invitation to participate in the Offer and in relation to whom the Prospectus constitutes an invitation to subscribe to Equity Shares Issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations
First Applicant		Applicant whose name shall be mentioned in the 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
Foreign Institutional Investors/ FII		Foreign Institutional Investor (as defined under SEBI FII Regulations) registered with SEBI under applicable laws in India
Foreign Investor / FPIs	Portfolio	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
Fresh Issue		The Fresh Issue of up to 44,76,000 Equity Shares at a price of Rs. 30.00 per equity share aggregating to Rs. 1,120.50 Lakhs to be offered by our Company as part of this Offer.
General Information Document or GID		The General Information Document for investing in public Offers prepared and Issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular

Term	Description
	(CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, Issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the LM
Offer	This Initial Public Offer of up to 46,52,000 Equity Shares for cash at an Offer Price of Rs. 30.00 per Equity Share comprising of only Fresh Issue of up to 44,76,000 Equity Shares for cash at a Price Rs. 30.00 per Equity Share aggregating to Rs. 1,395.60 Lakhs by our company.
Offer Agreement	The agreement dated March 01, 2023, entered amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer Closing date	The date on which the Offer closes for subscription.
Offer Opening date	The date on which the Offer opens for subscription.
Offer Period	The period between the Offer Opening Date and the Offer Closing Date inclusive of both days and during which prospective Applicants can submit their applications inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of applicants. Our Company, in consultation with the Lead Manager, may decide to close applications by QIBs one (1) day prior to the Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Offer Opening Date was published
Offer Price	The final price at which Equity Shares will be Allotted to the successful Applicants, as determined in accordance with the Fixed Price Method and determined by our Company, in consultation with the LM in terms of the Prospectus on the Pricing Date.
Offer Proceeds	The gross proceeds of the Offer which shall be available to our Company, based on the total number of Equity Shares Allotted at the Offer Price. For further information about use of the Offer Proceeds, see “ <i>Objects of the Offer</i> ” beginning on page 78.
LM / Lead Manager	Lead Manager to the Offer, in this case being Khambatta Securities Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and NSE
Lot Size	The Market lot and Trading lot for the Equity Share is 4,000 and in multiples of 4,000 thereafter; subject to a minimum allotment of 4,000 Equity Shares to the successful applicants
Market Maker Reservation Portion	The Reserved portion of up to 2,36,000 Equity shares of Rs. 10/- each at an Offer Price of Rs. 30 aggregating to Rs. 70.80 Lakhs for Designated Market Maker in the Public Offer of our Company
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated August 14, 2023.
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Net Offer	The Offer less the Market Maker reservation portion
Net Proceeds	The Gross Proceeds from the Fresh Issue less the Offer related expenses in relation to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Offer expenses, see “ <i>Objects of the Offer</i> ” beginning on page 78.
Non – Institutional Investor	All Investors including FPIs that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for a cumulative amount more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)

Term	Description
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI
NSE Emerge	SME Platform of National Stock Exchange of India Limited
OCB / Overseas Corporate Body	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 Offer.
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
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 26 of the companies Act, 2013 containing, inter alia, the Offer opening and closing dates and other information
Public Offer Account	Account opened with Bankers to the Offer under section 40(3) of the Companies Act, 2013 for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Refund Account	The account to be opened with the Refund Bank, from which refunds, if any, of the hole or part of the Application Amount to the Applicants shall be made. Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being Kotak Mahindra Bank Limited
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 Issued by SEBI
Registrar Agreement	The agreement dated March 01, 2023 among our Company and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registrar and share Transfer Agents/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 Offer	Registrar to the Offer being Bigshare Services Private Limited.
Retail Individual investors / RIIs	Individual Applicants or minors applying through their natural guardians (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs.2,00,000 in this Offer
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Applicants and Non-Institutional Investors are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Investors can revise their Application during the Offer Period or withdraw their Applications until Offer Closing Date.
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services, in relation to ASBA where the Application Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or such other website as updated from time to time, and in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time. In accordance with SEBI

Term	Description
	Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43) respectively, as updated from time to time
Specified Locations	Centres where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TRS / Transaction Registration Slip	The slip or document Issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application
Underwriters	The Underwriters in this case are Khambatta Securities Limited
Unified Payments Interface / UPI	The instant payment system developed by the National Payments Corporation of India
UPI Circulars	The bidding mechanism that may be used by an RII to make an Application in the Offer in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01,2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019,SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and SEBI Circular(SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 08, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and any subsequent circulars or notifications Issued by SEBI in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors, Using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43) respectively, as updated from time to time
UPI mechanism	The Application mechanism that may be used by an RII to make an Application in the Offer in accordance the UPI Circulars to make an ASBA Applicant in the Offer
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price; and (ii) Offer Period, “Working Day” shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to (iii) the time period between the Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, including the UPI Circulars

Technical and Industry Terms

Term	Description
Creel	A rack holding bobbins or spools when spinning.
HP	Horse Power
MMF	Man Made Fiber
Mtrs	Meters
Pcs	Pieces
QC / QA	Quality Control / Quality Analysis
PPP	Purchasing Power Parity
Sq. Mtrs	Square Metres
TUFS	Technology Up-gradation Fund Scheme
Warper Beam	A roller, located at the back of a loom, on which the warp ends are wound in preparation for weaving.

Conventional and General Terms/ Abbreviations

Term	Description
A/C	Account
Act	The Companies Act, 1956 as amended from time to time, including sections of Companies Act, 2013 wherever notified by the Central Government.
AGM	Annual General Meeting
Articles	Articles of Association of the Company as originally framed or as altered from time to time in pursuance of any previous companies law or of this Act
AS	Accounting Standards as Issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment Year
ASBA	Applications Supported by Blocked Amount
B.Com	Bachelors Degree in Commerce
BIFR	Board for Industrial and Financial Reconstruction

Term	Description
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
Companies Act	Companies Act, 1956 as amended from time to time, including sections of Companies Act, 2013 wherever notified by the Central Government.
CSO	Central Statistical Organization
Depositories	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity
DB	Designated Branch
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortization and extraordinary items.
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
EPS	Earnings per Share
FDI	Foreign Direct Investment
FCNR Account	Foreign Currency Non-Resident Account
FEMA	Foreign Exchange Management Act, as amended from time to time and the regulations framed there under.

Term	Description
FEMA Regulations	FEMA (Transfer or Offer of Security by Person Resident Outside India) Regulations, 2000 and amendments thereto.
FII(s)	Foreign Institutional Investors
FIs	Financial Institutions
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India.
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
F.Y	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GOI	Government of India.
GST	Goods & Service Tax
HNI	High Net worth Individual
HUF	Hindu Undivided Family
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations	SEBI (Offer of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
Indian GAAP	Generally accepted accounting principles in India.
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International financial reporting standards.
Ind AS	Indian Accounting Standards
IPC	Indian Penal Code
IPO	Initial Public Offering
IPR	Intellectual Property Right
IT	Information Technology

Term	Description
IT Act	The Income-tax Act, 1961 as amended from time to time except as stated otherwise.
IT Rules	The Income-tax Rules, 1962, as amended from time to time
INR	Indian National Rupee
JV	Joint venture
KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 130.
Ltd.	Limited
MBA	Master in Business Administration
M.Com	Master Degree in Commerce
MD	Managing Director
MoU	Memorandum of Understanding
MNC	Multinational corporation
N/A or NA	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid-up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NOC	No Objection Certificate
NPV	Net Present Value
NR	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.

Term	Description
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit After Tax
Pvt.	Private
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
POA	Power of Attorney
PIO	Persons of Indian Origin
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoN	Return on Net Worth.
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
SEBI Regulations	Securities and Exchange Board of India (Offer of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Term			Description
SEBI Insider Trading Regulations			The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications Issued by SEBI from time to time.
SEBI Takeover Regulations / Takeover Code			Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, including instructions and clarifications Issued by SEBI from time to time.
Sec.			Section
SICA			Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SSI Undertaking			Small Scale Industrial Undertaking
Stock Exchange (s)			NSE
Sq.			Square
Sq. ft			Square Foot/ Square Feet
Sq. mtr			Square Meter
TAN			Tax Deduction Account Number
TRS			Transaction Registration Slip
TIN			Taxpayers Identification Number
TNW			Total Net Worth
u/s			Under Section
UIN			Unique Identification Number
US/ U.S. / USA			United States of America
USD or US\$			United States Dollar
U.S. GAAP			Generally accepted accounting principles in the United States of America
UOI			Union of India
Venture Capital Fund(s)/ VCF(s)			Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.
WDV			Written Down Value

Term	Description
w.e.f.	With effect from
YoY	Year over Year

Notwithstanding the following: -

- (i) In the section titled '*Main Provisions of the Articles of Association*' beginning on page 225, defined terms shall have the meaning given to such terms in that section;
- (ii) In the chapter titled '*Financial Information*' beginning on page 160, defined terms shall have the meaning given to such terms in that section;
- (iii) In the chapter titled "*Statement of Tax Benefits*" beginning on page 88, defined terms shall have the meaning given to such terms in that chapter.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

FINANCIAL DATA

Unless stated otherwise, the financial data included in this prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the chapter titled ‘*Financial Information*’ beginning on page 160. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this prospectus should accordingly be limited.

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 this 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 and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘*Financial Information*’ beginning on page 160.

CURRENCY OF PRESENTATION

In this prospectus, references to “Rupees” or “Rs.” or “₹” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million and ‘billion / bn./ Billions’ means ‘one hundred crores’.

INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this prospectus have been obtained from Ministry of Textiles, Make in India, Technopak, Annual Report on Indian textile and Apparel industry - Wazir Advisors, Indian Brand Equity Foundation (IBEF) and office of the Textile Commissioner. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources. Further the extent to which the market and industry data presented in this prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This prospectus contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that 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 and property valuations to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- Fluctuations in operating costs;
- Our failure to keep pace with changes in technology;
- Our ability to attract and retain technical & qualified personnel;
- Higher interest outgo on our loans;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our working capital expenditure requirements;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities; and
- Other factors beyond our control;

For a further discussion of factors that could cause our actual results to differ, refer to section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 23 and 167 respectively. 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.

Future looking statements speak only as of the date. Neither we, our Directors, Underwriter, Merchant Banker 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, the LM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

SECTION II – SUMMARY OF OFFER DOCUMENT

SUMMARY OF OUR BUSINESS

We are engaged in manufacturing of high standard fabric which is used for various purposes such as garments, home furnishings, and industrial applications, etc. We have expertise in manufacturing of primarily cotton suiting fabric and cotton shirting fabric apart from polyester based and cotton-polyester blended fabrics. We also manufacture cotton yarn dyed fabrics which, we believe, are almost always in demand by the garment manufacturing industry. At present our sales have penetrated our home state of Rajasthan as well as some other states like Gujarat, Maharashtra, Haryana and Delhi.

For more details, please refer chapter titled “*Our Business*” beginning on page 101.

SUMMARY OF OUR INDUSTRY

We operate primarily in textiles sector and manufacture high standard fabric which is used for various purposes such as garments, home furnishings, and industrial applications, etc. For more details, please refer chapter titled “*Industry Overview*” beginning on page 91.

OUR PROMOTERS

The promoters of our company are Mr. Norat Mal Choudhary, Ms. Sadhana Toshniwal, Mr. Rohit Toshniwal and Ms. Prabha Lakhotia, Mr. Rakesh Choudhary, Mr. Mukul Lakhotia and Mr. Nitin Toshniwal.

SIZE OF OFFER

Present Offer of Equity Shares by our Company	Up to 46,52,000 Equity shares of Rs.10/- each for cash at a price of Rs. 30 per Equity shares aggregating to Rs. 1395.60 Lakhs
The Offer consists of:	
Fresh Issue	Up to 44,76,000 Equity Shares of face value of Rs.10/- each fully paid for cash at a price of Rs. 30 per Equity Share aggregating Rs. 1,342.80 Lakhs.
Offer for Sale	Up to 1,76,000 Equity Shares of face value of Rs.10/- each fully paid for cash at a price of Rs. 30 per Equity Share aggregating Rs. 52.80 Lakhs
Of which:	
Offer Reserved for the Market Maker	Up to 2,36,000 Equity shares of Rs.10/- each for cash at a price of Rs. 30 per Equity shares aggregating to Rs. 70.80 Lakhs
Net Offer	Up to 44,16,000 Equity shares of Rs.10/- each for cash at a price of Rs. 30 per Equity shares aggregating to Rs. 1,324.80 Lakhs

For further details, please refer to chapter titled “*Terms of the Offer*” beginning on page 194.

OBJECTS OF THE OFFER

Our Company intends to utilize the Net Proceeds for the following objects (“Objects of the Offer”):

(Rs. in Lakhs)

Sr. No.	Particulars	Amount
1.	Debt Repayment	668.00
2.	Funding Working Capital Requirements	420.00
3.	General Corporate Purposes	194.80
4.	Offer Expenses	60.00
Total		1395.60

Note: The Offer expenses also include approximately Rupees Two Lakhs which shall be borne by the Selling Shareholder.

For further details, please refer to chapter titled “*Objects of the Offer*” beginning on page 78.

PRE-OFFER SHAREHOLDING OF OUR PROMOTERS, PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

Set forth is the Pre-Offer shareholding of our Promoters, Promoter Group as a percentage of the paid-up share capital of the Company:

Particular	Pre-Offer	
	Number of Shares	Percentage (%) holding
Promoters		
Mr. Rohit Toshniwal	13,30,640	15.31%
Ms. Sadhana Toshniwal	13,52,000	15.55%
Mr. Noratmal Choudhary	11,12,192	12.80%
Ms. Prabha Lakhota	11,69,168	13.45%
Mr. Rakesh Choudhary	1,81,152	2.08%
Mr. Nitin Toshniwal	1,28,592	1.48%
Promoter Group		
M/s Vijay Trading (Partner: Mr. Mukul Lakhota)	4,90,944	5.65%
M/s Gayatri Trading (Partner: Mr. Mukul Lakhota)	4,68,288	5.39%
M/s Usha Investments (Partner: Mr. Rakesh Choudhary)	4,33,968	4.99%
M/s Aruna Trading (Partner: Mr. Rakesh Choudhary)	4,01,088	4.61%
M/s Nitin International (Partner: Ms. Anjali Toshniwal)	3,85,728	4.44%
M/s Maheshwari International (Partner: Mr. Nitin Toshniwal)	3,62,784	4.17%
M/s Sahaj Corporation (Partner: Mr. Nitin Toshniwal)	3,62,256	4.17%
M/s Toshniwal Corporation (Partner: Mr. Nitin Toshniwal)	3,34,800	3.85%
Total	85,13,600	97.95%

SUMMARY OF RESTATED FINANCIAL STATEMENTS

The details are as follows :-

(Rs. In Lacs)

Particulars	For the period ended February 28, 2023	For the year ended March 31		
		2022	2021	2020
Share Capital	741.22	741.22	741.22	741.22
Reserve and Surplus	982.85	696.18	654.68	622.54
Net worth	1,724.07	1,435.78	1,393.53	1,361.63
Total Revenue	9,101.07	8,698.36	7,475.54	9,933.61
Profit after Tax	288.71	42.64	31.90	27.19
Earnings per share (Basic & diluted) (Rs.)	3.90	0.58	0.43	0.37
Net Asset Value per Equity Share (Rs.)	23.26	19.37	18.80	18.37
Total Long-Term borrowings	1,519.24	1,795.46	1,608.65	1,019.03

QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualifications which have not been given effect in the restated financial statements.

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company, Directors and Promoters is provided below:

(Rs. In lakhs)

Nature of Case	Number of cases / Notices Issued	Amount involved
Litigations involving our Company		
-Litigation Involving Actions by Statutory/ Regulatory Authorities;	NIL	NIL
-Litigation involving Tax Liabilities;	2	1.79
-Proceedings involving Offers of moral turpitude or criminal liability on the part of our company;	NIL	NIL
-Proceedings involving Material Violations of Statutory Regulations by our Company;	NIL	NIL
-Matters involving economic offences where proceedings have been initiated against our Company;	NIL	NIL
-Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company;	NIL	NIL
Litigation involving our directors cum Promoters (indirect Taxes)	NIL	NIL
Litigation involving our directors cum Promoters (direct Taxes)	1	0.02
Litigation involving our directors other than promoters (direct taxes)	NIL	NIL

For further details, please refer chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 177.

RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page 23.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As per Restated Financial Statements, the Company do not have any contingent liabilities exists as on February 28, 2023.

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 160.

SUMMARY OF RELATED PARTY TRANSACTIONS

As required under Accounting Standard 18 “Related Party Disclosures” as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

i. List of Related Parties and Nature of Relationship:

Particulars	Name of Related Parties
Key Management Personnel	Mr. Rohit Toshniwal
Key Management Personnel	Ms. Sadhna Toshniwal
Key Management Personnel	Mr. Norat Mal choudhary

Key Management Personnel	Ms. Prabha Lakhotia
Key Management Personnel	Mr. Mukul Lakhotia
Key Management Personnel	Ms. Nikita Daga
Independent Directors	Mr. Ajay Jhanjhari
Independent Directors	Mr. Shrey Garg
Relative of Key Management Personnel	Mr. Rajendra Lakhotia
Relative of Key Management Personnel	Mr. Rakesh Choudhary
Relative of Key Management Personnel	Ms. Usha Choudhary
Relative of Key Management Personnel	Ms. Aruna Choudhary
Relative of Key Management Personnel	Ms. Nitin Toshniwal
Company in which KMP / Relatives of KMP can exercise control / significant influence	<ul style="list-style-type: none"> • M/s Sahaj Marbles • M/s Parwati Trading Company • M/s Nitin Toshniwal HUF

Transactions carried out with related parties referred to in (i) above, in ordinary course of business:

(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	As on February 28, 2023	As at March 31			
			2022	2021	2020	
Director's Remuneration	Mr. Rohit Toshniwal	2.00	3.00	1.00	-	
Interest Paid		-	0.90	0.99	0.64	
Commission Paid		-	1.35	2.97	2.75	
Total		2.00	5.25	4.96	3.39	
Loan Taken						
Opening Balance		38.98	14.93	11.68	8.98	
Loan Received		5.00	24.75	3.96	3.40	
Loan Repaid		-	0.70	0.70	0.70	
Closing Balance		33.98	38.98	14.93	11.68	
Director's Remuneration		Ms. Sadhna Toshniwal	2.00	3.00	1.00	-
Interest Paid	-		10.80	12.10	-	
Total	2.00		13.80	13.10	0.00	
Loan Taken						
Opening Balance	227.38		221.18	213.67	219.39	
Loan Received	-		10.80	12.10	4.28	
Loan Repaid	-		4.60	4.60	10.00	
Closing Balance	227.38		227.38	221.18	213.67	
Loan Taken	Mr. Norat Mal Chaudhary					
Opening Balance			4.50	2.50	-	-
Loan Received		-	2.00	2.50	-	
Loan Repaid		-	-	-	-	
Closing Balance		4.50	4.50	2.50	-	
Director's Remuneration	Ms. Prabha Lakhotia	2.00	3.00	-	-	
Total		2.00	3.00	-	-	
Loan Taken						
Opening Balance		9.33	10.03	10.73	11.93	
Loan Received		-	-	-	-	
Loan Repaid		-	0.70	0.70	1.20	
Closing Balance		9.33	9.33	10.03	10.73	
Loan Taken		Mr. Mukul Lakhotia				
Opening Balance			0.56	3.84	6.26	9.64

Nature of Transactions	Name of Related Parties	As on February 28, 2023	As at March 31		
			2022	2021	2020
Loan Received		1.62	-	-	-
Loan Repaid		2.19	3.28	2.42	3.38
Closing Balance		-	0.56	3.84	6.26
Remuneration Paid		-	-	1.00	-
Total		-	-	1.00	-
Loan Given					
Opening Balance	Mr. Rakesh Choudhary	-1.72	-1.72	-1.72	-0.58
Loan Given		-	-	-	1.14
Loan Received		1.72	-	-	-
Closing Balance		-	-1.72	-1.72	-1.72
Remuneration Paid		4.00	6.00	1.00	-
Total		4.00	6.00	1.00	-
Loan Taken					
Opening Balance	Ms. Aruna Choudhary	2.42	2.42	2.42	2.42
Loan Received		-	-	-	-
Loan Repaid		2.42	-	-	-
Closing Balance		-	2.42	2.42	2.42
Loan Given					
Opening Balance	Mr. Nitin Toshniwal	-3.21	-3.21	-3.21	-1.69
Loan Given		-	-	-	1.72
Loan Received		3.21	-	-	0.20
Closing Balance		-	-3.21	-3.21	-3.21
Interest Paid		-	31.50	32.72	53.48
Total		-	31.50	32.72	53.48
Loan Taken					
Opening Balance	M/s Sahaj Marbles	186.53	141.58	124.76	77.15
Loan Received		-	59.09	105.11	101.91
Loan Repaid		-	14.14	88.28	54.30
Closing Balance		186.53	186.53	141.58	124.76
Loan Taken					
Opening Balance	M/s Nitin Toshniwal-HUF	3.81	3.46	3.11	2.88
Loan Received		-	0.34	0.35	0.24
Loan Repaid		3.81	-	-	-
Closing Balance		-	3.81	3.46	3.11
Loan Taken					
Opening Balance	M/s Parwati Trading Company	4.72	4.72	4.72	7.97
Loan Received		-	-	-	2.70
Loan Repaid		-	-	-	5.95
Closing Balance		4.72	4.72	4.72	4.72
Purchases					
Opening Credit		133.16	66.67	-	-
Payment for Purchases		78.58	569.69	257.36	-
Purchases		55.60	503.21	190.69	-
Closing Credit		156.14	133.16	66.67	-

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 160.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this prospectus.

WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BY OUR PROMOTERS IN LAST ONE YEAR

Our promoters have acquired 12,80,000 Equity Shares in the last one (1) year preceding the date of this prospectus, pursuant to rights Offer, thus the weighted average price of equity share is Rs. 25 /-.

For details, please refer to Section titled “*Capital Structure*” beginning on page 57.

AVERAGE COST OF ACQUISITION OF PROMOTERS

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Rohit Toshniwal	13,30,640	15.11
Ms. Sadhana Toshniwal	13,52,000	15.16
Mr. Noratmal Choudhary	11,12,192	15.08
Ms. Prabha Lakhota	11,69,168	15.09
Mr. Rakesh Choudhary	1,81,152	15.45
Mr. Nitin Toshniwal	1,28,592	Nil*

*The shares were transmitted to Mr. Nitin Toshniwal upon the demise of his father Late Sh. Moti Lal Maheshwari.

DETAILS OF PRE-IPO PLACEMENT

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

OFFER OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR

Our company has not Issued any Equity Shares for consideration other than cash in the one (1) year preceding the date of this prospectus.

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

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

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

Our Company has not filed any application to SEBI with regard to exemption from complying with any provisions of securities laws.

SECTION III – RISK FACTORS

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Prospectus, particularly the “Financial Information of the Company” and the related notes, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 160, 101, and 167, respectively and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

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

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

Materiality

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

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

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

In this Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “Risk Factors” on page 23, and “Management Discussion and Analysis of Financial Condition and Results of Operations” on page 167, unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Restated Financial Statements”.

A. INTERNAL RISK FACTORS

1. *There are outstanding legal proceedings involving our Company, Promoters and Directors which, may have a material adverse effect on our business, operations and financial condition.*

Our Company and Promoter 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 and Promoter as on the date of this prospectus along with the amount involved, to the extent quantifiable –

Litigations against our Company:-

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Litigation/Matters involving tax Liabilities (Income Tax demant under Section 154 and 143(1)(a) of the Income Tax Act, 1961)	1	1.79 Lakhs

Litigations against our Promoter (Mr. Norat Mal Chaudhary):-

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Litigation/Matters involving tax Liabilities (Income Tax demant under Section 143(1)(a) of the Income Tax Act, 1961)	1	0.02 Lakhs

2. *Increase in the cost of, or a shortfall in the availability of our raw material i.e. yarn could have an adverse effect on our business, operations and financial condition.*

We use yarn of different qualities for manufacturing of our products including cotton shirting, cotton suiting, fancy fabric, yarn dyed fabrics and blended fabric of polyester. The price of raw materials have been fluctuating which is evident from the cost of material consumed to *revenue ratio as under:

(Rs. In Lakhs)

Particulars	For the period ended February 28, 2023	For the Year ended March 31		
		2022	2021	2020
Total Revenue	9,101.07	8698.36	7475.54	9933.61
Cost of Material Consumed	7,989.31	7649.10	6426.31	8657.72
% of total revenue	87.78%	87.94%	85.96%	87.16%

**On the basis of Restated financial statement.*

The price and availability of raw material depend on several factors beyond our control, including overall economic conditions, production levels, market demand and competition for such materials, production and transportation cost, duties and taxes and trade restrictions. The yarns are procured from local suppliers such as dealers, traders and brokers available in Rajasthan as well as from other states like Gujarat, Maharashtra, Punjab, etc. which are cost efficient and easily available. We usually do not enter into long term supply contracts with any of our suppliers and typically place orders with them after firm-orders is received. The absence of long term contracts at fixed prices exposes us to volatility in the prices of material that we require. If we are unable to compensate for or pass on our increased costs to end-customer, such price increases could have an adverse impact on our result of operations, financial condition and cash flows. We also face a risk that one or more of our existing suppliers may discontinue their supplies to us. Any inability on our part to procure material from alternate suppliers in a timely fashion, or on terms acceptable us, may adversely affect our operations.

3. Our profits are fluctuating in nature.

In the past three financial years as per restated financials our revenues have been fluctuating. The revenue from Operations for the period ending February 28, 2023, F.Y. 2021-22, F.Y. 2020-21 and F.Y. 2019-20 were Rs. 9097.58 Lakhs, Rs. 8695.75 Lakhs, Rs. 7470.44 Lakhs and Rs. 9930.66 lakhs respectively. Our Profit After Tax (PAT) for the above mentioned periods were Rs. 288.71 lakhs, Rs. 41.90 lakhs, Rs. 32.14 lakhs and Rs. 29.32 lakhs, respectively. The profit increased significantly for the period ended February 28, 2023 due to the following reasons -

1. In the period there was good global as well as domestic demand of cotton suiting fabric. We believe there are few players who are experts in manufacture of cotton suiting fabric. Sahaj Fashions Limited being one of the prominent manufacturer of cotton suiting fabric benefited from large orders with better profitability margins to the Company.
2. The cotton prices were at 30 years high during the period mainly because of low production of cotton at global level. Our company Sahaj Fashions Limited being a reputed and old player in the market with good relations with its suppliers of raw cotton yarns had inventory at cheaper rates which helped the company to improve cost efficiency and maintain good profit margins in the period.
3. The Company has also started catering to new clients with their customised demands such as suitings/ bottomwears for which there are comparatively lesser players in the market. This has also helped the company to achieve good profit margins as compared to previous years.

Therefore, we cannot assure you that our growth strategies will be successful or that we will be able to continue to expand our operations and we may not be able to maintain the current growth trajectory. Further, our ability to sustain our rate of growth depends significantly upon our ability to select and retain key managerial personnel, maintaining effective risk management policies and training managerial personnel to address emerging challenges.

4. Within the parameters as mentioned in the chapter titled ‘Objects of this Offer’ beginning on page 78, our Company’s management will have flexibility in applying the proceeds of this Offer. The fund requirement and deployment mentioned in the Objects of this Offer have not been appraised by any bank or financial institution.

The fund requirement and deployment, as mentioned in the “Objects of the Offer” on page 78 is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan and operation position. We cannot assure that the current business plan will be implemented or orders shall be executed in its entirety or at all. In view of the competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. Further, the deployment of the funds as stated under chapter “Objects of the Offer” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. However, our Audit Committee will oversee the fund utilization of IPO proceeds and the deployment of the funds as stated under chapter “Objects of the Offer” would be in compliance with applicable laws. Further, we have not identified any alternate source of working capital funding and hence any failure or delay on our part to raise money from this Offer or any shortfall in the Offer proceeds could adversely affect our growth plans.

5. Any delay or default in payment from our customers could result in the reduction of our profits and affect our cash flows.

Our operations involve extending credit, ranging typically from 5 to 6 months, to our customers. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Accordingly, we had and may continue to have high levels of outstanding receivables.

*Details of Trade Receivables for the last three Fiscal Years are as under:

(Rs. In Lakhs)

Particulars	For the period	For the Year ended March 31
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	ended February 28, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Trade Receivables	3,914.70	4,291.50	3,761.13	3589.78
Total revenue	9,101.07	8698.36	7475.54	9933.61
Trade Receivables % of total revenue	43.01%	49.34%	50.31%	36.14%

**On the basis of Restated Financial statement.*

If our customers delay or default in making these payments, our profits margins and cash flows could be adversely affected.

6. The Company is dependent on few numbers of customers. Any loss of top 10 customers will significantly affect our revenues and profitability.

Following are the details of Top 10 customers of our company:

(Rs. in Lakhs)

Particular	As on	As on	As on	As on
	February 28, 2023	March 31, 2022	March 31, 2021	March 31, 2021
Revenue from Operations	9,097.58	8,695.75	7,470.44	9,930.66
Top 10 Customers contribute	5135.91	4,438.64	6,773.48	8,607.10
% of total Revenue	56.45%	51.04%	90.67%	86.87%

Any decline in our quality standards, growing competition and any change in the demand for our products by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. However, the composition and revenue generated from these clients might change as we continue to add new clients in normal course of business. We intend to retain our customers by offering solutions to address specific needs in a proactive, cost effective and time efficient manner. This helps us in providing better value to each customer thereby increasing our engagement with our new and existing customer base that presents a substantial opportunity for growth.

For further details, please refer to section titled “Our Business” beginning on page 101.

7. Our business is dependent on our manufacturing facilities and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or under-utilization of our manufacturing facilities could have an adverse effect on our business, operations and financial condition.

As on the date of this prospectus, we conducted our operations through our two manufacturing facilities, details as under:

Manufacturing Facility(ies)		Address
Rajasthan	Unit 1 for Weaving	Khasra No. 1474, Industrial Estate, Gram: Shreenagar, Tehsil: Nasirabad, Kishangarh, Four Lane Expressway, Distt. Ajmer, Rajasthan – 305025.
	Unit 2 for Sizing	Khasra No. 1629, 1648/1770, 1674/7769, Industrial Estate, Gram: Shreenagar, Tehsil: Nasirabad, Kishangarh, Four Lane Expressway, Distt. Ajmer, Rajasthan – 305025.

(Both lands are adjacent to each other)

Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair malfunctioning machinery in a timely manner or at all, our operations

may need to be suspended until we procure machinery to replace the same. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades. We may also face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

Although we have not experienced any significant disruptions at our manufacturing facilities in the past, except during Lockdown, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

8. *We do not have long-term agreements with our suppliers or customers and the loss of one or more of them or a reduction in their demand for our products may adversely affect our business, results of operations, financial condition and cash flows.*

The raw material used for our manufacturing process is 'yarn' of different varieties and compositions. All the raw materials are purchased from third parties. Since FY 2020-21, our top 10 suppliers have constituted to be less than 70% of total purchases. We typically do not enter into any supply contracts with any of our suppliers with respect to our raw material requirements and typically place orders with them in advance of our anticipated requirements. We believe that efficient inventory management is a key component of the success of our business, results of operations and profitability and to that end we maintain a reasonable level of inventory of raw materials, work in progress and finished goods at our manufacturing facility. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast due to inter alia the domestic scale of our operations and demand for our products, could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all.

Any of these factors may have an adverse effect on our business, results of operations and financial condition. Further, absence of any contractual exclusivity with respect to our business arrangements with such customers poses a threat on our ability to be able to continue to supply our products to these customers in the future.

9. *Our Restated Financial Statements are Prepared and Signed by a Peer Reviewed Chartered Accountant who is not Statutory Auditor of our Company.*

Our Restated Financial Statements are prepared and signed by M/s. Raman Chawla & Associates., Chartered Accountants and FRN i.e. 035543N, who is not the Statutory Auditor of our Company. However, our statutory Auditor also holds valid peer review certificate as on date of this prospectus.

10. *We are dependent on third parties for logistics related to delivery of our products.*

Generally, the transportation cost and management is on the buyer of products in the area where we function. We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities for our business activities including procurement of raw material from our vendors and suppliers and for transportation of our products in a few cases. For this purpose, we hire services of transportation companies. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. We do not enter into written documentation in relation to the transportation services we hire. We could be faced with transportation risks due to any loss or pilferage, which we may not be able to recover from our insurance coverage. Further, the cost of our goods carried by such third-party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

Our production and profitability are dependent upon the availability of transportation and other logistic facilities in a timely and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs, including, as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of weather related problems, strikes, lockdowns, accidents, inadequacies in road infrastructure or other similar events. Although, we have experienced few disruptions in the past on account of state wide transportation strikes, lockdowns due to

pandemic, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may be cost inefficient, thereby adversely affecting our operations, profitability, reputation and market position.

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

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization may differ significantly from the estimated production capacities or historical estimated capacity utilization of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this prospectus. For further information, see the section titled “Our Business” on page 101.

12. Our operations are subject to high working capital requirements. If we are unable to generate sufficient cash flows to allow us to make required payments, there may be an adverse effect on our operations.

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors, inventories, security deposits, marketing and promotions, advance to suppliers, cash and cash equivalents. On an average, our debtors are realized in 5-6 months and we require to maintain inventory of about 3-4 months. We have also availed sanctioned financing facilities from bank. 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 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, it may affect our business operations and financials.

13. In case of our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business it may have a material adverse effect on our business.

We require certain statutory and regulatory permits, licenses and approvals to operate our business. We believe that we have obtained all the requisite permits and licenses which are adequate to run our business. However, there is no assurance that there are no other statutory/regulatory requirements 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. Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied with by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will Offer or renew any of such permits or approvals in time or at all. Failure 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.

We have regular system of checking for any regulatory license being expiring & to apply for renewal within stipulated time. For further details, please refer to section titled “Government and Other Statutory Approvals” beginning on page 181.

14. We do not own our Registered Office and our factory units are mortgaged with SBI.

Our registered office situated at Shree Bhawan, Ajmer Road, Madanganj, Kishangarh-305801, Rajasthan is taken on lease. For other details in relation to our Properties, please refer to the chapter titled "Our Business" beginning on page 101.

Sr. No.	Location of the property	Document and Date	Lease Rent/ License Fee (in Rs.)	Lease/License period		Use
				From	To	
1.	Shree Bhawan, Ajmer Road, Madanganj, Kishangarh-305801, Rajasthan	April 15, 2023	1,000 per month for the initial 11 months	January 01, 2023	December 31, 2023	Registered Office of Company

We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate the aforementioned premises, we would be required to make alternative arrangements for new offices and other infrastructure and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

Our Manufacturing units which are owned by our company are mortgaged with SBI:

Sr. No.	Description of Land/Property	Area	Date of Purchase	Use	Title
1.	Khasra No. 1474, Industrial Estate, Gram: Shreenagar, Tehsil: Nasirabad, Kishangarh, Four Lane Expressway, Distt. Ajmer, Rajasthan – 305025.	7700 Square Meter	May 25, 2011	Factory Unit I	Mortgaged with SBI
2.	Khasra No. 1629, 1648/1770, 1674/7769, Industrial Estate, Gram: Shreenagar, Tehsil: Nasirabad, Kishangarh, Four Lane Expressway, Distt. Ajmer, Rajasthan – 305025.	9340 Square Meter	May 01, 2014	Factory Unit II	Mortgaged with SBI

Our Company have mortgaged their manufacturing units to SBI on certain terms and conditions as per the Sanction Letter executed on March 13, 2023. In case it commits default in compliance of the terms and conditions and repayment of other pecuniary obligations to the Bank/other lenders, the Bank/lenders and or RBI will have an unqualified right to disclose or publish name(s) of the Company and its directors as defaulters in such a manner and through such medium as the Bank lenders or RBI in their absolute discretion may think fit.

In the event we default in repayment of the credit facilities or term loans availed by us and any interest thereof, hypothecation and the mortgage charge on our units may be invoked by the lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information please refer chapter titled “Financial Indebtedness” beginning page 161 of the Prospectus.

15. Shareholding of our Promoter and Promoter Group are shown in Public Category in the records of both the Depositories.

The shareholding of all of our Promoter and Promoter Group are shown in Public Category in the records of the Depositories. However, the Company is in the process of reclassifying the category and taking the required steps in due course.

16. Our lenders have imposed certain restrictive conditions on us under our financing arrangements.

Under our financing arrangements with our lenders, we are required to obtain the prior written consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our

financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans.

17. Our Company had negative cash flows in some of the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

Our Company had negative cash flows in some of the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

(Rs. In Lakhs)

Particulars	As on February 28, 2023	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Cash Flow from/ (used in) Operating Activities	549.99	312.48	(99.69)	423.46
Cash Flow from/ (used in) Investing Activities	3.04	(20.39)	2.11	2.54
Cash Flow from/ (used in) Financing Activities	(554.30)	(163.06)	105.72	(480.41)

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. If we are not able to generate sufficient cash flow in future, it may adversely affect our business and financial operations.

18. In our audited financial statements, our Company did not made any provision for gratuity payment as required under The Payment of Gratuity Act 1972. However, in the Restated Financial Statements, the impact of provision for gratuity payment on the Profits earned by the company has been shown in Annexure-VI 'Material Adjustments'.

Gratuity is a lump sum that a company pays when an employee leaves an organisation and this is one of the many retirement benefits offered by a company to an employee. Currently, the Payment of Gratuity Act, 1972 (the Gratuity Act) is applicable to employees engaged in factories, mines, oilfields, plantations, ports, railway companies, shops or other establishments with ten or more employees. Gratuity is fully paid by the employer, and no part comes from an employee's salary. The Accounting Standard stipulates that present value of obligations with respect to the retirement benefits to be paid to the employees should be accounted in the books on accrual basis.

As per the Actuarial Certificate dated June 23, 2023, issued by Charan Gupta Consultants Pvt Ltd, for the periods covered in this Prospectus, we may derive that the impact of the provision of gratuity on the Financial Statements on yearly basis is not material. The same has been disclosed below –

(Rs. In Lakhs)

Particulars	Eleven months ended 30-11-2022	For the year Ended 31-03-2022	For the year Ended 31-03-2021	For the year Ended 31-03-2020
Profit / (Loss) after Tax (as per audited financial statements)	267.41	41.90	32.14	29.32
Less: Provisions for Contribution to Gratuity Fund	(0.90)	0.74	(0.24)	(2.12)
Net Profit after taking above impact	266.52	42.64	31.90	27.19

We further confirm that the provision of gratuity shall be made in all the future audited financial statements, wherever applicable.

19. In our audited financial statements, our Company did not made any provision for gratuity payment as required under The Payment of Gratuity Act 1972. However, in the Restated Financial Statements, the

impact of provision for gratuity payment on the Profits earned by the company has been shown in Annexure-VI ‘Material Adjustments’.

Gratuity is a lump sum that a company pays when an employee leaves an organisation and this is one of the many retirement benefits offered by a company to an employee. Currently, the Payment of Gratuity Act, 1972 (the Gratuity Act) is applicable to employees engaged in factories, mines, oilfields, plantations, ports, railway companies, shops or other establishments with ten or more employees. Gratuity is fully paid by the employer, and no part comes from an employee’s salary. The Accounting Standard stipulates that present value of obligations with respect to the retirement benefits to be paid to the employees should be accounted in the books on accrual basis.

As per the Actuarial Certificate dated June 23, 2023, issued by Charan Gupta Consultants Pvt Ltd, for the periods covered in this Prospectus, we may derive that the impact of the provision of gratuity on the Financial Statements on yearly basis is not material. The same has been disclosed below –

Particulars	(Rs. In Lakhs)			
	Eleven Months Ended 28-02-2023	For the year Ended 31-03-2022	For the year Ended 31-03-2021	For the year Ended 31-03-2020
Profit / (Loss) after Tax (as per audited financial statements)	289.75	41.90	32.14	29.32
Less: Provisions for Contribution to Gratuity Fund	(1.04)	0.74	(0.24)	(2.12)
Net Profit after taking above impact	288.71	42.64	31.90	27.19

We further confirm that the provision of gratuity shall be made in all the future audited financial statements, wherever applicable.

20. *Our Company has not filed MSME- 1 form as required under MSME Act, 2006.*

Micro, Small and Medium Enterprises Development Act, 2006 makes it obligatory for the Company to file the e-form MSME-1 if dues payable to MSME entities exceed 45 days on product or services received from the MSME vendors. Our Company has not followed up with its vendors to segregate the MSME vendors and consequently there is risk of regulatory action under the Micro, Small and Medium Enterprises Development Act, 2006.

Regulatory action against company may be taken by department, in case the company fails to file e-form MSME-1, then it may be liable for action under Section 450 of the Companies Act, 2013.

21. *Our Company had filed Draft Prospectus in the past and after getting in-principle approval from the NSE, the Company shelved the plan to list considering the market condition.*

For the purpose of Initial Public Offer of equity shares, our Company on September 12, 2018 filed the Draft Prospectus with the National Stock Exchange of India Limited and received the in-principle approval for the same on November 06, 2018. On receiving the in-principle approval which was valid for one year, after internal consultation with the Management, our Company decided to shelve the plan of going ahead with the IPO considering the market conditions at that period and overall business environment for the sector. We cannot guarantee that after filing Draft Prospectus and getting in-principle approval we will go ahead for final listing.

22. *One of our Key Management Personnel are associated with the Company less than one year.*

One of our Key Management Personnel i.e. Company Secretary & Compliance Officer is associated with the Company for a period of less than one year. For details of Key Management Personnel and their appointment, please refer to chapter “Our Management” beginning on page 130.

23. *We face competition in our business from domestic competitors. Such competition would have an adverse impact on our business and financial performance.*

The industry, in which we are operating, is highly and increasingly competitive and our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and

other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

24. *If we are unable to raise additional capital, our business prospects could be adversely affected.*

We intend to fund our development plans through our internal accruals, cash flow from operations and working capital from banks. We will continue to incur significant expenditure in maintaining and growing our existing manufacturing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our internal accruals and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing could adversely affect our ability to complete 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. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on favourable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

25. *Our Company has availed certain unsecured loans that are recallable by the lenders at any time.*

Our Company has availed unsecured loans to the tune of Rs. 577.84 Lakhs as on February 28, 2023 that are recallable on demand by the lenders including our Promoter & Promoter Group. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenure. We may not be able to secure fresh funds or have internal accruals to repay those loans. As a result, our cash flow may be affected resulting in working capital constraints. However since all of them belong to promoter group, we do not foresee any such situation. For further details please refer chapter titled “*Restated Financial Statement*” beginning on page 160.

26. *A shortage or non-availability of electricity, fuel or water may adversely affect our manufacturing operations and may have an adverse effect on our business, results of operations and financial condition.*

Our manufacturing operations require a significant amount and continuous supply of electricity, fuel and water and any shortage or non-availability may adversely affect our operations. The manufacturing process of our products requires significant power. We currently source our water requirements from local body water supply, canals & bore wells and depend on state electricity boards. The total power requirement for our manufacturing unit situated in Rajasthan is 590 HP at 360 KVA for Weaving and 290 HP at 165 KVA for Sizing which is fulfilled by Ajmer Vidyut Vitran Nigam Ltd. Although we also have D.G. sets for emergency power requirement which assist in the manufacturing process and for other general purposes. We cannot assure you that our facilities will be operational during power failures.

Any failure on our part to alternate sources of electricity or fuel, in a timely manner, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

27. *Our manufacturing activities are dependent upon availability of skilled and unskilled labour.*

Our manufacturing unit in Rajasthan is dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our manufacturing schedule and timely delivery to customers which may adversely affect our business and results of operations.

Further, we spend significant time and resources in training the manpower we hire. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. High attrition and competition for manpower may limit our ability to attract and retain the skilled manpower necessary for our future growth requirements. We cannot assure you that skilled manpower will continue to be available in sufficient numbers suitable to our requirements or that we will be able to grow our workforce in a manner consistent with our growth objectives, which may affect our business, financial condition, results of operations and prospects.

28. The average cost of acquisition of Equity Shares by our Promoter is lower than the Offer price.

Our Promoter average cost of acquisition of Equity shares in our Company are as follows:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Rohit Toshniwal	13,30,640	15.11
Ms. Sadhana Toshniwal	13,52,000	15.16
Mr. Noratmal Choudhary	11,12,192	15.08
Ms. Prabha Lakhotia	11,69,168	15.09
Mr. Rakesh Choudhary	1,81,152	15.45
Mr. Nitin Toshniwal	1,28,592	Nil*

*The shares were transmitted to Mr. Nitin Toshniwal upon the demise of his father Late Sh. Moti Lal Maheshwari.

For further details regarding average cost of acquisitions of Equity Shares by our Promoter in our Company and build-up of Equity Shares by our Promoter in our Company, please refer chapter titled “Capital Structure” beginning on page 57.

29. Changes in latest technology or requirement of machinery based on business opportunity may adversely affect Our Company’s results of operations and its financial condition.

Modernization and technology upgradation are essential to reduce costs and increase the output. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. Presently, we are using the machinery as per the best of our knowledge. However, in future we may be required to implement new technology or upgrade the machinery and other equipment’s employed by us. Further, the costs in upgrading our technology and modernizing the machinery may be significant which could substantially affect our finances and operations. Also, the cost of implementing new process would require substantial new capital expenditures and could adversely affect our business, prospects, results of operations and financial condition.

30. We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

We have entered into certain related party transactions at arm’s length basis in the ordinary course of business with our Promoter, Promoter Group and group companies and may continue to do so in future. For absolute value of all transactions entered into with our related party entities please refer to Statement of Related Party Transactions under chapter “Restated Financial Statements” beginning on page 160. These transactions or any future transactions with our related parties could potentially involve conflicts of interest. However, the Company cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results. Our Company shall follow the provisions as laid down under Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

We further confirms that the Related Party Transactions undertaken by the Company in the period ending February 28, 2023 and financial years ending 2021-22, 2020-21 and 2019-20 are in accordance with the Companies Act, 2013.

31. In addition to normal remuneration, other benefits and reimbursement of expenses some of our Directors (including our Promoter) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.

Some of our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such

voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

32. *Our success depends largely upon the services of our Management and other Key Managerial Personnel and our ability to retain them. Our inability to attract and retain key managerial personnel may adversely affect the operations of our Company.*

Our success largely depends on the continued services and performance of our management and other key personnel. Though they have been assisted by team of professionals, the loss of service of the Promoter and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new turn key projects and expand our business.

33. *Certain documents in relation to educational qualifications and experience of our Promoters & Directors are not available.*

Certain supporting documentation for details required to be stated under brief profiles of Promoters & Directors of our Company in “*Our Management*” on page 130, including in respect of educational qualifications and work experience could not be made available to our Company, despite due enquiries with such Directors and KMPs. We have relied on certain indirect sources for such information.

34. *Our operations are subject to environmental, health and safety laws and regulations.*

Our operations are subject to various Central and State environmental laws and regulations relating to the control of pollution in the area where we operate. In particular, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liability to the Government and third parties, and may result in our incurring costs to remedy such discharge or emissions. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of operations, or a material increase in the costs of operations, or otherwise have a material adverse effect on the financial condition and results of our operations. Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on us or result in the need for additional investment in pollution control equipment, either of which could adversely affect our business, financial condition or prospects. While as of the date of this prospectus, we are not subject to any environmental legal proceedings, we may be impleaded in such legal proceedings in the course of our business. Such legal proceedings could divert management time and attention, and consume financial resources in defense or prosecution of such legal proceedings or cause delays in the production, development or commencement of operations of our projects. No assurance can be given that we will be successful in all, or any, of such proceedings.

35. *Our inability or failure to maintain a balance between optimum inventory levels and our product offering at our stores may adversely affect our business, results of operations and financial condition.*

We strive to keep optimum inventory at our stores and working capital requirements through our dynamic supply chain management. An optimal level of inventory is important to our business as it allows us to respond to consumer demand effectively and to maintain a range of merchandise at our stores. At the same time, we aim to minimize excessive inventories which would result in higher levels of discounting. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale in our stores. In addition, if we underestimate customer demand for our products, we may lose our reputation and brand image.

We are dependent on our third-party manufacturers, as some of the products are procured on job work basis, and these manufacturers, may not be able to deliver products to meet our requirements, and this could result in delays in the shipment of products to our points of sale and may damage our reputation and customer relationships. There can be no assurance that we will be able to successfully manage our inventory at a level appropriate for future customer demand. To maintain an optimal inventory, we monitor our inventory levels

based on our projections of demand as well as on a real-time basis. Unavailability of products, which are in high demand, may depress sales volumes and adversely affect our customer relationships.

If we over-stock inventory, our required working capital will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual consumption by consumers can impact us adversely, leading to potential excess inventory and requiring us to resort to higher markdown and thus lower margins, in order to clear such inventory. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

Inventory levels in excess of consumer demand may result in inventory write – offs and the sales of excess inventory at a discounted price, which would cause our gross margin to suffer. Any write – downs or write – offs and sale of excess inventory at discounted prices could also impair the strength and exclusivity of our brands. In addition, if we underestimate consumer demand for products distributed by us, we may not be able to service the demand for the products and this may damage our reputation and consumer relationships.

36. Our future funds requirements, in the form of Fresh Issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any Fresh Issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

37. We are subject to risk of fraud, theft, embezzlement by our employees, contractors and customers, employee negligence or similar incidents may adversely affect our results of operations and financial condition.

As of February 28, 2023, we had total inventory of Rs. 2,217.26 Lakhs as per our Restated Financial Statements. Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during stocking. We may also encounter some inventory loss on account of employee/vendor fraud, theft, embezzlement and general administrative error. Although, we have set up various security measures, including CCTV in our offices, deployment of security guards and follow stringent operational processes such as periodic stock tracking, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

38. Orders placed by customers may be delayed, modified, cancelled or not fully paid by our customers, which may have an adverse effect on our business, financial condition and results of operations.

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may result in the postponement of the delivery of products or cause its cancellation. Accordingly, it is difficult to predict with certainty that, when, and to what extent we may be able to deliver the orders placed. Further, we may be bound to certain terms in the contracts entered with the customers any non-adherence to the same may lead to breach of the contract, which may subject us to penalties and liquidated damages. Any failure to adhere to the conditions which may be beyond our control may subject us to liquidated damages which could have an effect on the result of operation and cash flow.

39. There have been some instances of delayed filing of records and returns required to be filed by the Company with various regulatory authorities.

There have been some instances of delayed filing by the Company in respect of the filings required to be made with regulatory authorities, including filings under Companies Act. Till date, the Company has not received any notices from authority, however, there can be no assurance that the regulator may not initiate proceedings against us or that we will be able to sufficiently defend against any action initiated by regulators in relation to regulatory compliances for all instances and periods. Any adverse order passed or penalty imposed by regulators on us may adversely affect our business and results of operations.

The company has paid additional fee for the late filing of few forms such as AOC-4XBRL, MGT-7, ADT-1, MGT-14, DPT-3, MR-1, DIR-12 and CHG-1. However, this is to confirm that as on date of this letter, all the requisite e-forms have been filed with additional fee wherever applicable and approval for such e-forms, wherever applicable, has been received from the Registrar of Companies, Jaipur. There has been no condonation of delay in filing of forms in past five financial years. The company has taken the cognizance of late filings of eforms and designated the company secretary and compliance officer to take necessary actions for future filings.

40. *Third party industry and statistical data in this Prospectus may be incomplete, incorrect or unreliable.*

Neither Lead Manager nor we have independently verified the data obtained from the official and industry publications and other sources referred in this Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. The discussion of matters relating to India, its economy and our industry in this Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

41. *Loans availed by our Company have been secured on personal guarantees of our Promoter group. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees or collateral securities provided by our Promoter group.*

Our Promoter Group Member has provided personal guarantees as security to secure our existing borrowings of Rs. 3848.00 Lakhs taken from State Bank of India and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoter group may be invoked and/ or the security may also be enforced, which could negatively impact the reputation and Net Worth of the Promoter group. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoter group may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, 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 “*Financial Indebtedness*” on page 161.

42. *Our lender have charge over our immovable properties in respect of finance availed by us.*

We have secured our lender by creating a charge over our immovable properties in respect of loans / facilities availed by us. We have been extended Working Capital loan (Fund Based and Non- Fund Based Limits) from State Bank of India and HDFC Bank Limited respectively against hypothecation of our Company’s property. For further details, please refer to section titled “*Financial Indebtedness*” beginning on page 161.

43. *Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.*

We have taken insurance which may not be adequate enough for covering the entire future unforeseen liabilities that might occur in the normal course of business. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time by the insurers. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows

and financial performance could be adversely affected. For further details on insurance arrangements, see the section titled “Our Business” on page 101.

44. *There is no monitoring agency appointed by Our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.*

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only if Offer size exceeds Rs. 10,000.00 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Offer proceeds. However, as per the Section 177 of the Companies Act, 2013, the Audit Committee of our Company would be monitoring the utilization of the Offer Proceeds.

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

Our Company is engaged in business of manufacturing of yarns, which attracts tax liability as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, Labour cess etc. Though, we have deposited the required returns under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of our Company.

46. *Our Promoters and the members of our Promoters Group will continue to retain significant control in the Company after the Offer, which will enable them to influence the outcome of matters submitted to shareholders for approval. Our Promoters and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.*

As on the date of this prospectus, our Promoter and the members of our Promoter Group hold 97.95% Issued equity share capital of the Company. After completion of the Offer, our Promoter and the members of our Promoter Group will hold 63.78% of the equity shares capital of the Company and continue to retain a significant control of the Company. As a result, our Promoter and our Promoter Group will have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company’s best interest. In addition, for so long as our Promoter and the members of our Promoter Group continue to exercise significant control over the Company they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. Our Promoter and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

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

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

48. *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, cash requirements, business prospects and any other financing arrangements.

Additionally, we may not be permitted to declare any dividends under the loan financing arrangement that our Company may enter into future, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

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.

49. *After the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.*

An active trading market on the Stock Exchange may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares shall be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

50. *Applicants to this Offer are not allowed to withdraw their Applications after the Offer Closing Date.*

In terms of the SEBI (ICDR) Regulations, Applicants in this Offer are not allowed to withdraw their Applications after the Offer Closing Date. The Allotment in this Offer and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Offer Closing Date and the date of Allotment in this Offer. Occurrence of any such events after the Offer Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Offer Price. To the extent the market price for the Equity Shares declines below the Offer Price after the Offer Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Offer or cause the trading price of our Equity Shares to decline.

51. *The determination of the Offer Price is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.*

The determination of the Offer Price is based on various factors and assumptions and will be determined by our Company and the Lead Manager. Furthermore, the Offer Price of the Equity Shares will be determined by our Company in consultation with the Lead Manager. These will be based on numerous factors, including market demand and factors as described under "Basis for Offer Price" on page 85 and may not be indicative of the market price for the Equity Shares after the Offer.

52. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.*

As a listed Indian entity, there are provisions in Indian law that may delay or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any

person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions require certain compliances, such as undertaking an open offer, which may prevent a potential acquirer from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, it is possible that such a takeover would not be attempted or consummated.

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

The Equity Shares will be listed on the SME platform of National Stock Exchange of India Limited (“NSE Emerge”). Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. After the Basis of Allotment is approved by the Designated Stock Exchange, the Company undertakes the Allotment and the demat account of the Allottees with depository participants in India are credited with the Equity Shares. The Allotment of Equity Shares in this Offer, the credit of such Equity Shares to the applicant’s demat account with depository participant and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchange is expected to complete within six working days of the Offer Closing Date (or such other period as prescribed under applicable laws). There could be a failure or delay in listing of the Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors’ ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors’ demat accounts, or that trading in the Equity Shares will commence, within the time periods as specified herein. We could also be required to pay interest at the applicable rates if allotment is not made, unblocking intimation/ refund intimation, as applicable are not dispatched or demat credits are not made to investors within the prescribed time periods.

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

We are not a publicly listed company and have not, historically, been subjected to the compliance requirement or the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations, which will require us to file audited annual and unaudited half yearly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management’s attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

55. *There is no guarantee that the Equity Shares Issued pursuant to this Offer will be listed on the NSE – Emerge in a timely manner.*

We have applied to NSE to use the name of its SME platform “NSE-Emerge” as the Stock Exchange in this offer document for listing our shares. In accordance with Indian law and practice, permission for listing and trading of the Equity Shares Issued pursuant to the Offer will not be granted until after the Equity Shares have been Issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a delay in listing the Equity Shares on the Stock Exchange. Any delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

EXTERNAL RISK FACTORS

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

57. *Terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving may adversely affect the financial markets and our business.*

Terrorist attacks and other acts of violence or war may negatively affect the markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, and adversely affect our business. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on our business and the price of our Equity Shares. Further, we cannot predict the effects on our business of heightened security measures, threatened terrorist attacks, efforts to combat terrorism, military action against a foreign state or other similar events. Any of these events could also negatively affect the economy and consumer confidence, which could cause a downturn in the service industry. In addition, any deterioration in the relations between India and its neighboring countries might result in investor concern about stability in the region, which could materially and adversely affect the price of our Equity Shares.

58. *Any change in environmental laws and other applicable regulations, may adversely affect Our Company's results of operations and its financial condition.*

National Green Tribunal (NGT) has taken some strict decisions in respect to environment cases, if business of any of our client is affected due to these changes then it may adversely affect our business operations and revenue. Any Change in the Political environment in the Country may also lead to major change in our services.

59. *Any changes in the regulatory framework could adversely affect our operations and growth prospects.*

Our Company is subject to various regulations and policies. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance Offers will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

60. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.*

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short-term capital gains and generally taxable. Any gain realized on the

sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

62. *Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards.*

Our Company currently prepares its annual financial statements under Indian GAAP. The MCA, Government of India, has, through a notification dated February 16, 2015, set out the Indian Accounting Standards (Ind AS) and the timelines for their implementation. In accordance with such notification, our Company is required to prepare its financial statements in accordance with Ind AS. Ind AS is different in many aspects from Indian GAAP under which our financial statements are currently prepared. Accordingly, the degree to which the financial statements included in the Draft letter of offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Prospectus should accordingly be limited.

63. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force 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 Rupee proceeds from a 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 authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

64. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.*

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its road & rail networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

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

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing even domestically, and the interest rates and other commercial terms at which such additional financing may be unfavorable. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

66. *We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.*

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

67. *There may be less information available in the Indian securities markets than in more developed securities markets in other countries.*

There is a difference between the level of regulation and monitoring of the Indian securities markets and that of the activities of investors, brokers and other participants in securities markets in more developed economies. SEBI is responsible for monitoring disclosure and other regulatory standards for the Indian securities market. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be less publicly available information about Indian companies than is regularly made available by public companies in more developed countries pursuant to such disclosure requirements, which could adversely affect the market for our Equity Shares. As a result, investors may have access to less information about our business, financial condition, cash flows and results of operation, on an ongoing basis, than investors in companies subject to the reporting requirements of other more developed countries.

68. *There is no public market for the Equity Shares or Equity Shares outside India.*

After this Offer, there will continue to be no public market for our Equity Shares in the United States or any country other than India, we cannot assure you that the face value of the Equity Shares will correspond to the price at which the Equity Shares will trade subsequent to this Offer. This may also affect the liquidity of our Equity Shares and restrict your ability to sell them.

69. *Any trading closures at the Stock Exchanges may adversely affect the trading prices of our Equity Shares.*

Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or Offer trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

70. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

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

SECTION IV-INTRODUCTION

THE OFFER

Particulars	Details of Number of Equity Shares
Total Offer of Equity Shares by our Company	46,52,000 Equity Shares of face value of Rs. 10/- each fully-paid up for cash at price of Rs. 30.00 per Equity Share aggregating Rs. 1,395.60 lakhs.
The Offer Consisting of	
Fresh Issue	44,76,000 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. 30.00/- per Equity Share aggregating to Rs. 1,342.80 Lakh
Offer For Sale	1,76,000 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. 30.00/- per Equity Share aggregating to Rs. 52.80 Lakh.
Of which:	
Reserved for Market Makers	2,36,000 Equity Shares of face value of Rs.10/- each fully paid up for cash at price of Rs. 30.00/- per Equity Share aggregating to Rs. 70.80 Lakh.
Net Offer to the Public	44,16,000 Equity Shares of face value of Rs.10/- each fully paid up for cash at price of Rs. 30.00/- per Equity Share aggregating to Rs. 1,324.80 Lakh
Of which:	
Retail Investors Portion*	22,08,000 Equity Shares of face value of Rs.10/- each fully paid up for cash at price of Rs. 30.00/- per Equity Share aggregating to Rs. 662.40 Lakh, i.e. 50% of the Net Offer shall be available for allocation for Retail Individual Investors.
Non-Retail Investors Portion*	22,08,000 Equity Shares of face value of Rs.10/- each fully paid up for cash at price of Rs. 30.00/- per Equity Share aggregating to Rs. 662.40 Lakh, i.e. 50% of the Net Offer shall be available for allocation for Investors other than Retail Individual Investors
Pre-Offer & Post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	86,92,160 Equity Shares of Rs. 10/- each
Equity Shares outstanding after the Offer	1,31,68,160 Equity Shares of Rs. 10/- each
Objects of the Offer	For further details please refer chapter titled “ <i>Objects of the Offer</i> ” beginning on page no.78 of this prospectus for Information on use of Offer Proceeds.

**As per the Regulation 253 of the SEBI (ICDR) Regulations, 2018, as amended, this Offer is a fixed price Offer the allocation is the net offer to the public category shall be made as follows:*

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

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category. If the retails individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retails individual investors shall be allocated that higher percentage.



Subject to valid applications being received, under-subscription, if any, in the Retail and Non-Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the LM and the NSE.

Notes:

The Offer has been authorized by our Board pursuant to a resolution passed at its meeting held on February 27, 2023 and by our Shareholders pursuant to a resolution passed at the EGM held on March 01, 2023. This Offer is 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 titled “*Offer Structure*” beginning on page no. 199 of this prospectus.

SUMMAR OF FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)						
<i>(Rs. In Lacs)</i>						
Particulars	Annx.	As At				
		28-02-23	31-03-22	31-03-21	31-03-20	
(1) Equity & Liabilities						
Shareholders' Funds						
(a) Share Capital	A	741.22	741.22	741.22	741.22	741.22
(b) Reserves & Surplus	B	982.85	694.56	652.32	620.41	620.41
(2) Non-Current Liabilities						
(a) Long-Term borrowings	C	1,519.24	1,795.46	1,608.65	1,019.03	1,019.03
(b) Deferred tax liabilities (net)	D	23.63	23.31	24.30	24.95	24.95
(c) Long-term provisions	D	2.67	1.62	2.36	2.12	2.12
(3) Current liabilities						
(a) Short-term borrowings	E	2,497.16	2,448.29	2,417.93	2,517.62	2,517.62
(b) Trade payables	F	1,237.40	1,223.32	1,159.23	1,425.08	1,425.08
- Dues to Micro & Small Enterprises						
- Dues to Other Than Micro & Small Enterprises						
(c) Other current liabilities	G	175.17	70.81	105.72	125.95	125.95
Total		7,179.34	6,998.59	6,711.73	6,476.39	6,476.39
Assets						
(4) Non-current assets						
(a) Fixed Assets	H	823.72	915.55	1,012.58	1,140.28	1,140.28
- Property, Plant & Equipment						
- Intangible Assets						
- Capital Work-In-Progress						
(b) Long-term loans and advances	I	27.75	27.75	25.75	25.75	25.75
(c) Other non-current assets	J					
(5) Current Assets						
(b) Inventories	K	2,217.26	1,568.64	1,847.93	1,662.20	1,662.20
(c) Trade Receivables	L	3,914.70	4,291.50	3,761.13	3,589.78	3,589.78
(d) Cash & Bank Balances	M	174.84	176.10	47.08	38.95	38.95
(e) Short Term Loans & Advances	N	10.63	11.44	10.93	14.42	14.42
(f) Other Current Assets	O	10.44	7.61	6.33	5.02	5.02
Total		7,179.34	6,998.59	6,711.73	6,476.39	6,476.39

STATEMENT OF PROFIT AND LOSS (AS RESTATED)					
<i>(Rs. In Lacs)</i>					
Particulars	Annx.	Eleven Months Ended	For the Year ended		
		28-02-23	31-03-22	31-03-21	31-03-20
Continuing Operations					
Revenue from operations:	P				
- Revenue From Sale of Fabrics		9,097.58	8,695.75	7,470.44	9,930.66
- Other Operating Income		-	-	-	-
Net Revenue from operations		9,097.58	8,695.75	7,470.44	9,930.66
Other income	P	3.49	2.61	5.10	2.95
Total Revenue (A)		9,101.07	8,698.36	7,475.54	9,933.61
Expenses:					
Cost of Materials & Stores Consumed	Q	7,989.31	7,649.10	6,426.31	8,657.72
Changes in inventories of finished goods, WIP and Stock-in-Trade	R	(225.68)	(184.74)	34.37	162.66
Employee benefits expense	S	203.18	218.74	165.46	192.74
Other expenses	T	322.81	460.38	291.33	339.44
Total Expenses (B)		8,289.62	8,143.49	6,917.46	9,352.56
Earnings Before Interest, Taxes, Depreciation & Amortization (C=A-B)		811.45	554.87	558.08	581.05
Finance costs	U	326.95	380.23	384.21	392.46
Depreciation and amortization expenses		91.85	117.63	130.68	150.25
Total Dep & Finance Cost (E)		418.80	497.86	514.89	542.72
Net Profit before exceptional items, extraordinary items and tax (D=C-E)		392.65	57.01	43.19	38.33
Exceptional items (F)					
Net Profit before extraordinary items and tax (E=C-D)		392.65	57.01	43.19	38.33
Extraordinary items (G)					
Net Profit before tax (H=F-G)		392.65	57.01	43.19	38.33
Provision for Tax					
- Current Tax		103.61	15.36	11.93	11.59
- Tax adjustment of prior years					
- Deferred Tax Liability / (Asset)		0.33	(0.99)	(0.64)	(0.46)
- MAT Credit Entitlement					
Tax Expense For The Year (I)		103.94	14.37	11.29	11.13
Restated Net Profit after tax from Continuing Operations (J=H-I)		288.71	42.64	31.90	27.19
Net Profit from Discontinuing Operations (K)					
Restated Net Profit for the year from total operations (L=J+K)	-	288.71	42.64	31.90	27.19

CASHFLOW STATEMENT (AS RESTATED)				
<i>(Rs. In Lacs)</i>				
Particulars	Eleven Months Ended	For the Year ended		
	28-02-23	31-03-22	31-03-21	31-03-20
1. Cash Flow From Operating Activities:				
Net Profit before tax and extraordinary item	392.65	57.01	43.19	38.33
<i>Adjustments for:</i>				
Depreciation and amortization expense	91.85	117.63	130.68	150.25
Finance Cost	326.95	380.23	384.21	392.46
Interest Received / Other Non-Operative Receipts	(3.49)	(2.61)	(5.10)	(2.95)
Operating Profit before Changes in Operating Assets & Liabilities	807.96	552.26	552.98	578.10
<i>Adjustments for:</i>				
(Increase)/Decrease in inventories	(648.62)	279.29	(185.73)	118.85
(Increase)/Decrease in trade and other receivables	376.80	(530.37)	(171.35)	(905.49)
(Increase)/Decrease in Short Term Loans & Advances	0.81	(0.51)	3.49	7.86
(Increase)/Decrease in Other Current Assets	(2.83)	(1.28)	(1.31)	26.91
Increase/(Decrease) in Trade Payables	14.08	64.09	(265.85)	530.09
Increase/(Decrease) in Other Current Liabilities	0.57	(34.91)	(21.03)	76.14
Increase/(Decrease) in Short & Long Term Provisions	1.05	(0.74)	0.24	2.12
Other Non-Current Assets	-	-	-	-
Changes in Operating Assets & Liabilities	549.81	327.84	(88.56)	434.59
Cash Flow from Extra-Ordinary Items	-	-	-	-
Cash Generated from Operations	549.81	327.84	(88.56)	434.59
Taxes Paid	0.18	(15.36)	(11.13)	(11.13)
Net Cash from Operating Activities	549.99	312.48	(99.69)	423.46
2. Cash Flow From Investing Activities:				
Fixed Assets Purchased (Net)	(0.45)	(23.00)	(2.99)	(1.40)
Interest Received/ Other Non-Operative Receipts	3.49	2.61	5.10	2.95
(Increase)/Decrease in Long Term Loans & Advances				
<i>Adjustments for:</i>				
Current & Non-Current Investments	-	-	-	0.99
Net Cash from Investing Activities	3.04	(20.39)	2.11	2.54
3. Cash Flow From Financing Activities:				
Proceeds from Short term borrowings	48.87	30.36	(99.69)	21.91
Proceeds from Long term borrowings	(276.22)	186.81	589.62	(109.86)
Proceeds from issue of Share Capital	-	-	-	-
Finance Cost	(326.95)	(380.23)	(384.21)	(392.46)
Net Cash from Financing Activities	(554.30)	(163.06)	105.72	(480.41)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(1.26)	129.02	8.13	(54.41)
Cash & Cash Equivalents at the beginning of the year	176.10	47.08	38.95	93.36
Cash & Cash Equivalents at the end of the year	174.84	176.10	47.08	38.95
Check Point				
Diff:				
Note:				
1. Components of Cash & Cash Equivalents :				
Particulars				

Cash on Hand	2.87	4.23	24.42	16.61
DD / Cheques on Hand	-	-	-	-
Balances with Scheduled Banks	-	-	-	-
In Current Accounts	-	124.90	0.68	0.01
In Earmarked / Deposit Accounts	171.97	46.97	21.98	22.33
Total Cash & Cash Equivalents	174.84	176.10	47.08	38.95
2. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3. on Cash Flow Statements specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).				
3. Figures in Brackets represents outflow.				



GENERAL INFORMATION

Our Company was incorporated as Sahaj Fashions Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated May 20, 2011 in Roc of Jaipur. Later our company was converted into a Public Limited Company pursuant to Shareholders Resolution dated April 02, 2018 and the name of our Company was changed to “Sahaj Fashions Limited” vide fresh Certificate of Incorporation dated April 17, 2018 having CIN U17119RJ2011PLC035248 Issued by the Registrar of Companies, Jaipur.

For further details please refer to chapter titled “*Our History and Certain Other Corporate Matters*” beginning on Page 126.

REGISTERED AND CORPORATE OFFICE OF OUR COMPANY

SAHAJ FASHIONS LIMITED

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Tel. No.: +91 1463 246782
E-mail: cfo@sahajfashions.in
Website: www.sahajfashions.in
Corporate Identification Number: U17119RJ2011PLC035248

MANUFACTURING FACILITIES OF OUR COMPANY

Unit 1– Rajasthan

(For Weaving)

Khasra No. 1474, Industrial Estate, Gram: Shreenagar, Nasirabad – Kishangarg, Four Lane Expressway,
Distt. Ajmer- 305025, Rajasthan.

Unit 2– Rajasthan

(For Sizing)

Khasra No. 1629, 1648/1770, 1674/7769, Industrial Estate, Gram: Shreenagar, Tehsil: Nasirabad, Kishangarh
Four Lane Expressway, Distt. Ajmer, Rajasthan – 305025.

(Both lands are adjacent to each other)

REGISTRAR OF COMPANIES

REGISTRAR OF COMPANIES, JAIPUR

C/6-7, 1st Floor, Residency Area,
Civil Lines, Jaipur-302001
Tel: 0141-2981913/2981914/2981915/2981917
Fax: 0141-2981916
Email: roc.jaipur@mca.gov.in
Website-www.mca.gov.in

DESIGNATED STOCK EXCHANGE

NATIONAL STOCK EXCHANGE OF INDIA LIMITED (EMERGE PLATFORM)

Exchange Plaza, Plot No. C/1, G Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai-400051, India
Tel No.: 022 – 2659 8100/ 8114
Website: www.nseindia.com

BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age	DIN	Address	Designation
1.	Mr. Rohit Toshniwal	62	03507310	Shree Bhawan, Ajmer Road, Madanganj, Kishangarh – 305 081 Rajasthan, India	Chairman & Whole-Time Director
2.	Mr. Norat Mal Choudhary	74	03558999	36, Gopi Sadan, Adarsh Nagar, Ajmer – 305 001, Rajasthan, India	Managing Director
3.	Ms. Prabha Lakhota	57	03559805	M-2, Ana Sagar Link Road, Ajmer – 305 001, Rajasthan, India	Non-Executive Director
4.	Ms. Sadhana Toshniwal	59	03515653	Shree Bhawan, Ajmer Road, Madanganj, Kishangarh – 305 801 Rajasthan, India	Non-Executive Director
5.	Mr. Shreya Garg	34	05335675	S/o Pukhraj Garg. 115/ 10 Manak Shree, Opp. Savitri School, Civil Line, Ajmer-305001, Rajasthan.	Independent Director
6.	Mr. Brij Behari Gupta	62	02659488	B-359 Shastri Nagar Bhilwara-311001 Rajasthan India	Independent Director

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 130.

CHIEF FINANCIAL OFFICER

Mr. MUKUL LAKHOTIA

SAHAJ FASHIONS LIMITED

Shree Bhawan, Ajmer Road,
Madanganj Kishangarh,
Rajasthan – 305 801, India
Tel. No.: +91 94627 88792
E-mail: cfo@sahajfashions.in

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. SHILPI AGARWAL

SAHAJ FASHIONS LIMITED

Shree Bhawan, Ajmer Road,
Madanganj Kishangarh,
Rajasthan – 305 801, India
Tel. No.: +91 94627 88792
E-mail: cfo@sahajfashions.in

INVESTOR GRIEVANCES

Investors may contact the Compliance Officer and / or the Registrar to the Offer and / or the LM to the Offer in case of any Pre-Offer or Post-Offer related matters such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non-receipt of funds by electronic mode, etc.

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Application Form was submitted, giving full details such as name of the sole

or First Applicant, Application Form number, Applicant's DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove.

STATUTORY AUDITOR

M/s RAMA K GUPTA & CO.

Chartered Accountants

Add: 1879-A, Shiv Nagar,

Foy Sagar Road,

Ajmer- 305001, Rajasthan, India

Firm Registration No.: 005005C

Peer Review Certificate No: 014844

Tel: 0145 3551565

Contact Person: Mr. Nitin Gupta

Membership No.: 419124

E-mail: ca.nitin2311@gmail.com

PEER REVIEWED AUDITOR FOR RESTATED FINANCIALS

M/s RAMAN CHAWLA & ASSOCIATES

Chartered Accountants

Add: 60/2C, 2nd Floor Yusuf Sarai,

Indian Oil Complex, New Delhi-110016

Firm Registration Number: 035543N

Peer Review No.: 015060

Tel: 0145 3551565

Contact Person: Mr. Jasmeet Singh

Membership No.: 549076

E-mail: bathlajasmeet@gmail.com

REGISTRAR TO THE OFFER

BIGSHARE SERVICES PRIVATE LIMITED

S6-2, 6th Pinnacle business Park, Mahakali Caves Road,
Next to Ahura Centre, Andheri East, Maharashtra – 400093,
Maharashtra, India

Tel: (022) 6263 8200

Fax: (022) 6263 8299

E-mail: ipo@bigshareonline.com

Investor Grievance Email: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Swapnil Kate

SEBI Registration No.: INR000001385

LEGAL ADVISOR TO THE OFFER

MR. MRINAL SHARMA

SHARMA ASSOCIATES

Chamber No. 1, Revenue Board, Ajmer, Rajasthan.

Chamber No. 19, Civil Court, Ajmer, Rajasthan.

Regn. No.: R/4074/2007

Tel: 9828502944

E-mail: mrinal3g@gmail.com

BANKER & LENDER TO THE COMPANY

STATE BANK OF INDIA

Biliya Industrial Area-31525, Bhilwara, Rajasthan

Tel: 01482 260112

Contact Person: Mr. Navratan Bhambi

Email Id: sbi.31525@sbi.co.in

Website: www.sbi.co.in

Note: Our Company has received the No Objection Certificate from State Bank of India on June 03, 2023 for this Offer.

BANKER TO THE OFFER/ / REFUND BANKER / SPONSOR BANK

KOTAK MAHINDRA BANK LIMITED

Kotak Infiniti, 6th Floor, Building No. 21,

Infinity Park, Off Western Express,

Highway, General AK Vaidya Marg,

Malad (East), Mumbai -400 097, Maharashtra, India.

Tel: 91-22-66056603

Contact Person: Siddhesh Shirodkar

Website: www.kotak.com

Email Id: cmsigo@kotak.com

DESIGNATED INTERMEDIARIES:

Self-Certified Syndicate Banks (SCSB's)

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

Syndicate SCSB Branches

In relation to ASBA Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, refer to the above mentioned SEBI link.

Registered Brokers

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

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), as updated from time to time.

CREDIT RATING FOR THIS OFFER

This being an Offer of Equity shares, credit rating is not mandatory.

IPO GRADING FOR THIS OFFER

Our Company has not obtained any IPO grading for this Offer from any credit rating agency.

TYPE OF OFFER

The present Offer is Fixed price Offer.

GREEN SHOE OPTION

No green shoe option is contemplated under the Offer.

APPRAISAL AND MONITORING AGENCY

Since our Offer size does not exceed one Hundred Crore Rupees, we are not required to appoint monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 262(1) of SEBI ICDR Regulations. Our Company has not appointed any monitoring agency for this Offer. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Offer.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Khambatta Securities Limited is the sole Lead Manager to this Offer, statement of inter se allocation of responsibilities among Lead Managers is not applicable.

EXPERT OPINION

Except the report of the Statutory Auditor on statement of tax benefits included in this prospectus, our Company has not obtained any other expert opinion.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

DEBENTURE TRUSTEE

Since this is not a debenture Offer, appointment of debenture trustee is not required.

CHANGE IN AUDITORS DURING THE LAST THREE (3) YEARS

There have been no changes in our Company’s auditors in the last three (3) years:

FILING OF PROSPECTUS

A soft copy of the Prospectus shall be filed with SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> as per Regulation 246(1) of SEBI (ICDR) Regulations. Pursuant to Regulation 246(2) of SEBI ICDR Regulations, the SEBI shall not Offer any observation on the offer document. A copy of the Prospectus along with the documents required to be filed under Section 26 read with Section 32 of the Companies Act will be delivered to the Registrar of Companies, Jaipur.

UNDERWRITER

This Offer is 100% Underwritten by Khambatta Securities Limited in the capacity of Underwriter to the Offer.

Pursuant to the terms of the Underwriting Agreement dated August 08, 2023, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Offer:

Details of the Underwriter	No. of Equity Shares Underwritten	Amount Underwritten (Rs. In Lakhs)	% of total Offer size underwritten
Khambatta Securities Limited	Upto *46,52,000 Equity shares	1,395.60	100.00%

<p>1 Ground Floor, 7/10, Botawala Building, 9 Bank Street, Horniman Circle, Fort, Mumbai, Maharashtra – 400 001, India Tel: 011-41645051; 022-66413315 Email: ipo@khambattasecurities.com Website: www.khambattasecurities.com Contact Person: Mr. Vipin Aggarwal SEBI Registration No.: INM000011914</p>			
Total	Up to 46,52,000 Equity shares	1,395.60	100.00%

**Includes up to 2,36,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations, as amended.*

In accordance with Regulation 260(2) of the SEBI ICDR Regulations, this Offer has been 100% underwritten and shall not restrict to the minimum subscription level. As per Regulation 260 of SEBI ICDR Regulations the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Offer (Including the Market Maker Reservation portion) out of its own account and the remaining shall be underwritten by Lead Manager.

MARKET MAKER

NNM Securities Private Limited

B 6/7, Shri Siddhivinayak Plaza, 2nd Floor,
 Plot No. 8-31, Oshiwara, Opp. Citi Mall,
 Oshiwara, Andheri (West), Mumbai- 400053

Tel: 022-40790011,40790036

Email: support@nnmsecurities.com

Investor Grievance: support@nnmsecurities.com

Website: www. nnmsecurities.com

Contact Person: Mr. Nikunj Anilkumar Mittal

SEBI Registration No.: INZ000234235

DETAILS OF THE MARKET MAKING AGREEMENT

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Manager and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated August 14, 2023 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Offer.

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

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

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

- ❖ The Market Maker 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. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.

- ❖ The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of NSE Emerge and SEBI from time to time.
- ❖ The minimum depth of the quote shall be Rs.1,00,000. However, the investors with holdings of value less than Rs.1,00,000 shall be allowed to Offer their holding to the Market Maker 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. Based on the IPO price of Rs. 30/- per share the minimum lot size is 4,000 Equity Shares thus minimum depth of the quote shall be 4,000 Equity Shares until the same, would be revised by NSE.
- ❖ After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Offer). Any Equity Shares allotted to Market Maker under this Offer over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, 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, the concerned stock exchange may intimate the same to SEBI after due verification.
- ❖ 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 securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
- ❖ 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 Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars Issued by SEBI and NSE Emerge from time to time.
- ❖ Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- ❖ There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- ❖ The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge Platform and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
- ❖ 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 shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Company, who shall then be responsible to appoint a replacement Market Maker.
- ❖ In case of termination of the abovementioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Company to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations. Further the Company reserve the right

to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

- ❖ Risk containment measures and monitoring for Market Maker: NSE Emerge Platform will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- ❖ Punitive Action in case of default by Market Maker: NSE Emerge 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.
- ❖ Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Maker during market making process has been made applicable, based on the Offer size and as follows:

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

- ❖ The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms Issued by SEBI/ NSE from time to time.
- ❖ All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.
- ❖ On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

WITHDRAWAL OF THE OFFER

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Offer at any time after the Offer Opening Date but before the Board meeting for Allotment. In such an event, our Company would Offer a public notice in the newspapers, in which the pre-Offer advertisements were published, within two (2) days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Lead Manager, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform NSE Emerge on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals from NSE Emerge, which our Company shall apply for after Allotment. If our Company withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this prospectus is set forth below:

Sr. No.	Particulars	Aggregate Nominal value	Aggregate value at offer price
A.	Authorised Share Capital		
	1,35,00,000 Equity Shares of Rs.10/- each	1,350.00	
B.	Issued, Subscribed and Paid-Up Share Capital before the Offer		
	86,92,160 Equity Shares of Rs.10/- each	869.22	
	Present Offer in terms of the Prospectus		
	Offer of 46,52,000 Equity Shares of face value of Rs.10/- each at a premium of Rs. 30.00/- per share	465.20	1,395.60
	Consisting of:		
	(a) Fresh Issue of 44,76,000 Equity Shares of face value of Rs.10/- each at a premium of Rs. 30.00/- per share	447.60	1,342.80
	(b) Offer for Sale of 1,76,000 Equity Shares of face value of Rs.10/- each at a premium of Rs. 30.00/- per share	17.60	52.80
	of which:		
(I)	Reservation for Market Maker- 2,36,000 Equity Shares of Rs.10/- each at a price of Rs. 30.00/- per Equity Share reserved as Market Maker Portion.	23.60	70.80
(II)	Net Offer to the Public – 44,16,000 Equity Shares of Rs.10/- each at a price of Rs. 30.00/- per Equity Share.	441.60	1324.80
C.	Of the Net Offer to the Public		
(I)	Allocation to Retail Individual Investors – 22,08,000 Equity Shares of Rs.10/- each at a price of Rs. 30.00/- per Equity Share shall be available for allocation for Investors applying for a value of up to Rs.2.00 Lakhs.	220.80	662.40
(II)	Allocation to Other than Retail Individual Investors – 22,08,000 Equity Shares of Rs.10/- each at a price of Rs. 30.00/- per Equity Share shall be available for allocation for Investors applying for a value of above Rs.2.00 Lakhs.	220.80	662.40
D.	Issued, Subscribed and Paid-up Share Capital after the Offer		
	1,31,68,160 Equity Shares of Rs. 10/- each	131.68	
E.	Securities Premium Account		
	Before the Offer	323.35*	
	After the Offer	1,218.55	

* As per Restated Financial Statements prepared as at February 28, 2023 the Company had Security Premium of Rs. 131.35 Lakhs. The Board of Directors vide board resolution dated March 01, 2023 decided to Offer further shares on right basis to existing shareholders in the ratio of one equity shares for every two equity shares being limited to 37,06,080 equity shares of Rs. 10 each, to be Issued at the price of Rs. 25 per equity shares. Later, vide board resolution dated March 31, 2023 the board of directors allotted 12,80,000 equity shares after considering acceptance and renunciation of right from the existing shareholders. As 12,80,000 equity shares allotted at a premium of Rs. 15 per share the Security Premium Account increased by Rs. 192.00 Lakhs to Rs. 323.35 Lakh.

The present Offer has been authorized by our Board of Directors vide a resolution passed at its meeting held on February 27, 2023 and by Special Resolution passed under Section 62(1)I of the Companies Act, 2013 at the EGM of our shareholders held on March 01, 2023.

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

NOTES TO THE CAPITAL STRUCTURE:

1. History of change in authorized Equity Share capital of Our Company

- a. The Initial Authorized Share Capital of Rs. 5,00,000 (Rupees Five Lakhs only) consisting of 50,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 10,00,000 (Rupees Ten Lakhs only) consisting of 1,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated July 22, 2014.
- b. The Authorized Share Capital of Rs. 10,00,000 (Rupees Ten Lakhs only) consisting of 1,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 13,00,000 (Rupees Thirteen Lakhs only) consisting of 1,30,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated August 31, 2015.
- c. The Authorized Share Capital of Rs. 13,00,000 (Rupees Thirteen Lakhs only) consisting of 1,30,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 20,00,000 (Rupees Twenty Lakhs only) consisting of 2,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated November 16, 2015.
- d. The Authorized Share Capital of Rs. 20,00,000 (Rupees Twenty Lakhs only) consisting of 2,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 10,10,00,000 (Rupees Ten Crores Ten Lakhs only) consisting of 1,01,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated August 10, 2018.
- e. The Authorized Share Capital of Rs. 10,10,000 (Rupees Ten Crores Ten Lakhs only) consisting of 1,10,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 11,50,000 (Rupees Eleven Crores Fifty Lakhs only) consisting of 1,15,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated January 21, 2023.
- f. The Authorized Share Capital of Rs. 11,50,00,000 (Rupees Eleven Crores Lakhs only) consisting of 1,15,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs.13,50,00,000 (Rupees Thirteen Crores Fifty Lakhs only) consisting of 1,35,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated March 27, 2023

2. Equity Share Capital History:

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

Date of Allotment	No. of Shares Allotted	Face Value	Offer Price	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares	Cumulative Paid up Capital
On Incorporation	10,000	10	10	Subscription to MOA ⁽¹⁾	Cash	10,000	1,00,000
September 29, 2011	20,000	10	750	Further Allotment ⁽²⁾	Cash	30,000	3,00,000
November 20, 2011	13,410	10	740	Further Allotment ⁽³⁾	Cash	43,410	4,34,100
September 7, 2012	6,590	10	560	Further Allotment ⁽⁴⁾	Cash	50,000	50,00,000
October 11, 2014	30,400	10	560	Rights Offer ⁽⁵⁾	Cash	80,400	8,04,000

March 30, 2015	9,324	10	560	Rights Offer ⁽⁶⁾	Cash	89,724	8,97,240
January 23, 2016	40,103	10	560	Rights Offer ⁽⁷⁾	Cash	1,29,827	12,98,270
March 18, 2016	17,883	10	560	Rights Offer ⁽⁸⁾	Cash	1,47,710	14,77,100
March 31, 2017	6,710	10	560	Rights Offer ⁽⁹⁾	Cash	1,54,420	15,44,200
August 28, 2018	72,57,740	10	-	Bonus Offer(47:1) ⁽¹⁰⁾	Consideration other than Cash	74,12,160	7,41,21,600
March 31, 2023	9,80,000	10	25	Rights Offer ⁽¹¹⁾	Cash	83,92,160	8,39,21,600

(1) Initial Subscribers to Memorandum of Association hold 10,000 Equity Shares of face value of Rs. 10/- each fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Rohit Toshniwal	2,500
2.	Ms. Sadhana Toshniwal	2,500
3.	Ms. Prabha Lakhotia	2,500
4.	Mr. Norat Mal Choudhary	2,500
	Total	10,000

(2) The Company allotted 20,000 Equity Shares of face value of Rs. 10/- each on a premium of Rs. 740 as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Rohit Toshniwal	6,800
2.	Ms. Sadhana Toshniwal	3,600
3.	Mr. Norat Mal Choudhary	3,600
4.	Ms. Prabha Lakhotia	4,100
5.	Mr. Rakesh Choudhary	1,900
	Total	20,000

(3) The Company allotted 13,410 Equity Shares of face value of Rs. 10/- each on a premium of Rs. 730 as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Rohit Toshniwal	2,200
2.	Ms. Sadhana Toshniwal	6,400
3.	Mr. Norat Mal Choudhary	1,200
4.	Ms. Prabha Lakhotia	1,800

Sr. No	Name of Person	No. of Shares Allotted
5.	Mr. Rakesh Choudhary	1,800
6.	HDK International Pvt Ltd	10
	Total	13,410

- (4) The Company allotted 6,590 Equity Shares of face value of Rs. 10/- each on a premium of Rs. 550 as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Rohit Toshniwal	514
2.	Mr. Norat Mal Choudhary	994
3.	Ms. Prabha Lakhotia	1,567
4.	Mr. Rakesh Choudhary	74
5.	HDK International Pvt Ltd	3,421
6.	Ms. Sunita Bangur	10
7.	Ms. Shashi Bangur	10
	Total	6,590

- (5) The Company allotted 30,400 Equity Shares of face value of Rs. 10/- each on a premium of Rs. 550 per share on Rights basis as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Rohit Toshniwal	4,500
2.	Ms. Sadhana Toshniwal	9,000
3.	Mr. Norat Mal Choudhary	1,500
4.	Ms. Prabha Lakhotia	1,400
5.	HDK International Pvt Ltd	14,000
	Total	30,400

- (6) The Company allotted 9,324 Equity Shares of face value of Rs. 10/- each on a premium of Rs. 550 on Rights basis as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Rohit Toshniwal	3,000
2.	Ms. Prabha Lakhotia	6,324
	Total	9,324

- (7) The Company allotted 40,103 Equity Shares of face value of Rs. 10/- each on a premium of Rs. 550 on Rights basis as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Rohit Toshniwal	1,541
2.	HDK International Pvt Ltd	35,883
3.	Late Sh. Moti Lal Maheshwari	2,679
	Total	40,103

- (8) The Company allotted 17,883 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 550 on Rights basis as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	HDK International Pvt Ltd	17,883
	Total	17,883

- (9) The Company allotted 6,710 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 550 on Rights basis as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Norat Mal Choudhary	6,710
	Total	6,710

- (10) The Company allotted 72,57,740 Equity Shares as Bonus Shares of face value Rs. 10/- each in the ratio of 47 Equity Shares for every 1 Equity Share held as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Ms. Sadhana Toshniwal	10,10,500
2.	Mr. Rohit Toshniwal	9,89,585
3.	Ms. Prabha Lakhotia	8,31,477
4.	Mr. Noratmal Choudhary	7,75,688
5.	M/s Vijay Trading (Partner: Mr. Mukul Lakhotia)	4,90,944
6.	M/s Gayatri Trading (Partner: Mr. Mukul Lakhotia)	4,68,288
7.	M/s Usha Investments (Partner: Mr. Rakesh Choudhary)	4,33,968
8.	M/s Aruna Trading (Partner: Mr. Rakesh Choudhary)	4,01,088
9.	M/s Nitin International (Partner: Ms. Anjali Toshniwal)	3,85,728
10.	M/s Maheshwari International (Partner: Mr. Nitin Toshniwal)	3,62,784
11.	M/s Sahaj Corporation (Partner: Mr. Nitin Toshniwal)	3,62,256

Sr. No	Name of Person	No. of Shares Allotted
12.	M/s Toshniwal Corporation (Partner: Mr. Nitin Toshniwal)	3,34,800
13.	Mr. Rakesh Choudhary	1,77,378
14.	Mr. Ankur Shah	1,74,840
15.	Late Sh. Moti Lal Maheshwari	1,25,913
	Total	72,57,740

(11) The Company allotted 12,80,000 Equity Shares of face value of Rs. 10/- each on a premium of Rs. 15 on Rights basis as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Rohit Toshniwal	3,20,000
2.	Ms. Sadhana Toshniwal	3,20,000
3.	Mr. Norat Mal Choudhary	3,20,000
4.	Ms. Prabha Lakhotia	3,20,000
	Total	12,80,000

3. Except as mentioned below we have never Issued Equity Shares for consideration other than cash –

Date of Allotment	Number of Equity Shares	Face Value (in Rs)	Offer Price (in Rs)	Reason for Allotment	Allottees	Number of shares Allotted
August 28, 2018	72,57,740	10	Nil	Bonus Offer of Equity Shares in the Ratio of 47:1	Ms. Sadhana Toshniwal	10,10,500
					Mr. Rohit Toshniwal	9,89,585
					Ms. Prabha Lakhotia	8,31,477
					Mr. Noratmal Choudhary	7,75,688
					M/s Vijay Trading (Partner: Mr. Mukul Lakhotia)	4,80,716
					M/s Gayatri Trading (Partner: Mr. Mukul Lakhotia)	4,58,532
					M/s Usha Investments (Partner: Mr. Rakesh Choudhary)	4,24,927
					M/s Aruna Trading (Partner: Mr. Rakesh Choudhary)	3,92,732

					M/s Nitin International (Partner: Ms. Anjali Toshniwal)	3,77,692
					M/s Maheshwari International (Partner: Mr. Nitin Toshniwal)	3,55,226
					M/s Sahaj Corporation (Partner: Mr. Nitin Toshniwal)	3,54,709
					M/s Toshniwal Corporation (Partner: Mr. Nitin Toshniwal)	3,27,825
					Mr. Rakesh Choudhary	1,77,378
					Mr. Ankur Shah	1,74,840
					Late Sh. Moti Lal Maheshwari	1,25,913
					Total	72,57,740

4. We have not Issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956 or under section 230-234 of the Companies Act, 2013.
5. Our Company has not Issued any shares pursuant to an Employee Stock Option Scheme/ Employee Stock Purchase Scheme for our employees.
6. We have not re-valued our assets since inception and have not Issued any equity shares (including bonus shares) by capitalizing any revaluation reserves
7. Details of shareholding of promoters.

- **Mr. Rohit Toshniwal**

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Offer / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-Offer shareholding %	Post-Offer shareholding %	No. of Shares Pledged	% of Shares Pledged
On Incorporation	2,500	10	10	Subscription to MOA	0.03%	0.02%	-	-
September 29, 2011	6,800	10	750	Further Allotment	0.08%	0.05%	-	-
November 20, 2011	2,200	10	740	Further Allotment	0.03%	0.02%	-	-

September 7, 2012	514	10	560	Further Allotment	0.01%	0.00%	-	-
October 11, 2014	4,500	10	560	Rights Offer	0.05%	0.03%	-	-
March 30, 2015	3,000	10	560	Rights Offer	0.03%	0.02%	-	-
January 23, 2016	1,541	10	560	Rights Offer	0.02%	0.01%	-	-
August 28, 2018	9,89,585	10	Nil	Bonus Offer	11.38%	7.51%	-	-
March 31, 2023	3,20,000	10	25	Rightss Offer	3.68%	2.43%	-	-
Total	10,10,640				11.63%	7.67%		

- **Ms. Sadhana Toshniwal**

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Offer / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-Offer shareholding %	Post- Offer shareholding %	No. of Shares Pledged	% of Shares Pledge d
On Incorporation	2,500	10	10	Subscription to MOA	0.03%	0.02%	-	-
September 29, 2011	3,600	10	750	Further Allotment	0.04%	0.03%	-	-
November 20, 2011	6,400	10	740	Further Allotment	0.07%	0.05%	-	-
October 11, 2014	9,000	10	560	Rights Offer	0.10%	0.07%	-	-
August 28, 2018	10,10,500	10	Nil	Bonus Offer	11.63%	7.67%	-	-
March 31, 2023	3,20,000	10	25	Rights Offer	3.68%	2.43%	-	-
Total	13,52,000				15.55%	10.26%	-	-

- **Mr. Norat Mal Choudary**

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Offer / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-Offer shareholding %	Post- Offer shareholding %	No. of Shares Pledged	% of Shares Pledge d
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On Incorporation	2,500	10	10	Subscription to MOA	0.03%	0.02%	-	-
September 29, 2011	3,600	10	750	Further Allotment	0.04%	0.03%	-	-
November 20, 2011	1,200	10	740	Further Allotment	0.01%	0.01%	-	-
September 7, 2012	994	10	560	Further Allotment	0.01%	0.01%	-	-
October 11, 2014	1,500	10	560	Rights Offer	0.02%	0.01%	-	-
March 31, 2017	6,710	10	560	Rights Offer	0.08%	0.05%	-	-
August 28, 2018	7,75,688	10	Nil	Bonus Offer	8.92%	5.89%	-	-
March 31, 2023	3,20,000	10	25	Rights Offer	3.68%	2.43%	-	-
Total	11,12,192				12.80%	8.44%		

- **Ms. Prabha Lakhotia**

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Offer / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-Offer shareholding %	Post- Offer shareholding %	No. of Shares Pledged	% of Shares Pledged
On Incorporation	2,500	10	10	Subscription to MOA	0.03%	0.02%	-	-
September 29, 2011	4,100	10	750	Further Allotment	0.05%	0.03%	-	-
November 20, 2011	1,800	10	740	Further Allotment	0.02%	0.01%	-	-
September 7, 2012	1,567	10	560	Further Allotment	0.02%	0.01%	-	-
October 11, 2014	1,400	10	560	Rights Offer	0.02%	0.01%	-	-
March 30, 2015	6,324	10	560	Rights Offer	0.07%	0.05%	-	-
August 28, 2018	8,31,477	10	Nil	Bonus Offer	9.57%	6.31%	-	-

March 31, 2023	3,20,000	10	25	Rights Offer	3.68%	2.43%	-	-
Total	11,69,168				13.45%	8.87%		

- **Mr. Rakesh Choudhary**

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Offer / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-Offer shareholding %	Post-Offer shareholding %	No. of Shares Pledged	% of Shares Pledged
September 29, 2011	1900	10	750	Further Allotment	0.02%	0.01%	-	-
November 20, 2011	1800	10	740	Further Allotment	0.02%	0.01%	-	-
September 7, 2012	74	10	560	Further Allotment	0.00%	0.00%	-	-
August 28, 2018	1,77,378	10	Nil	Bonus Offer	2.04%	1.35%	-	-
Total	1,81,152				2.08%	1.38%		

- **Mr. Nitin Toshniwal**

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Offer / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-Offer shareholding %	Post-Offer shareholding %	No. of Shares Pledged	% of Shares Pledged
August 08, 2023	1,28,592	10	-	Transmission	1.48%	0.98%	-	-
Total	1,28,592				1.48%	0.98%		

Note: These shares were transmitted from Late Sh. Moti Lal Maheshwari to his son and Promoter of Sahaj Fashions Limited Mr. Nitin Toshniwal.

8. Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds or their internal accruals, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.

9. There are no financing arrangements whereby the Promoter Group, the Directors of our Company 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 filing offer document with the Stock Exchanges.

10. Details of Promoter's Contribution locked in for three years:

Pursuant to the Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Offer Equity Share capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment in this Offer. As on date of this prospectus, our Promoters holds 49,64,000 Equity Shares constituting 37.68% of the Post Offer Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoter's Contribution.

Our Promoter has granted consent to include such number of Equity Shares held by him as may constitute of the post Offer Equity Share capital of our Company as Promoter's Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution from the date of filing of this prospectus until the commencement of the lock-in period specified below.

Date of allotment & Date when made fully paid up	No. of Shares Allotted	Face Value	Offer Price	Nature of Allotment	% of Post Offer Capital
Mr. Rohit Toshniwal					
August 28, 2018	6,72,000	10	Nil	Bonus Issue	5.10%
Total	6,72,000	10			5.10%
Ms. Sadhana Toshniwal					
August 28, 2018	6,72,000	10	Nil	Bonus Issue	5.10%
Total	6,72,000	10			5.10%
Mr. Norat Mal Chaudary					
August 28, 2018	6,72,000	10	Nil	Bonus Issue	5.10%
Total	6,72,000	10			5.10%
Ms. Prabha Lakhotia					
August 28, 2018	6,66,000	10	Nil	Bonus Issue	5.06%
Total	6,66,000	10			5.06%
Grand Total	26,82,000	10			20.36%

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

- Equity Shares acquired three years preceding the date of this prospectus for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoters' Contribution.
- The Equity Shares acquired during the year preceding the date of this prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in this Offer is not part of the minimum promoter's contribution.

- The Equity Shares held by the Promoters and offered for minimum 20% Promoter's Contribution are not subject to any pledge or any other form of encumbrances.
- The Equity Shares in Promoter's Contribution does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

Specific written consent has been obtained from the Promoters for inclusion of 26,82,000 Equity Shares for ensuring lock-in of three years to the extent of minimum 20.00% of post Offer Paid-up Equity Share Capital from the date of allotment in the public Offer.

Equity Shares locked-in for one year other than Minimum Promoter's Contribution

Pursuant to Regulation 238(b) and 239 of the SEBI ICDR Regulations, other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters' contribution for three years, all pre-Offer Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Offer.

Inscription or recording of non-transferability

In terms of Regulation 241 of the SEBI ICDR Regulations, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock - in period and in case such equity shares are dematerialized, the Company shall ensure that the lock - in is recorded by the Depository.

Pledge of Locked in Equity Shares

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution or systematically important non-banking finance company or a housing finance company as collateral security for loans granted by them, provided that:

- a. if the equity shares are locked-in in terms of clause (a) of Regulation 238, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the Offer and pledge of equity shares is one of the terms of sanction of the loan;
- b. if the specified securities are locked-in in terms of clause (b) of Regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

Transferability of Locked in Equity Shares

- a. Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.
- b. Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.



11. Shareholding Pattern of our Company:

A. The table below represents the current shareholding pattern of our Company:

1. Summary of Shareholding Pattern

Category Code	Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares**		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
								Class - (Equity)	Class - (Preference)	Total								
I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoters and Promoter Group	14	85,13,600	-	-	85,13,600	97.59	85,13,600	-	85,13,600	97.95	-	97.59	85,13,600	97.59	-	-	100.00



(B)	Public	1	1,78,560	-	-	1,78,560	2.05	1,78,560	-	1,78,560	2.05%	-	2.405%	1,78,560	2.05%	-	-	100.00
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	15	86,92,160	-	-	86,92,160	100.00	86,92,160	-	86,92,160	100.00	-	100.00	86,92,160	100.00	-	-	100.00

**As on the date of this prospectus 1 Equity Share holds 1 vote. There is no voting right on the preference shares Issued by our company.*

***Shall be locked-in on or before the date of allotment in this Offer.*

****We have completed the process of ISIN activation with both the depositories – NSDL and CDSL.*

B. Shareholding of our Promoters and Promoter Group

The table below presents the current shareholding pattern of our Promoters and Promoter Group (individuals).

Sr. No.	Name of the Shareholder	Pre – Offer		Post – Offer	
		No. of Equity Shares	% of Pre- Offer Capital	No. of Equity Shares	% of Post- Offer Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	Promoters				
1.	Mr. Rohit Toshniwal	13,30,640	15.31%	13,30,640	10.10%
2.	Ms. Sadhana Toshniwal	13,52,000	15.55%	13,52,000	10.26%
3.	Mr. Noratmal Choudhary	11,12,192	12.80%	11,12,192	8.44%
4.	Ms. Prabha Lakhota	11,69,168	13.45%	11,69,168	8.87%
5.	Mr. Rakesh Choudhary	1,81,152	2.08%	1,81,152	1.38%
6.	Mr. Nitin Toshniwal	1,28,592	1.48%	1,28,592	0.98%
	Promoters Group				
7.	M/s Vijay Trading (Partner: Mr. Mukul Lakhota)	4,90,944	5.65%	4,90,944	3.73%
8.	M/s Gayatri Trading (Partner: Mr. Mukul Lakhota)	4,68,288	5.39%	4,68,288	3.55%
9.	M/s Usha Investments (Partner: Mr. Rakesh Choudhary)	4,33,968	4.99%	4,33,968	3.29%
10.	M/s Aruna Trading (Partner: Mr. Rakesh Choudhary)	4,01,088	4.61%	4,01,088	3.04%
11.	M/s Nitin International (Partner: Ms. Anjali Toshniwal)	3,85,728	4.44%	3,85,728	2.93%
12.	M/s Maheshwari International (Partner: Mr. Nitin Toshniwal)	3,62,784	4.17%	3,62,784	2.75%
13.	M/s Sahaj Corporation (Partner: Mr. Nitin Toshniwal)	3,62,256	4.17%	3,62,256	2.75%
14.	M/s Toshniwal Corporation (Partner: Mr. Nitin Toshniwal)	3,34,800	3.85%	3,34,800	2.54%
	Total	85,13,600	97.95%	85,13,600	64.62%

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Rohit Toshniwal	13,30,640	15.11

Ms. Sadhana Toshniwal	13,52,000	15.16
Mr. Noratmal Choudhary	11,12,192	15.08
Ms. Prabha Lakhotia	11,69,168	15.09
Mr. Rakesh Choudhary	1,81,152	15.45
Mr. Nitin Toshniwal	1,28,592	Nil*

*The shares were transmitted to Mr. Nitin Toshniwal upon the demise of his father Late Sh. Moti Lal Maheshwari.

12. The List of the Shareholders of the Company holding 1.00% or more of the paid up share capital.

- As on the date of this prospectus

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre Issued Capital
1.	Mr. Rohit Toshniwal	13,30,640	15.31%
2.	Mr. Noratmal Choudhary	11,12,192	12.80%
3.	Ms. Prabha Lakhotia	11,69,168	13.45%
4.	Ms. Sadhana Toshniwal	13,52,000	15.55%
5.	M/s Vijay Trading (Partner: Mr. Mukul Lakhotia)	4,90,944	5.65%
6.	M/s Gayatri Trading (Partner: Mr. Mukul Lakhotia)	4,68,288	5.39%
7.	M/s Usha Investments (Partner: Mr. Rakesh Choudhary)	4,33,968	4.99%
8.	M/s Aruna Trading (Partner: Mr. Rakesh Choudhary)	4,01,088	4.61%
9.	M/s Nitin International (Partner: Ms. Anjali Toshniwal)	3,85,728	4.44%
10.	M/s Maheshwari International (Partner: Mr. Nitin Toshniwal)	3,62,784	4.17%
11.	M/s Sahaj Corporation (Partner: Mr. Nitin Toshniwal)	3,62,256	4.17%
12.	M/s Toshniwal Corporation (Partner: Mr. Nitin Toshniwal)	3,34,800	3.85%
13.	Mr. Rakesh Choudhary	1,81,152	2.08%
14.	Mr. Ankur Shah	1,78,560	2.05%
15.	Mr. Nitin Toshniwal	1,28,592	1.48%
Total		86,92,160	100.00%

- Ten days prior to the date of this prospectus.

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre Issued Capital
1	Mr. Rohit Toshniwal	13,30,640	15.31%
2.	Mr. Noratmal Choudhary	11,12,192	12.80%
3.	Ms. Prabha Lakhotia	11,69,168	13.45%
4.	Ms. Sadhana Toshniwal	13,52,000	15.55%
5.	M/s Vijay Trading (Partner: Mr. Mukul Lakhotia)	4,90,944	5.65%
6.	M/s Gayatri Trading (Partner: Mr. Mukul Lakhotia)	4,68,288	5.39%
7.	M/s Usha Investments (Partner: Mr. Rakesh Choudhary)	4,33,968	4.99%
8.	M/s Aruna Trading (Partner: Mr. Rakesh Choudhary)	4,01,088	4.61%
9.	M/s Nitin International (Partner: Ms. Anjali Toshniwal)	3,85,728	4.44%
10.	M/s Maheshwari International (Partner: Mr. Nitin Toshniwal)	3,62,784	4.17%
11.	M/s Sahaj Corporation (Partner: Mr. Nitin Toshniwal)	3,62,256	4.17%
12.	M/s Toshniwal Corporation (Partner: Mr. Nitin Toshniwal)	3,34,800	3.85%
13.	Mr. Rakesh Choudhary	1,81,152	2.08%
14.	Mr. Ankur Shah	1,78,560	2.05%
15.	Mr. Nitin Toshniwal	1,28,592	1.48%
Total		86,92,160	100.00%

- **One year prior to the date of this prospectus.**

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre Issued Capital
1.	Mr. Rohit Toshniwal	10,10,640	13.63%
2.	Mr. Noratmal Choudhary	7,92,192	10.69%
3.	Ms. Prabha Lakhotia	8,49,168	11.46%
4.	Ms. Sadhana Toshniwal	10,32,000	13.92%
5.	M/s Vijay Trading (Partner: Mr. Mukul Lakhotia)	4,90,944	6.62%
6.	M/s Gayatri Trading (Partner: Mr. Mukul Lakhotia)	4,68,288	6.32%
7.	M/s Usha Investments (Partner: Mr. Rakesh Choudhary)	4,33,968	5.85%

8.	M/s Aruna Trading (Partner: Mr. Rakesh Choudhary)	4,01,088	5.41%
9.	M/s Nitin International (Partner: Ms. Anjali Toshniwal)	3,85,728	5.20%
10.	M/s Maheshwari International (Partner: Mr. Nitin Toshniwal)	3,62,784	4.89%
11.	M/s Sahaj Corporation (Partner: Mr. Nitin Toshniwal)	3,62,256	4.89%
12.	M/s Toshniwal Corporation (Partner: Mr. Nitin Toshniwal)	3,34,800	4.52%
13.	Mr. Rakesh Choudhary	1,81,152	2.44%
14.	Mr. Ankur Shah	1,78,560	2.41%
15.	Late Sh. Moti Lal Maheshwari	1,28,592	1.73%
Total		74,12,160	100.00%

- Two year prior to the date of this prospectus.

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre Issued Capital
1.	Mr. Rohit Toshniwal	10,10,640	13.63%
2.	Mr. Noratmal Choudhary	7,92,192	10.69%
3.	Ms. Prabha Lakhotia	8,49,168	11.46%
4.	Ms. Sadhana Toshniwal	10,32,000	13.92%
5.	M/s Vijay Trading (Partner: Mr. Mukul Lakhotia)	4,90,944	6.62%
6.	M/s Gayatri Trading (Partner: Mr. Mukul Lakhotia)	4,68,288	6.32%
7.	M/s Usha Investments (Partner: Mr. Rakesh Choudhary)	4,33,968	5.85%
8.	M/s Aruna Trading (Partner: Mr. Rakesh Choudhary)	4,01,088	5.41%
9.	M/s Nitin International (Partner: Ms. Anjali Toshniwal)	3,85,728	5.20%
10.	M/s Maheshwari International (Partner: Mr. Nitin Toshniwal)	3,62,784	4.89%
11.	M/s Sahaj Corporation (Partner: Mr. Nitin Toshniwal)	3,62,256	4.89%
12.	M/s Toshniwal Corporation (Partner: Mr. Nitin Toshniwal)	3,34,800	4.52%
13.	Mr. Rakesh Choudhary	1,81,152	2.44%
14.	Mr. Ankur Shah	1,78,560	2.41%
15.	Late Sh. Moti Lal Maheshwari	1,28,592	1.73%



Total	74,12,160	100.00%
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13. Except as provided below, no Equity Shares were acquired/ purchased/ sold by the Promoter and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Prospectus.

Date of Allotment / Transfer	Name of Shareholders	No. of Equity Share	% of Pre Offer Capital	Subscribed/ Acquire/ Transfer	Category of Allottees (Promoter/ Promoter Group/ Director)
March 31, 2023	Mr. Rohit Toshniwal	3,20,000	3.68%	Right Offer	Promoter & Director
March 31, 2023	Ms. Sadhana Toshniwal	3,20,000	3.68%	Right Offer	Promoter & Director
March 31, 2023	Mr. Norat Mal Choudhary	3,20,000	3.68%	Right Offer	Promoter & Director
March 31, 2023	Ms. Prabha Lakhotia	3,20,000	3.68%	Right Offer	Promoter & Director

Note: Board of Directors vide board resolution dated March 01, 2023 decided to Offer further shares on right basis to existing shareholders in the ratio of one equity shares for every two equity shares being limited to 37,06,080 equity shares of Rs. 10 each, to be Issued at the price of Rs.25 per equity shares. Also, vide board resolution dated March 31, 2023 the board of directors allotted 12,80,000 equity shares after considering acceptance and renunciation of right from the existing shareholders.

14. None of our Directors, Key Managerial Personnel or Senior Personnel hold any Equity Shares other than as set out below:

Name	Designation	No. of Equity Shares Held
Mr. Norat Mal Choudhary	Managing Director	11,12,192
Mr. Rohit Toshniwal	Chairman & Whole Time Director	13,30,640
Ms. Sadhana Toshniwal	Non-Executive Director	13,52,000
Ms. Prabha Lakhotia	Non-Executive Director	11,69,168
Mr. Rakesh Choudhary	Marketing Head	1,81,152
Mr. Nitin Toshniwal	Operations Head	1,28,592

15. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/ Promoters/ Directors/ Lead Manager for purchase of Equity Shares offered through this prospectus.

16. As on the date of this prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.

17. Except, as otherwise disclosed in the chapter titled "*Objects of the Offer*" beginning on page 78, we have not raised any bridge loans against the proceeds of the Offer.

18. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "*Basis of Allotment*" beginning on page 212.

19. The Equity Shares Issued pursuant to this Offer shall be fully paid-up at the time of Allotment, failing which no allotment shall be made.



20. Our Company has not Issued any Equity Shares at a price less than the Offer Price in the last one year preceding the date of filing of this prospectus except the following –

Our Company allotted 12,80,000 Equity Shares of face value of Rs. 10/- each on March 31, 2023 on Rights basis as per the details given below:

Sr. No	Name of Person	Issue Price including Premium	No. of Shares Allotted
1.	Mr. Rohit Toshniwal	25.00	3,20,000
2.	Ms. Sadhana Toshniwal		3,20,000
3.	Mr. Norat Mal Choudhary		3,20,000
4.	Ms. Prabha Lakhotia		3,20,000
	Total		12,80,000

21. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, as amended from time to time.
22. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and National Stock Exchange of India Limited.
23. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10.00% of the Offer can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10.00% of the Offer, as a result of which, the post Offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20.00% of the post Offer paid-up capital is locked-in.
24. The Offer is being made through Fixed Price Method.
25. As on date of filing of this prospectus with Stock Exchange, the entire Issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Offer will be fully paid up.
26. On the date of filing this prospectus with Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Offer.
27. Our Company has not Issued any Equity Shares out of revaluation reserves and not Issued any bonus shares out of capitalization of revaluation reserves.
28. Lead Manager to the Offer viz. Khambatta Securities Limited and its associates do not hold any Equity Shares of our company.
29. Our Company has not revalued its assets since incorporation.
30. Our Company has not made any Public Offer of any kind or class of securities since its incorporation.
31. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
32. Our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
33. There will be no further Offer of capital whether by way of Offer of bonus shares, preferential allotment, and rights Offer or in any other manner during the period commencing from submission of this prospectus with Stock Exchange until the Equity Shares to be Issued pursuant to the Offer have been listed.



34. Except as disclosed in this Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Offer, by way of split/consolidation of the denomination of Equity Shares or further Offer of Equity Shares (including Offer of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may Offer Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
35. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Offer. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
36. An investor cannot make an application for more than the number of Equity Shares offered in this Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
37. Our Promoters and the members of our Promoter Group will not participate in this Public Offer.
38. Except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository.
39. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Offer.
40. Our Company has Fifteen (15) shareholders as on the date of filing of this prospectus.
41. As per RBI regulations, OCBs are not allowed to participate in this Offer.
42. There are no safety net arrangements for this Public Offer.



SECTION V- PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue of 44,76,000 Equity Shares, aggregating up to Rs. 1,342.80 lakhs by our Company and an Offer for Sale of up to 1,76,000 Equity Shares, aggregating up to Rs. 52.80 lakhs by Mr. Ankur Shah (“Selling Shareholder”). The total Issue Size is Rs. 1,395.60 Lakhs. For details, please refer to the section entitled “*The Offer*” on page 43.

OFFER FOR SALE

Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholder and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. The Selling Shareholder will be entitled to the proceeds of the Offer for Sale after deducting his proportion of Offer expenses and relevant taxes thereon.

Except for (i) listing fees and stamp duty payable on Offer of Equity Shares which shall be borne solely by the Company, (ii) the stamp duty payable on transfer of Offered Shares which shall be borne solely by the Selling Shareholder, our Company and the Selling Shareholder shall share the costs and expenses (including all applicable taxes in relation to such costs and expenses) directly attributable to the Offer (including fees and expenses of the BRLM, legal counsel to the Company and other intermediaries, advertising expenses (other than corporate advertisements expenses undertaken in the ordinary course of business by our Company), printing and payment of fees and charges to various regulators in relation to the Offer in proportion to the number of Equity Shares issued and allotted by the Company through the Fresh Issue and sold by the Selling Shareholder through the Offer for Sale.

FRESH ISSUE

The net proceeds of the Fresh Issue, i.e. gross proceeds of the Fresh Issue less the Offer expenses apportioned to our Company (“Net Proceeds”) are proposed to be utilised in the following manner:

1. To meet the working capital requirements of the Company;
2. Prepayment/repayment of certain borrowings availed by our Company
3. General Corporate Purpose; and
4. To meet the Offer Expenses

(Collectively referred as the “Objects”)

Our Company believes that listing will enhance our Company’s corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum of Association enables our Company to undertake the activities for which funds are being raised in the Offer. The existing activities of our Company are within the object’s clause of our Memorandum.

NET PROCEEDS

The details of the Net Proceeds are set forth below:

Sr. No.	Particulars	Amount in Lakhs
1	Gross Proceeds of the Offer	1,282.80
2	Offer related expenses*	60.00
	Net Proceeds	1,342.80

**The Offer related expenses also include approximately Rupees Two Lakhs which shall be borne by the Selling Shareholder.*

FUND REQUIREMENTS

The fund requirement and deployment is based on internal management estimates of our Company and have not been verified by the Lead Manager or appraised by any bank or financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment,



costs of commodities and interest rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management.

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

(Rs. In lakhs)

Sr. No.	Particulars	Amount in Lakhs
1	Working Capital Requirement	668.00
2	Prepayment/repayment of certain secured borrowings availed by our Company	420.00
3	General Corporate Purpose ⁽¹⁾	194.80
4	Offer Expenses ⁽²⁾	60.00
	Total	1,342.80

⁽¹⁾ The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

⁽²⁾ The Offer related expenses also include approximately Rupees Two Lakhs which shall be borne by the Selling Shareholder.

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Offer. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Offer.

The fund requirement and deployment are based on internal management estimates 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, other financial conditions, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Offer. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall, we intend to meet our estimated requirement from internal accruals and/or debt. In case of any such re-schedulement, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

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 23.

DETAILS OF UTILIZATION OF OFFER PROCEEDS

1. To meet working capital requirements

Our business is working capital intensive and we avail our working capital in the ordinary course of our business. As on the date of this prospectus, our Company’s working capital facility consisted of an aggregate fund-based limit of Rs. 2500.00 Lakhs from State Bank of India and aggregate non-fund based limit of Rs. 30.97 Lakhs from HDFC Bank Limited. The Company has recently transferred its term loans and fund-based limits to State Bank of India from HDFC Bank Limited. For further details of the working capital facilities currently availed by us, please refer the section “Financial Indebtedness” on page 161.

As on March 31, 2021 and March 31, 2022 the Company’s net working capital consisted of Rs. 4,408.45 Lakhs and Rs. 4,761.16 Lakhs respectively. The total working capital requirement for the year 2022-23 and the year 2023-24 is estimated to be Rs. 5,011.17 and Rs. 5,862.30 Lakhs respectively. The incremental working capital



requirement in the FY 2023-24 will be met through the Net Proceeds and the balance portion of working capital requirement will be met through Net Worth / Internal Accruals/ Borrowings.

Basis of estimation of working capital requirement

The details of our Company's expected working capital requirements on the basis of restated financials and funding of the same are as set out in the table below:

(Rs. in Lakhs)

Statement of Working Capital Requirements						
Particulars	2019-20	2020-21	2021-22	Feb 28, 2023	2022-23*	2023-24
	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Estimated)
Current Assets						
Trade Receivables	3589.78	3761.13	4291.50	3914.70	3930.96	4671.29
Inventories	1662.20	1847.93	1568.64	2126.08	2297.64	2629.48
Cash & Cash Equivalents	38.95	47.08	176.10	174.84	100.20	135.43
Other Current Assets	19.44	3778.39	19.05	112.24	22.12	23.78
Total (A)	5310.36	5673.40	6055.29	6327.87	6350.92	7459.98
Current Liabilities						
Trade Payables	1425.08	1159.23	1223.32	1237.40	1299.22	1494.10
Other Current Liabilities	125.95	105.72	70.81	175.17	106.22	159.32
Total (B)	1551.03	1264.95	1294.13	1412.57	1405.43	1653.42
Net Working Capital (A)-(B)	3,759.33	4,408.45	4,761.16	4,915.30	4,945.49	5,806.55
Sources of Working Capital						
Fund Based Borrowings	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
IPO Proceeds	-	-	-	-	-	420.00
Internal Sources/Share Capital	1,259.33	1,908.45	2,261.16	2,415.30	2,445.49	2,886.55

*The figures are for the period from April 01, 2022 to March 31, 2023

BASIS OF ESTIMATION FOR WORKING CAPITAL REQUIREMENTS

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in FY 2022-23 and FY 2023-24 considering the growth in activities of our Company and in line with norms generally accepted by banker(s).

Holding Levels

Particulars	2020-21	2021-22	2022-23 (Unaudited)	2023-24 (E)
Inventory				
-Semi-Finished Goods	4	4	5	5
-Finished Goods	15	17	20	15
-Raw Materials	80	63	80	80
Receivables	180	169	150	155
Payables	71	61	60	60

Justification for assumed “Holding Period” levels -

Inventories	We need to keep high level of inventory because we buy raw material in large quantities which help us to procure raw material in lesser cost.
Trade receivables	We are trying to reduce our receivables period since the COVID lockdown and expect to bring it down to 150 - 155 days from as high as 180 days.
Trade Payables	Our Company has assumed credit period of 60 days which is in line with the existing credit period.

Note: We believe our holding periods are within the industry standards.

2. Prepayment/repayment of certain secured borrowings availed by our Company

Our Company has entered into various borrowing arrangements with banks and financial institutions including borrowings in the form of terms loans, and fund based and non-fund based working capital facilities. For details of these financing arrangements including indicative terms and conditions, see “*Financial Indebtedness*” on page 161.

Our Company intends to utilize Rs 668.00 lakhs of the Net Proceeds towards repayment or prepayment of all or a portion of the principal amount and the accrued interest thereon in case of certain loans availed by our Company. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment. Also, our Company may avail additional loan facilities or draw down on in its working capital facilities from time to time to meet its business requirements. Accordingly, our Company may utilise the Net Proceeds for repayment/prepayment of any such refinanced facilities (including any prepayment fees or penalties thereon) or any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, will not exceed Rs 668.00 lakhs.

We believe that such repayment or prepayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment towards business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities.

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

Name of Bank / Financial Institution / Lender	Security, if any	Purpose	Sanctioned Amount (₹ in lakhs)	Outstanding Amount as at March 31, 2023 (₹ in lakhs)	Interest amount (Rs. in lakhs)	Foreclosure Charges (Rs. in lakhs)	Rate of Interest	Repayment Schedule, if any	Repayment from the Net Proceeds of the Offer (₹ in lakhs)	Prepayment Clause (if any)
State Bank of India*	Collateral	Purchase of Machinery	609.00	342.67	Nil	Nil	10.25 %	Monthly	342.67	None
State Bank	Collateral	Purchase of	690.70	243.84	Nil	Nil	10.25 %	Monthly	157.33	None



of India*		Machinery								
M/s Sahaj Marbles	None	Purchase of Machinery	NA	211.53	Nil	Nil	6.00 %**	NA	168.00	None
Total				798.04	Nil	Nil			668.00	

*These loan facilities were previously maintained with HDFC Bank.

**Our company entered into an agreement dated June 26, 2023 with M/s Sahaj Marbles to reduce the rate of interest being charged by M/s Sahaj Marbles from 24.6% to 6% pa. w.e.f. April 01, 2023.

Our Statutory Auditor has furnished a certificate dated June 05, 2023 certifying the utilization of loan for the purpose availed as required under Para (9)(A)(2)(b) of Schedule VI of SEBI (ICDR) Regulations, 2018 vide UDIN:23419124BGXWUN4609.

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 Rs. 194.80 Lakh towards the general corporate purposes to drive our business growth. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

1. Strategic initiatives;
2. Brand building and strengthening of marketing activities and products of the our company; and
3. On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head "General Corporate Purposes" and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above in any permissible manner. We confirm that any Offer related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this prospectus, shall not exceed 25% of the amount raised by our Company through this Offer.

4. Offer Expenses

The expenses for this Offer include Offer management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, statutory advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Offer are estimated not to exceed Rs. 60.00 Lakhs. The Offer related expenses also include approximately Rupees Two Lakhs which shall be borne by the Selling Shareholder.

(Rs. in Lakhs)

Expenses	Expenses (Rs. in Lakhs)	Expenses (% of total Offer expenses)	Expenses (% of Offer size)
Payment to Merchant Banker including expenses towards printing and payment to other intermediaries such as Registrar, Market Maker, Marketing Expenses, Underwriting Commission and Other Expenses	50.00	83.33	3.58
Statutory Expenses	10.00	16.67	0.72
Total estimated Offer expenses	60.00	100.00	4.30

DEPLOYMENT OF FUNDS

As estimated by our management, the entire proceeds from the Offer shall be utilized as follows:

(Rs. in Lakhs)



Particulars	Total Deployment	Amount incurred till July 31, 2023*	Deployment during FY 2023-24**
Working capital requirements	668.00	-	668.00
Prepayment / repayment of certain secured borrowings availed by our Company	420.00	-	420.00
General Corporate Purpose	194.80	-	194.80
Offer Expenses	60.00	20.50	39.50
Total	1342.30	20.50	1322.30

*As on July 31, 2023, our Company has incurred a sum of Rs. 20.50 Lakhs towards Offer expenses as per the certificate dated August 07, 2023 bearing UDIN No. 23419124BGXWUU4745 issued by Rama K. Gupta & Co., Chartered Accountants, Statutory Auditors.

**To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net Offer Proceeds in the subsequent Financial Years towards the Object. Due to general business exigencies, the use of Offer proceeds may be interchangeable. However, the use of Offer proceeds for general corporate purpose shall not exceed 25% at any point of time.

INTERIM USE OF PROCEEDS

Pending utilization for the purposes described above, we intend to deposit the funds with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertakes that full recovery of the said deposit shall be made without any sort of delays as and when need arises for utilization of proceeds for the objects of the Offer.

BRIDGE FINANCING FACILITIES

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities.

MONITORING UTILIZATION OF FUNDS

Since the proceeds from the Fresh Issue do not exceed Rs. 10,000.00 Lakhs, in terms of Regulation 262 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Offer.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Offer. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Offer have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Offer Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or companies promoted by the Promoters, except as may be required in the usual course of business and for working capital requirements.

VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Initial Public Offer without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Offer. In addition, the notice Issued to the Shareholders in relation to the passing of such special resolution ("Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.



APPRAISAL BY APPRAISING AGENCY

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 Offer are currently based on available 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 variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

OTHER CONFIRMATIONS

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company's key Managerial personnel and group entities, in relation to the utilization of the Net Proceeds. No part of the Offer Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or company promoted by the Promoters, except as may be required in the usual course of business.



BASIS FOR OFFER PRICE

The Offer Price of Rs. 30/- per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10.00/- per Equity Share and Offer Price is Rs. 30/- per Equity Share which is 3.00 times the face value.

For the purpose of making an informed investment decision, the investors should also refer “*Risk Factors*”, “*Our Business*” and “*Restated Financial Statement*” beginning on page 23, 101 and 160 respectively. The trading price of the equity shares of our company could decline due to risk factors and you may lose all or part of your investments.

QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computation of the Offer Price are:

- Experienced Promoters and proficient management team with low attrition rates;
- Established growth since the beginning of operations;
- Leveraging the experience of our Promoters;
- Long standing relationship with the customers & Suppliers;
- Location of Manufacturing units;
- Quality Assurance & Control.

For further details, refer to the chapter titled “*Our Business*” on page 101.

QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the Restated Financial Statements of the Company for the financial year ended on February 28, 2023, March 31, 2022, 2021, and 2020 prepared in accordance with Indian GAAP, the Companies Act and SEBI ICDR Regulations. For details, refer Chapter titled “*Restated Financial Statements*” beginning on page 160. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic and Diluted Earnings per share (EPS) as per Accounting Standard 20:

Year Ended	Basic & Diluted EPS (Rs.)	Weights
March 31, 2020	0.40	1
March 31, 2021	0.43	2
March 31, 2022	0.58	3
Weighted Average	0.50	
Eleven months ended February 28, 2023	3.90	

Notes:

- 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 weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- The figures disclosed above are based on the Restated Summary Financial Information of our Company.
- The face value of each Equity Share is Rs.10/- each.
 - Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS – 20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.
 - Basic Earnings per share = Net profit after tax, as restated attributable to equity shareholders/Weighted average number of shares outstanding during the year or period.
 - Diluted Earnings per share = Net profit after tax, as restated/Weighted average number of potential equity shares outstanding during the year or period.



- Weighted average EPS = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal year]/ [Total of weights].

2. Price to Earnings (P/E) ratio in relation to Price of Rs. 30.00 per Equity Share of Rs. 10/- each fully paid up:

Particulars	P/E ratio at Offer price
P/E ratio based on Basic and diluted EPS as at March 31, 2022	51.72
P/E ratio based on Weighted Average Basic and diluted EPS	60.00
P/E ratio based on Basic and diluted EPS as at February 28, 2023 (not annualised)	7.69
Industry PE*	
Highest	36.19
Lowest	1.14
Average	15.03

Source: Bloomberg

Note- The highest, lowest and average industry P/E has been computed through Bloomberg software for textile industry in India. The data in the sample may include companies that are not exactly identical to the business model of our company. For further details on our Industry, please refer to the chapter titled “Our Industry” beginning on page no. 91.

3. Return on Net Worth (RoNW):

Return on Net Worth as per Restated Financial Statements is as under:

Year Ended	RoNW (%)	Weight
March 31, 2020	2.00	1
March 31, 2021	2.29	2
March 31, 2022	2.97	3
Weighted Average	2.58	
Eleven months ended February 28, 2023	16.75	

Notes:

- The RONW has been computed by dividing net profit after tax (excluding exceptional income, if any) as restated by net worth (excluding revaluation reserve, if any) as restated as at year end.
- Weighted average Return on Net Worth = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. [(RoNW x Weight) for each fiscal year] / [Total of weights].

4. Net Asset Value (NAV) per share of Face Value of Rs 10/- each:

As per Restated Financial Statement

Particulars	Amount in Rs.
Net Asset Value per Equity Share as of March 31, 2020	18.37
Net Asset Value per Equity Share as of March 31, 2021	18.80
Net Asset Value per Equity Share as of March 31, 2022	19.37
Net Asset Value per Equity Share as of February 28, 2023	23.26
Net Asset Value per Equity Share after Offer	24.26
Offer Price	30.00

Notes:

- Net Asset Value per Equity Share = Restated net worth, attributable to equity holders of the Company at the end of the year / Number of equity shares outstanding as at the end of year.



- Net worth is aggregate value of the paid-up share capital of the Company and Reserve and Surplus (excluding revaluation reserves, if any) and attributable to equity holders of the Company, if any, as per Restated Financial Information.

5. Comparison of Accounting Ratios with Listed Industry Peers:

Companies	EPS (Basic) (Rs.)	EPS (Diluted) (Rs.)	PE Ratio	RONW (%)	NAV	Face Value	Total Income (Rs. in Lakhs)
Sahaj Fashions Limited*	3.90	3.90	7.69	16.75	23.26	10	9,101.07
Listed Peers							
Arvind Limited	15.51	15.49	9.26	12.35	127.94	10	8,42,700.00
RSWM Limited	31.52	31.52	5.95	9.33	279.61	10	3,88,034.00
Vardhman Textiles Limited	27.96	27.95	12.34	9.40	299.22	2	10,32,944.00

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports/ financial results as available of the respective company for the period ended March 31, 2023 submitted to stock exchanges or on company's website as available.

*The financial information of Sahaj Fashions Limited is sourced from the Restated Financial Information for the eleven months period ended February 28, 2023. Also, the EPS, PE and NAV are not annualized and calculated on the basis of audited profits from eleven months period.

(None of the figures in the above table are annualised)

Notes:

- Basic EPS refers to the Basic EPS sourced from the annual report/ financial results of the Listed Peers and the Company for the period ended March 31, 2023 and February 28, 2023 respectively.
- Diluted EPS refers to the Diluted EPS sourced from the annual report/ financial results of the Listed Peers and the Company for the period ended March 31, 2023 and February 28, 2023 respectively.
- P/E Ratio has been computed based on the closing market price of equity shares on NSE on August 11, 2023.
- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year/period March 31, 2023 and February 28, 2023 for Listed Peers and the Company respectively.
- Net worth has been computed as sum of share capital, reserves and surplus (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company
- Net Asset Value is computed as the closing net worth divided by the equity shares outstanding as at March 31, 2023 and February 28, 2023 for Listed Peers and the Company respectively.

6. The Offer Price is 3.00 times of the face value of the Equity Shares.

The Offer Price of Rs. 30 per equity share has been determined by the Company in consultation with the Lead Manager on the basis of an assessment of market demand for the equity shares through the fixed price Offer process and on the basis of qualitative and quantitative factors.

Investors should read the above-mentioned information along with "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Financial Statements" beginning on pages 23, 101, 167 and 160, respectively, to have a more informed view.



STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Sahaj Fashions Limited
Shree Bhawan Ajmer Road Madanganj,
Kishangarh-305801 Rajasthan India

Dear Sir,

Subject - Statement of Possible Tax Benefits (“the statement”) available to Sahaj Fashions Limited (“the company”) and its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Offer of Capital Disclosure Requirements) Regulations, 2018

Reference - Initial Public Offer of Equity Shares by Sahaj Fashions Limited

We hereby confirm that the enclosed Annexure, prepared Sahaj Fashions Limited (“the Company”), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (“the Act”) as amended by the Finance Act 2021, circular and notifications Issued from time to time, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended by the Finance Act 2021, circular and notifications Issued from time to time, i.e., applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, presently in force in India (together, the “Tax Laws”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

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 Offer”) by the Company.

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

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

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

Limitations:

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its Offer, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other Offer related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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



For Rama K Gupta & Co.
Chartered Accountants
FRN: 005005C

Nitin Gupta
Partner
M. No.: 419124
UDIN: 23419124BGXWUH7233

Place: Ajmer, Rajasthan
Date: April 14, 2023



ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Act 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 the 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.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION

A. SPECIAL 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.

Note:

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.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Draft Prospectus/Prospectus.

For Rama K Gupta & Co.
Chartered Accountants
FRN: 005005C

Sd/-
Nitin Gupta
Partner
M. No.: 419124
UDIN: 23419124BGXWUH7233

Place: Ajmer, Rajasthan
Date: April 14, 2023



SECTION VI- ABOUT THE COMPANY

SUMMARY OF OUR INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and other sources of which link are mentioned (as available on public domain). So, all the Information Shared is believed to be accurate and reliable. None of the Company, the LM or any other person connected with the Offer has independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on or base their investment decision on this information. The information in this section must be read in conjunction with the sections titled “Risk Factors” and “Our Business” beginning on pages 23 and 101, respectively.

GLOBAL ECONOMIC OVERVIEW

The global economy is traversing a number of turbulent challenges. Inflation higher than in several decades, tightening financial conditions in most regions, Russia’s invasion of Ukraine, and the lingering COVID-19 pandemic, all weigh heavily on the outlook. Normalization of monetary and fiscal policies that were unprecedentedly supportive during the pandemic is cooling demand as policymakers aim to lower inflation back to the targeted range. But a growing share of economies is in a growth slowdown or outright contraction. The global economy’s future health rests critically on the successful calibration of monetary policy, the course of the war in Ukraine, and the possibility of further pandemic-related supply-side disruptions, for example, in China. Global growth is forecast to slow from 6% in 2021 to 3.2% in 2022 and 2.7% in 2023. This is the weakest since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic, and reflects significant slowdowns for the largest economies: the US GDP contracting in the first half of 2022, a euro-area contraction in the second half of 2022, and prolonged COVID-19 outbreaks and lockdowns in China with a growing property-sector crisis. About a third of the world economy faces two consecutive quarters of negative growth. Global inflation from 4.7% in 2021 was forecast to rise to 8.8% in for 2022 but to decline to 6.5% in 2023 and to 4.1% by 2024. Inflation surprises have been most widespread in advanced economies, with greater variability in emerging market and developing economies. Risks to the outlook are unusually large and to the downside. Monetary policy could miscalculate the right stance to reduce inflation. Policy paths in the largest economies could continue to diverge, leading to further US dollar appreciation and cross-border tensions. More energy and food-price shocks might cause inflation to persist for longer. Global tightening in financing conditions could trigger widespread emerging market debt distress. Halting gas supplies by Russia have depressed output in Europe. A resurgence of COVID-19 or new global health scares might further stunt growth. A worsening of China’s property sector crisis could spill over to its banking sector and weigh heavily on its growth, with negative cross-border effects. And geopolitical fragmentation could impede trade and capital flows, further hindering climate policy cooperation. The balance of risks is tilted firmly to the downside, with about a 25% chance of one-year-ahead global growth falling below 2%—in the 10th percentile of global growth outturns since 1970. Warding off these risks starts with monetary policy staying the course to restore price stability.

Front-loaded and aggressive monetary tightening is critical to avoid inflation de-anchoring as a result of households and businesses basing their wage and price expectations on their recent inflation experience. Fiscal policy’s priority is the protection of vulnerable groups through targeted near-term support to alleviate the burden of the cost-of-living crisis felt across the globe. But its overall stance should remain sufficiently tight to keep monetary policy on target. Addressing growing government debt distress caused by lower growth and higher borrowing costs requires a meaningful improvement in debt resolution frameworks. With tightening financial conditions, macro prudential policies should be on guard against systemic risks. Intensifying structural reforms to improve productivity and economic capacity would ease supply constraints and, in doing so, support monetary policy in fighting inflation. Policies to fast-track the green energy transition would yield long-term payoffs for energy security and the costs of ongoing climate change.



Phasing in the right measures in the coming eight years will keep macroeconomic costs manageable. And last, successful multilateral cooperation will prevent fragmentation that could reverse the gains in economic well-being from 30 years of economic integration.

Inflation and Uncertainty

The world is in a volatile period: economic, geopolitical, and ecological changes all impact the global outlook. Inflation has soared to multi-decade highs, prompting rapid monetary policy tightening and squeezing household budgets, just as COVID-19-pandemic-related fiscal support is waning. Many low-income countries are facing deep fiscal difficulties. At the same time, Russia’s ongoing war in Ukraine and tensions elsewhere have raised the possibility of significant geopolitical disruption. Although the pandemic’s impact has moderated in most countries, its lingering waves continue to disrupt economic activity, especially in China. And intense heat waves and droughts across Europe and central and south Asia have provided a taste of a more inhospitable future blighted by global climate change. Amid these volatile conditions, recent data releases confirm that the global economy is in a broad-based slowdown as downside risks.

The second quarter of 2022 saw global real GDP modestly contract (declining 0.1 percentage point at a quarterly annualized rate), with negative growth in China, Russia, and the US, as well as sharp slowdowns in eastern European countries most directly affected by the war in Ukraine and international sanctions aimed at pressuring Russia to end hostilities. At the same time, some major economies did not contract—euro area growth surprised on the upside in the second quarter, led by growth in tourism-dependent southern European economies.

Forward-looking indicators, including new manufacturing orders and sentiment gauges, suggest a slowdown among major economies. In some cases, however, signals conflict—with some indicators showing output weakness amid labour market strength. An important factor underpinning the slowdown in the first half of this year is the rapid removal of monetary accommodation as many central banks seek to moderate persistently high inflation. Higher interest rates and the associated rise in borrowing costs, including mortgage rates, are having their desired effect in taking the heat out of domestic demand, with the housing market showing the earliest and most evident signs of slowdown in such economies as the US. Monetary policy tightening has been generally—though not everywhere—accompanied by a scaling back of fiscal support, which had previously propped up households’ disposable incomes. Broadly speaking, nominal policy rates are now above pre-pandemic levels in both advanced and emerging market and developing economies. With high inflation, real interest rates have generally not yet reverted to pre-pandemic levels. Tightening financial conditions in most regions, with the notable exception of China, are reflected in a strong real appreciation of the US dollar.

In eastern and central Europe, the effects of the war in Ukraine have exacerbated the shifting global risk appetite. Beyond monetary policy alone, China’s COVID-19 outbreaks and mobility restrictions as part of the authorities’ zero-COVID strategy and Russia’s invasion of Ukraine have pulled down economic activity. China’s lockdowns have imposed sizable constraints domestically and gummed up already strained global supply chains. The war in Ukraine and deepening cuts to supplies of gas to Europe have amplified pre-existing stresses in global commodity markets, once more driving natural gas prices up.

Latest World Economic Outlook Growth Projections

Real GDP, Annual Percentage Change	2021	2022 E	2023 E
World Output	6.0	3.2	2.7
Advanced Economies	5.2	2.4	1.1
United States	5.7	1.6	1.0
Euro Area	5.2	3.1	0.5
<i>Germany</i>	2.6	1.5	-0.3
<i>France</i>	6.8	2.5	0.7
<i>Italy</i>	6.7	3.2	-0.2
<i>Spain</i>	5.1	4.3	1.2
Japan	1.7	1.7	1.6
United Kingdom	7.4	3.6	0.3
Canada	4.5	3.3	1.5

Other Advanced Economies	5.3	2.8	2.3
Emerging Market & Developing Economies	6.6	3.7	3.7
Emerging & Developed Economies	7.2	4.4	4.9
<i>China</i>	8.1	3.2	4.4
<i>India</i>	8.7	6.8	6.1
<i>ASEAN-5</i>	3.4	5.3	4.9
Emerging Market & Developing Europe	6.8	0.0	0.6
<i>Russia</i>	4.7	-3.4	-2.3
Latin America & the Caribbean	6.9	3.5	1.7
<i>Brazil</i>	4.6	2.8	1.0
<i>Mexico</i>	4.8	2.1	1.2
The Middle East & Central Asia	4.5	5.0	3.6
<i>Saudi Arabia</i>	3.2	7.6	3.7
Sub-Saharan Africa	4.7	3.6	3.7
<i>Nigeria</i>	3.6	3.2	3.0
<i>South Africa</i>	4.9	2.1	1.1
Memorandum			
Emerging Market & Middle-Income Economies	6.8	3.6	3.6
Low-Income Developing Countries	4.1	4.8	4.9

Source: IMF, *World Economic Outlook*, October 2022

Note: Real effective exchange rates are assumed to be constant at levels prevailing from July 22 to August 19, 2022.

Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted.

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

INDIAN ECONOMIC OVERVIEW

Strong economic growth in the first quarter of FY -23 helped India surpass the UK to become the fifth-largest economy after it recovered from repeated waves of the COVID-19 pandemic shock. Real GDP in the first quarter of FY 23 was about 4% higher than its corresponding FY 20, indicating a strong start to India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intense services sector will probably be the main driver of development in FY 23. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitisation of tax filings. In the medium term, greater capital spending on infrastructure and asset-building projects is set to increase growth multipliers and, with the revival in the monsoon and *kharif* sowing, agriculture is picking up momentum. The contact-based services sector has largely demonstrated its promise to boost growth by unleashing pent-up demand over April-September 2022. The sector's success is being captured by a number of HFIs (high-frequency indicators) that are doing well, indicating the beginnings of a comeback.

The economy grew 6.3% in the second quarter of FY23 following double-digit 13.5% growth in the first quarter. The slowdown was due to the normalisation of the base and a contraction in the manufacturing sector's output. However, both sequential improvement and good growth over the pre-pandemic level (Q2 FY20) signal the economy's resilience despite global growth and financial uncertainties.



Q2 FY23 GDP growth was only slightly higher than consensus expectation (6.2%) mainly because of higher-than-expected growth in trade, hotels, transport and communication-related sectors. Sequentially, domestic economic output expanded 3.6%, reversing the contraction in the previous quarter, with services gaining momentum. Compared to the pre-pandemic period, GDP recorded 7.6% growth, with broad-based recovery across sectors. Increasing discretionary spending and greater mobility have augured well for the services sector. The industrial sector's performance was pulled down by manufacturing, which contracted 4.3% (y-o-y).

Both private consumption and the investment rate edged up in Q2 FY23 compared with the corresponding quarter of the previous year and supported by greater economic activity. However, the global growth slowdown weighed on net exports. The agriculture sector grew 4.6% in Q2 FY23 compared with 3.2% in the corresponding quarter a year ago.

Q2 FY23 industrial output contracted 0.8% y-o-y, compared with 7% growth a year ago. This was mainly because of the poor performance of the manufacturing sector, marred by high input costs. We can expect the sector to fare well in coming quarters due to the festival-push and easing commodity prices. The services sector, with the highest proportion in GDP, recorded 9.3% growth in Q2 FY23 owing to the revival of contact-intensive sectors. Output in sectors related to trade, hotels, transport, communications and broadcasting grew in double-digits (14.7%) benefiting from pent-up demand. Compared to the pre-pandemic period, however, these sectors were only slightly better.

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

Market size

India's FY22 nominal gross domestic product (GDP) at current prices is estimated at ₹ 232.15 trillion (US\$3.12 trillion). With more than 100 unicorns valued at US\$332.7 billion, India has the third-largest unicorn base in the world. Besides, the government is focusing on renewable sources to generate energy and is planning 40% of energy from non-fossil sources by FY 30.

The McKinsey Global Institute says India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 to increase productivity and economic growth. The net employment rate needs to grow 1.5% a year from 2023 to 2030 to achieve 8-8.5% GDP growth between FY 23 and FY 30. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, was 2.1% of GDP in the first quarter of FY 23.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Ahead, the contribution of merchandise exports may waver as several of India's trade partners experience an economic slowdown. According to one of the studies, Indian exports are expected at US\$1 trillion by 2030.

Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments accounting for 70% of economic activity. With the improved 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. According to the World Bank, India must continue to prioritise lowering inequality while putting growth-oriented policies in place to boost the economy. In view of this, some developments have taken place in the recent past. Some are mentioned below.

- At September 21, 2022, India's foreign exchange reserves were US\$524,520 million
- Private equity-venture capital (PE-VC) investments were US\$2 billion in September 2022
- Merchandise exports in September 2022 were US\$32.62 billion
- PMI Services were comfortably in the expansionary zone, at 56.7, during April-September 2022



- In September 2022, the gross Goods and Services Tax (GST) revenue collection was ₹ 147,686 crore (US\$17.92 billion).
- Between April and June 2022, cumulative FDI equity inflows to India were US\$604,996 million.

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. It has been effective in developing policies and programmes that only help citizens improve their financial stability but also for the overall growth of the economy. In recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides, a number of the government's flagship programmes, including Make-in-India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, aim to create immense opportunities in India.

Road Ahead

In Q2 FY 23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) did well in July and August 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. In foreign direct investment inflows, India ranked fifth among developed and developing nations for the first quarter of 2022.

India's economic story in the H1 FY 23 highlighted the unwavering support the government gave in the form of capital expenditure, which, in FY 23 (until August 2022), was 46.8% higher than the corresponding period last year. The ratio of revenue expenditure to capital outlay fell from 6.4 in the previous year to 4.5 in this year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, greater profitability, and increasing economic activity contributed to rising capital spending.

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, CPI-C inflation was 7%, down from 7.8% in April. Similarly, WPI inflation fell from 15.4% in April to 12.4% in August. With a proactive set of administrative actions by the government, a flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India appear to be on the decline overall.

INDUSTRY OVERVIEW

Global Textiles and Apparel Trade:

Global Textiles and Apparel trade witnessed a sharp recovery in 2021 to US\$ 867 billion registering a growth of ~12% on a pandemic induced low base of US\$ 775 billion in 2020. The recovery in 2021 even surpassed the 2019 levels with ~3% growth. Apparels, which constitute a major share in the Textile & Apparels trade, grew by 18% in 2021 to US\$ 490 billion compared to US\$ 416 billion in 2020, and managed to even surpass the 2019 levels of US\$ 482 billion. The overall textiles trade is expected to reach US\$ 1 trillion by 2025 and apparel with a major share, alone is expected to reach US\$ 600 billion by 2025 with a CAGR growth of 4% & 5% respectively on a 2021 base year.

Industry Scenario (India)

Source: <https://www.ibef.org/industry/textiles>

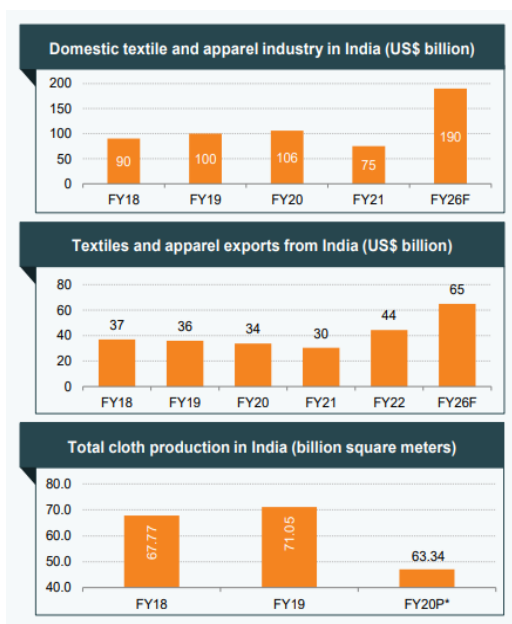
Source: Ministry of Textiles, Make in India, Technopak, Annual Report on Indian textile and Apparel industry - Wazir Advisors

The size of India's textile market stood at US\$ 223 billion in 2021, growing at a CAGR of 10.23% from 2016. The Indian textiles market is expected to be worth over US\$ 209 billion by 2029. India's textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY22. In September 2022, the Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles, Mr. Piyush Goyal, advocated that India should take its textile exports to US\$ 100 billion by 2030, aided by the trade pacts with Australia and the UAE. In September 2021, the government approved a ₹ 10,683 crs (US\$ 1.44 billion)

production-linked incentive (PLI) scheme for the textiles sector. This will benefit the textile manufacturers registered in India. Incentives under the scheme will be available for five years from 2025-26 to 2029-30 on incremental turnover achieved from 2024- 25 to 2028-29. The scheme proposes to incentivise MMF (manmade fibre) apparel, MMF fabrics and 10 segments of technical textiles products.

India is the world's second-largest producer of textiles and garments. It is also the sixth-largest exporter of textiles spanning apparel, home and technical products. India has a 4% share of the global trade in textiles and apparel. The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry has around 45 million of workers employed in the textiles sector, including 3.5 million handloom workers. India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. Total textile exports are expected to reach US\$ 65 billion by FY26. The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. The Indian apparel market stood at US\$ 40 billion in 2020 and is expected to reach US\$ 135 billion by 2025.

The textiles and apparel industry in India has strengths across the entire value chain from fiber, yarn, fabric to apparel. The Indian textile and apparel industry is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool, and silk products to the organized textile industry in India. The organized textile industry in India is characterized by the use of capital-intensive technology for the mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing.



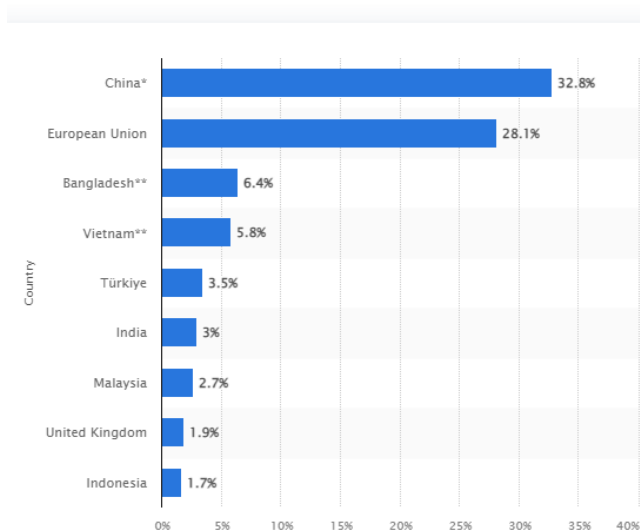
- India's ready-made garment exports to see a CAGR of 12-13% and surpass US\$ 30 bn by 2027.
- India's Textiles Exports were highest ever in FY 2021-22, crossing US\$ 44 Bn
- India is a largest cotton producer (23%) in the world and has the highest area under cotton cultivation (39% of world area). Cotton plays a major role in sustaining the livelihood of an estimated 5.8 million cotton farmers and 40- 50 million people engaged in related activities such as cotton processing and trade.
- India produced 90 Lakh bales of raw jute in FY 2021-22.
- The highest contributors to FDI in the Textile sector of India (including dyed, printed) from April 2016 to March 2021 are Japan, Mauritius, Italy, and Belgium. India scaled its highest ever exports tally at US\$ 44.4 Bn in Textiles and Apparel (T&A) including Handicrafts in FY 2021-22, indicating a substantial increase of 41% and 26% over corresponding figures in FY 2020-21 and FY 2019-20, respectively.
- FDI brought investment of US\$ 1522.23 mn in the textile sector from 2017-2022
- The estimated production of cotton in the country is 341.91 lakh bales and estimated consumption is 311 lakh bales. Further, the domestic consumption of US\$ 75 bn was divided into apparel at US\$ 55 bn, technical textiles at US\$ 15 bn and home furnishings at US\$ 5 bn. While exports comprised of apparel exports at US\$ 12 bn; home textiles exports at US\$ 4.8 bn; fabric exports at US\$ 4 bn; yarn exports at US\$ 3.8 bn; fiber exports at US\$ 1.8 bn and others at US\$ 2 bn.

India's textiles sector is one of the oldest industries in the Indian economy. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. India is the world's largest producer of cotton produces 61.6 lakh Metric Tonnes during 2021-22 which constitutes of 23% of world's total cotton production. India is also the 2nd largest consumer of cotton in with estimated consumption of 57.5 lakh Metric Tonnes constituting 22% of world's total cotton consumption during 2021-22. With increasing demand for textile, cotton industries are also expanding. Home

textile companies in India are also leveraging strategic partnerships to strengthen their business operations and foothold in the country. The Government of India has earmarked a corpus of ₹ 1,000 crore dedicated for research and development of the technical textiles sector. Ministry of Textiles endeavours to ensure adequate availability of cotton for the consumption of domestic spinning industry keeping in view accelerated investment which has gone into this sector, while the imports and exports of cotton remain free.

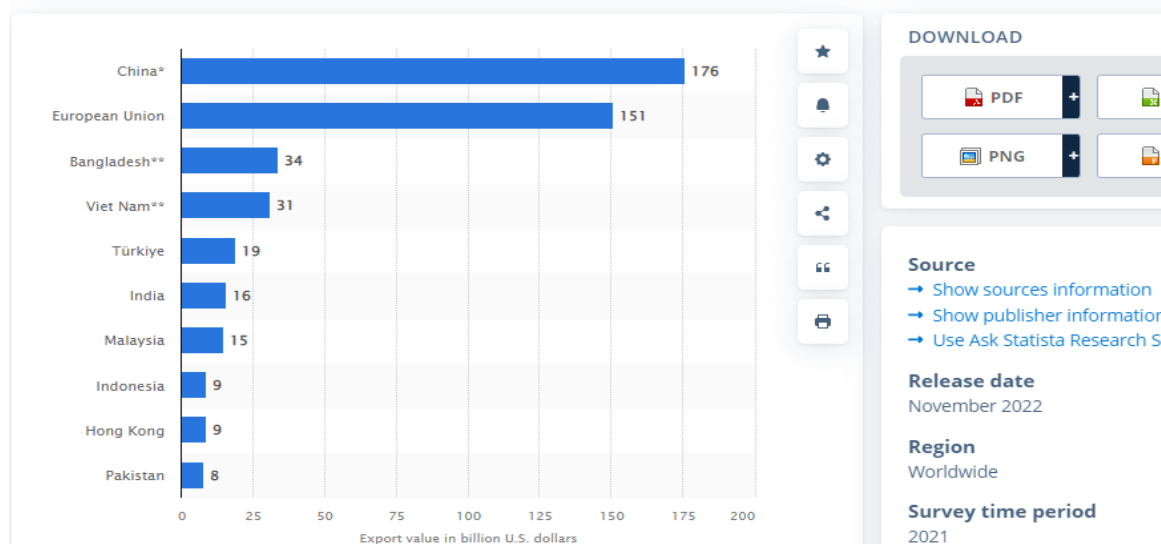
<https://www.statista.com/statistics/1094515/share-of-the-leading-global-textile-clothing-by-country/>

Share in world exports of the leading clothing exporters in 2021, by country – **We have to make the below chart**



Leading exporting countries of clothing worldwide by value in 2021 (in billion U.S. dollars).

Leading exporting countries of clothing worldwide by value in 2021 (in billion U.S. dollars)



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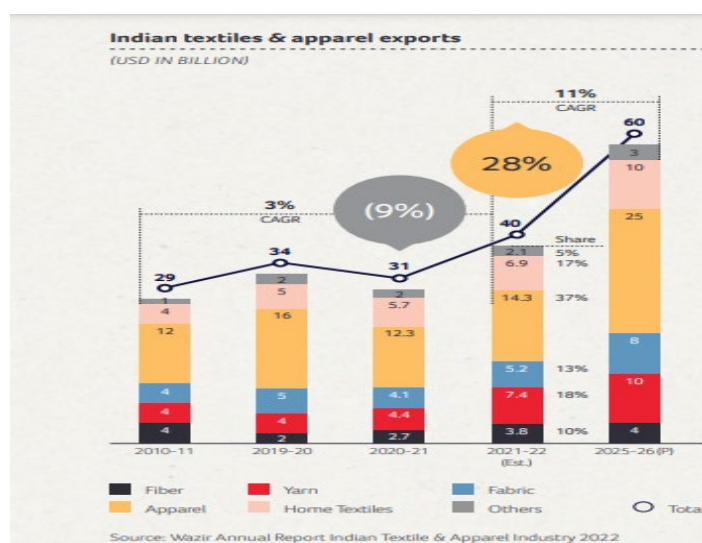
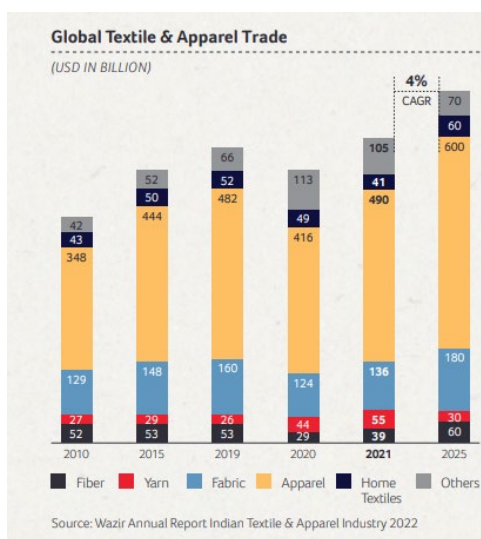
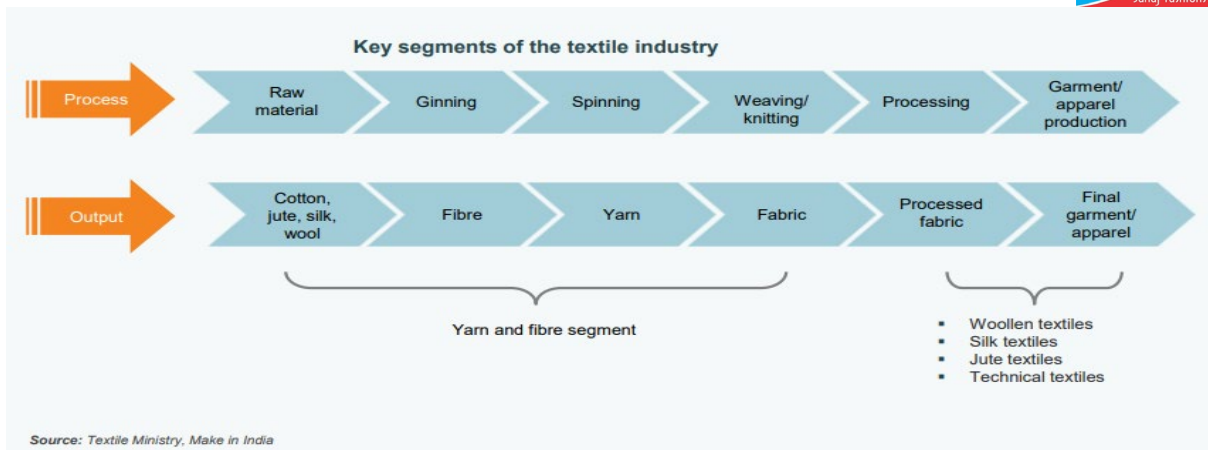
November 2022

Region

Worldwide

Survey time period

2021



According To The FICCI Wazir Report, The Indian Textile And Apparel Market Is Anticipated To Reach \$250 Billion By 2025–2026.

FICCI-Wazir Advisors released a knowledge report ‘Building a Roadmap for US\$ 250 Billion Sustainable Textile Industry’ during the FICCI TAG 2022 Annual Textile Conference. As per the report India may achieve the target of US\$ 250 billion by 2025-26.

Global apparel consumption is estimated to reach US\$ 2 trillion by 2025 from around US\$ 1.5 trillion in 2021. Global textile and apparel trade is expected to grow at 3.5% CAGR to reach US\$ 1000 bn by 2025-26. The report further states that the Indian textile & apparel market is estimated at US\$ 153 bn in 2021, with domestic market constituting US\$ 110 bn and exports contributing US\$ 43 bn. The Indian textile and apparel market has the potential to reach US\$ 250 bn by 2025-26.

Ajit Chavan, Secretary , Textile Committee, Ministry of Textiles, GoI, in one of his recent interview said that adopting good regulatory practices, increased focus of quality, compliance Offers with enhanced investments and continuous engagement with government will be a key to achieve target.

The report highlighted key global trends impacting the textile and apparel industry, which included High focus on sustainability and circular fashion, the ‘China+1’ strategy of global brands providing opportunity for countries like India to increase their export share, Increasing need for digitalization across the fashion supply chain and Growing consumption of synthetic based textile and apparel.

The report suggested that, to achieve the target of US\$ 250 billion market and build a sustainable textile industry going forward, Indian Industry needs to focus on leveraging government support schemes like PLI, PM MITRA,

Export incentives etc. to invest in new products, build scale of operations, and improve competitiveness. The industry should also align with global buyer needs of sustainability, value chain traceability and providing end to end services.

- The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.
- India's textiles industry contributed 7% to the industry output (by value) in 2018-19.
- The Indian textiles and apparel industry contributed 2% to the GDP, 12% to export earnings and held 5% of the global trade in textiles and apparel in 2018-19.

Raw cotton and man-made fibre production increasing

Raw cotton and man-made fibre production increasing



- India is the world's largest producer of cotton. Estimated production stood at 362.18 lakh bales during cotton season 2021-22.
- Domestic consumption for the 2021-22 cotton seasons is estimated to be at 338 lakh bales.
- Cotton and fibres are the two major segments in this category.
- Production of man-made fibre has also been on an upward trend.
- In FY19, the production of fibre in India stood at 1.44 million tonnes, which reached 2.40 million tonnes in FY21 (until January 2021)

Competitive Advantage

- Abundant availability of raw materials such as cotton, wool, silk and jute.
- India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers .
- In July 2022, the Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles, Mr . Piyush Goyal, stated that the mantra of 5 F's - Farms to Fibre to Fabric to Fashion to Foreign export – will help make India a strong textile brand globally

Policy Support

- 100 % FDI (automatic route) is allowed in the Indian textile sector.
- Under Union Budget 2022 -23, the total allocation for the textile sector was ₹ 12,382 crs (US\$ 1.62 billion). Out of this, ₹ 133.83 crs (US\$ 17. 5 million) is for Textile Cluster Development Scheme, ₹ 100 crs (US\$ 13.07 million) for National Technical Textiles Mission, and ₹ 15 crs (US\$ 1 .96 million) each for PM Mega Integrated Textile Region and Apparel parks scheme and the Production Linked Incentive Scheme.
- In October 2021, the government approved a PLI scheme worth ₹ 4,445 crs (US\$ 594.26 million) to establish seven integrated mega textile parks and boost textile manufacturing in the country.

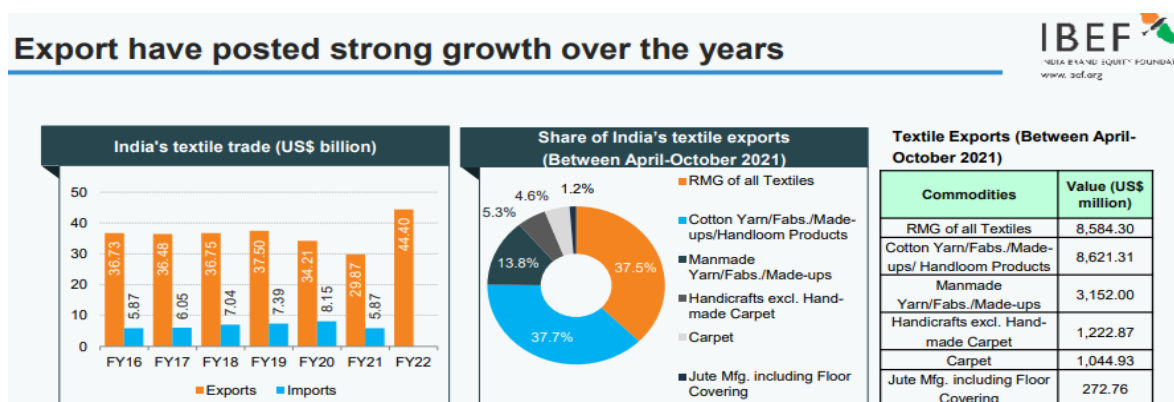
Increasing Investments

- In order to attract private equity (PE) and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.
- Total FDI inflows in the textiles sector between April 2000-June 2022 stood at US\$ 4.03 billion.

Robust Demand

- The Indian technical textiles market is expected to expand to US\$ 23.3 billion by 2027, driven by increased awareness of goods and higher disposable incomes.
- Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers.
- Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY 2022.

Export have posted strong growth over the years



- Exports of textiles (RMG of all textiles, cotton yarns/fabs./made-ups/handloom products, man-made yarns/fabs./made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 44.4 billion in FY22.
- India's ready-made garment (RMG) exports are likely to surpass US\$ 30 billion by 2027, growing at a CAGR of 12-13%.
- In July 2021, the government extended the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for exports of apparel/garments and made-ups until March 2021. This helped boost exports and enhance competitiveness in the labour-intensive textiles sector.
- In August 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs, Food and Public Distribution, Mr. Piyush Goyal, said that steps need to be taken to boost production capacities of the handloom sector from existing ₹ 60,000 crs (US\$ 8.06 billion) to ₹ 125,000 crs (US\$ 16.80 billion) in three years.
- Further, target must be set to increase exports of handloom items from existing ₹ 2,500 crs (US\$ 335.92 million) to ₹ 10,000 crs (US\$ 1.34 billion).



OUR BUSINESS

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled “Risk Factors” and chapters titled “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 23, 160 and 167 respectively.

Unless otherwise indicated, the Restated Financial Statements included herein is based on our Restated Financial Statements for period ended February 28, 2023 and Financial Years ended on March 31, 2022, 2021 and 2020 included in this Prospectus

OVERVIEW

Our Company was incorporated as Sahaj Fashions Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated May 20, 2011 in Kishangarh, Rajasthan. Further, upon conversion into a Public Limited Company pursuant to Shareholders Resolution dated April 02, 2018, the name of our Company was changed to “Sahaj Fashions Limited” vide fresh Certificate of Incorporation dated April 17, 2018 having CIN: U17119RJ2011PLC035248 Issued by the Registrar of Companies, Jaipur.

We are engaged in manufacturing of high standard fabric which is used for various purposes such as garments, home furnishings, and industrial applications, etc. We have expertise in manufacturing of primarily cotton suiting fabric and cotton shirting fabric apart from polyester based and cotton-polyester blended fabrics. We also manufacture cotton yarn dyed fabrics which are according to us almost always in demand by the garment manufacturing industry. At present our sales have penetrated our home state of Rajasthan as well as some other states like Gujarat, Maharashtra and Delhi.

Our company was established with an aim to manufacture of high standard textile fabric. Hence, our company purchased land in Kishangarh, Rajasthan to setup a manufacturing unit which we completed and the unit started commercial production on April 04, 2012 in a record time of 6 months from the date of laying the foundation stone.

In the year 2014, we exposed our product to international markets through Merchant Exporters in which we do not have to face the risk of forex fluctuation because we sell our products only to the India counterparts. In 2015, our company decided to enter into expansion with backward integration which is a pre-process of fabric weaving. As a result, our company installed and commissioned further machinery of Textile Preparatory (Sizing Machine Plant) in our manufacturing facility in Rajasthan thereby improving the quality and timely delivery of the orders.

The experience and trade relations developed by our promoters and management have been one of the key instrumental factors in the growth of our Company. Our promoters have adequate experience in our industry and they look after the strategic as well as day to day business operations. Our Promoters believe in the ideology of continuous improvement and development. We endeavour to satisfy customers by continuous improvement through process improvement and quality maintenance. We focus on producing quality product to increase customer satisfaction and develop a positive brand image in the industry. Our management and team has enable us to maintain continuing customer relations, ensuring repeat order flows. We aim to grow our brand as a distinguished name in industry.

We have testing facility within the premises of manufacturing units. Our manufacturing facility has quality testing and inspection with experienced staff to facilitate smooth manufacturing process. We have necessary infrastructure to test our raw materials and finished products to match the quality standards and as specified by the relevant customers. All the products are being manufactured strictly as per quality norms using the expertise of our experienced team to provide quality output to our customers at competitive prices.



Our raw material is predominantly ‘yarn’ of various compositions procure from Rajasthan, Gujarat, Maharashtra, Punjab, etc. from which we produce variety of fabrics. We primarily follow a B2B (business-to-business) model for our products. Our customers buy the fabric from us in order to further sell them or produce suitings, shirtings, trousers, blazers, etc. for various brands. Majority of our work is on order basis. After an order is received, we send it to the factories to analyse the required raw material specification, designs and manufacturing specifications to have an idea about the raw materials available and raw materials needed to process the order timely with the best quality results. After checking the calculation for the balance raw materials needed, we make them available for our factory workers to initiate the production. Once, the production gets completed we forward the cloth to the clients to approve the quality and designs and then work towards the finishing of complete order.

REVENUE FROM OPERATIONS

Based on our Restated Financial Information, our revenue from operations and total income for the financial periods ending February 28, 2023 and financial years ending 2022, 2021 and 2020 were as follows:

Particulars	For the period		For the financial year ended					
	From April 01, 2022 to February 28, 2023		2021-22		2020-21		2019-20	
	Rs. In Lakhs	%	Rs. In Lakhs	%	Rs. In Lakhs	%	Rs. In Lakhs	%
Sale from Manufactured Goods	9,097.58	100%	8,695.75	100%	7,470.44	100%	9,930.66	100%
Sale from Traded Goods	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Revenue	9,097.58	100%	8,695.75	100%	7,470.44	100%	9,930.66	100%
Profit After Tax	288.71	3.17%	41.90	0.49%	32.14	0.43%	29.32	0.27%

Justifications for Increases in Profits for the period ended February 28, 2023:

1. In the period there was good global as well as domestic demand of cotton suiting fabric. We believe there are few players who are experts in manufacture of cotton suiting fabric. Sahaj Fashions Limited being one of the prominent manufacturer of cotton suiting fabric benefited from large orders with better profitability margins to the company.
2. The cotton prices were at 30 years high during the period mainly because of low production of cotton at global level. Our company Sahaj Fashions Limited being a reputed and old player in the market with good relations with its suppliers of raw cotton yarns had inventory at cheaper rates which helped the company to improve cost efficiency and maintain good profit margins in the period.
3. The company has also started catering to new clients with their customised demands such as suitings/ bottomwears for which there are comparatively lesser players in the market. This has also helped the company to achieve good profit margins as compared to previous years.

IMPACT OF COVID-19 ON OUR BUSINESS OPERATIONS

The pandemic outbreak has caused an economic downturn on a global scale, including closures of many businesses and reduced customers spending, as well as significant market disruption and volatility. The demand for our products is dependent on and directly affected by factors affecting industries where our products are supplied. Majority of our customer base are engaged in textiles industry which were majorly affected by COVID outbreak. We continue to closely monitor the impact that COVID-19 may have on our business and results of operations. It is difficult for us to predict the impact that COVID-19 will have on us, in the future.

LOCATION OF OUR MANUFACTURING FACILITY



Property	Unit	Location
Manufacturing facility	Unit 1 for Weaving	Khasra No. 1474, Industrial Estate, Gram: Shreenagar, Tehsil: Nasirabad, Kishangarh, Four Lane Expressway, Distt. Ajmer, Rajasthan – 305025.
	Unit 2 for Sizing	Khasra No. 1629, 1648/1770, 1674/7769, Industrial Estate, Gram: Shreenagar, Tehsil: Nasirabad, Kishangarh, Four Lane Expressway, Distt. Ajmer, Rajasthan – 305025.

OUR STRENGTHS

Since its inception, our company has worked earnestly towards providing the best quality and timely delivery of products and hence has acquired the following strengths in the industry –

1. **Technology:**

We have the international technology of looms for manufacturing of the fabric. The technology is suitable for manufacturing both type of fabrics viz. Cotton & Polyester and their mix such as polyester cotton blended, polyester viscose, etc. The updated technology also helps us to achieve cost efficiency as a result of higher production. We have machinery made in Japan and Germany.

2. **Repeat orders:**

We believe that meeting customer specific requirements and delivery of orders is one of the key growths. Our Company has made efforts to ensure customer satisfaction by taking steps for meeting customer specific requirements, timely delivery of orders to our customers as well as maintaining consistency in quality and this has yielded results in the form of repeat orders from our customers. The repeat orders reflect the confidence reposed in us by our customers.

3. **In House Preparatory:**

We had installed sizing plant through backward integration which is a pre-process of fabric weaving in our manufacturing process which has resulted in achieving increased efficiency in production with high level of quality improvement.

4. **Ability to cater huge demands:**

We cater the demand of fabric higher than our installed capacity since we also outsource the manufacturing of the fabrics on job work basis to reputed and well known units as per the requirements of the fabric. This helps us in achieving time bound delivery of the product to our customers.

5. **Comprehensive Product Portfolio:**

We at SAHAJ have a comprehensive portfolio of fabrics such as Cotton Shirting Fabric, Cotton Suiting Fabric, Cotton Lycra Fabrics, and Polyester Uniform Fabric etc. We are capable of supplying all kind of fabrics to cater the wide quality demands of our clients. We are also well equipped to undertake the custom made order of the clients.

OUR STRATEGIES

1. **Continue to optimize our product mix to improve margins**

We will continue to actively manage our product mix at each of our plants to ensure maximizing our profit margins. Our Dobby (a process of giving design to fabrics) based suiting products have higher gross margins than our other products.



2. Increase our focus on building our brand

We plan to spend the majority of our advertising budget on activities such as foreign marketing tours for developing export markets, starting finished fabrics marketing through online retail and wholesale distributor network, increased marketing base by developing domestic markets such as New Delhi, Kanpur etc. Also our major focus shall be to foray into exports of canvas based fabrics to china, USA and other European countries.

3. Expansion

In the upcoming years we are planning to expand our investments in plant and machinery by setting up new Airjet for catering to shirting markets and exports of grey shirting fabrics. Furthermore we are committed and planning rigorously to make economies of scale as well as working towards the common goal of increasing the value for the stakeholders. We are also very much eager to set up our own research unit which shall help us in understanding the ever changing markets.

4. Increasing Operational efficiency

We continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement, customer service, consistent quality and technology development. Alignment of our people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity.

5. Increase sales of our products by reaching out to finished whole sellers and expanding our export markets

We plan to increase sales of our products by increasing the number of markets by developing newer export avenues. Our strategy is to focus on increasing the width and depth of our product range as the company is planning to use the additional working capital to develop sheeting, exports, home furnishing markets etc.

6. Focus on special product development for Exports:

Our company is planning to put up stalls in the upcoming fairs of grey textiles coming up this year to make a network in international market. By analysing the current requirements in the exports market in technical textiles our company is focussed to develop a technical team for the same. Further, for exports the need is upgraded machinery and the company is planning to fulfil the same by continuously negotiating with the vendors.

Note: Our company do not export any products. The merchant exporters who are third parties, buy products from us and later export them to markets as per their requirements. Further, the IEC was obtained by us in order to import manufacturing machineries such as Tsudakoma Airjet Looms which were imported from China and Kaser Compressors & Dryers which were imported from Germany. Due to such imports, import related regulations were applicable on us. Further, under the para 'Our Strategies', we have mentioned that we wish to foray into exports and we will develop a technical team for the same. Therefore, as an abundance of caution, we have added such regulations that are applicable to an importer as well as exporter as we later wish to enter into exports. At present, we do not have any export revenue as per our audited and restated financials.

SWOT ANALYSIS

1. STRENGTHS

- Decades old presence of promoter family in our industry
- Growth in our brand image along with further potential
- Established strong distribution system
- Strong management
- Cordial relationship with customers

2. WEAKENESSES

- Working-capital intensive business
- Dependence on suppliers for desired quality of products
- Resource limitations
- High volume of inventory




3. OPPORTUNITIES


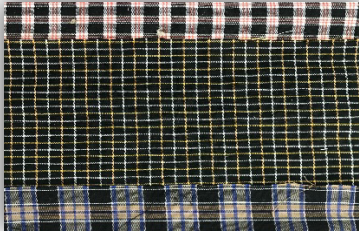


- Underserved markets for specific products
- Emerging needs for products leading to expansion
- Attract new customers to increase market share

4. THREATS

- Changing regulatory environment
- Emerging competitors
- Changing customer attitudes towards brand
- Fluctuations in market prices

OUR PRODUCTS

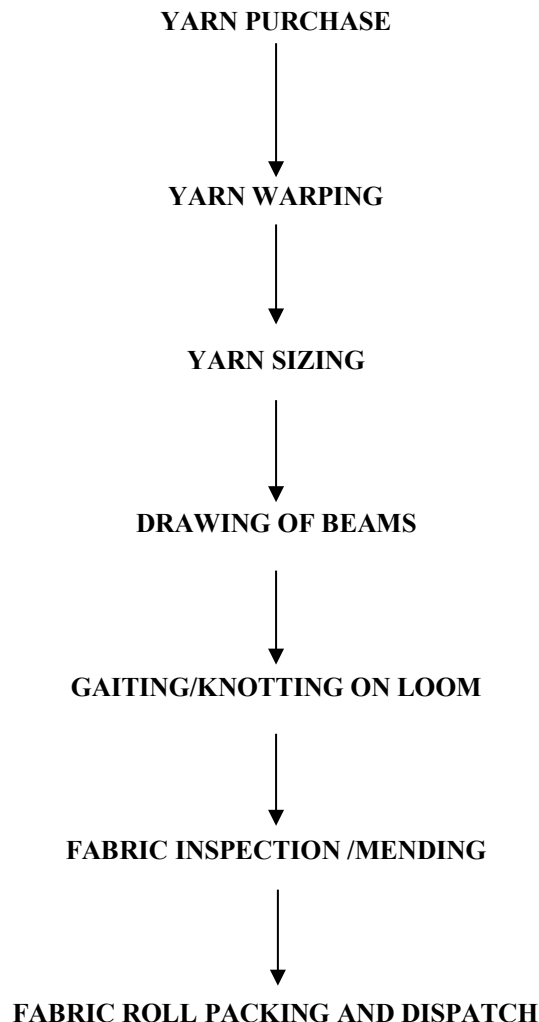
PRODUCT NAME	PRODUCT DISCRIPTION
	<p><u>Cotton Shirting:</u></p> <p>We are manufacturing 100% cotton fabric from count range 40s to 80s. This fabric is mainly used for manufacturing of shirts. We have wide range of designs and qualities in shirting fabrics</p>
	<p><u>Cotton Suiting:</u></p> <p>We have expertise in manufacturing of 100% Cotton Suiting and Bottom Wear Fabric. We have wide range of Dobby Designs in bottom wear fabric. We play in count range from 10s to 30s cotton. We also manufacture cotton lycra based suiting.</p>
	<p><u>Fancy Fabric:</u></p> <p>We use different types of manmade and natural threads for this product. This is widely used in shirting and kids garment industry. We also manufacture linen fabrics using natural linen fibers.</p>

	<p><u>Yarn Dyed Fabrics:</u></p> <p>We are regularly manufacturing order based yarn dyed fabric. We majorly use yarn count 40s and 60s in yarn dyed shirting. These are custom made designs and are made as per orders.</p>
	<p><u>Blended Fabric of Polyester:</u></p> <p>We also deal in wide range of Polyester and Polyester Cotton Fabric. These are made up of polyester yarn and cotton polyester blended yarn. Further in this range we deal in Polyester Viscose fabric as well.</p>
	<p><u>Suitings:</u></p> <p>Cotton suiting fabric is high end suiting fabric in which high quality cotton yarn is used.</p>
	<p><u>Bottomwears:</u></p> <p>Bottomwear fabrics are made by using cotton lycra yarn and polyester lycra yarn. This fabric is used for making trousers and pants for ladies and kids.</p>

MANUFACTURING PROCESS

Hi-tech international machinery and equipment are used to manufacture our products. Since much of the process is automated as possible. Quality control and security measures are ensured at each production stage. Technicians are trained as per customer requirements for each order. Our Company goes out of its way to ensure that customers' needs are met.

PROCESS FLOW CHART:



DESCRIPTION OF FLOW CHART:

Yarn Purchase: The process starts with the buying of cotton yarn or synthetic yarn from various spinning mills and yarn traders as per the desired specification of desired quantity and quality.

Yarn Warping: This is the process to unwind the purchased yarn and then after warping it on warping beams to make it suitable for further sizing process.

Yarn Sizing: Sizing is an intermediate protective process to apply chemical coating on the raw yarn to make the surface of yarn smooth and to provide strength and elasticity to make it suitable for weaving the fabric on loom.

Drawing of Beams: This is the process to feed each end of yarn into heated wires of the loom.

Gaiting/Knotting on Loom: this is the process to load the beam having yarn on the loom.

Fabric Inspection /Mending: this is the quality control and final inspection of the fabric. Once it passes the minimum quality requirements, it is forwarded for further process.

Fabric Roll Packing and Dispatch: in this process final approved quality fabric is rolled in a tube form and packed for the dispatch purposes.

Following are the few pictures of Machinery installed at our manufacturing unit in Rajasthan -



PLANT & MACHINERY

The below mentioned plant and machineries are installed at our manufacturing unit as on date of this prospectus:

Sr. No.	List of Machineries	Quantity
1.	Tsudakamoa Airjet Looms	28
2.	Kaser Compressors	4
3.	Kaser Air Dryers	3
4.	Prashant Gamatex Sectional Warping	1
5.	Prashant Westpoint Sizing Machine	1
6.	Prashant Direct Warping Machine	2
7.	Cheema Boiler	1
8.	Cone Re Winding Machine With Splicer	2

INSTALLED CAPACITY AND CAPACITY UTILISATION

The following table illustrates the production & utilization capacity in the last three financial years:

(Units in Metres per Annum)

2021-22		2020-21		2019-20	
Installed Capacity	Utilisation	Installed Capacity	Utilisation	Installed Capacity	Utilisation
60,00,000	82%	60,00,000	65%	60,00,000	89%

UTILITIES

Power

The total power requirement for our manufacturing unit situated in Rajasthan is 590 HP at 360 KVA for Weaving and 290 HP at 165 KVA for Sizing which is fulfilled by Ajmer Vidyut Vitran Nigam Ltd. We also have adequate power back-up supported with D.G. sets for emergency power requirement.

Water

The water required for our manufacturing process is procured from the local bore wells and/or external water supply agencies operating in the local area where our manufacturing facility is situated.

Procurement of Raw Material

The major raw material used in the manufacturing of the fabrics is yarn. We have not entered into any long term supply contracts for the supply of the yarns. The yarns are procured from local suppliers such as dealers, traders and brokers available in Rajasthan as well as from other states like Gujarat, Maharashtra, Punjab, etc. which are cost efficient and easily available.

Following are the details of purchases from Top 5 and Top 10 suppliers as on February 28, 2023 of our company as per latest audited financial results:

Sr. No.	Particulars	Amount (Rs. in Lakhs)	Percentage of Total Purchases
1	Purchases from top 5 Suppliers	3,117.86	37.06%
2	Purchases from top 10 Suppliers	4,755.11	56.53%

MARKETING STRATEGY



We have developed a marketing network across various states in the country. Our marketing team is led by Mr. Rakesh Choudhary, a BSc. Graduate, holding 2 decades of experience in textile industry who is responsible for the overall marketing strategies. The team also comprises of managers which lead the sub-departments of private sector/ dealer liaising, government sector liaising and special products. Our marketing team is also assisted by a technical team. The marketing team taps the various entities through the direct marketing approach by identifying their requirements and showcasing our ability to provide customized products.

COMPETITION

The market for our products is highly competitive and fragmented. Much of the market in which we operate is unorganized with many small and medium-sized entities. Our competition varies for our products and regions. We compete with other manufacturers on the basis of product range, product quality, and product price including factors, based on reputation, regional needs, and customer convenience. While these factors are key parameters in client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals. We face competition from various manufacturers such as –

- Arvind Limited
- Nahar Industrial Enterprises Limited
- Sangam India Limited
- S K S Textiles Limited
- Anjani Synthetics Limited
- Kallam Textiles Limited

In order to counter the competition, our focus would be to provide products that would be in consonance with technical and quality requirements of our customer as well as by trying to offer a competitive pricing model without compromise on the quality.

Our competition depends on the products being offered by various companies in the organized and unorganized segment besides several other factors like quality, price and capacity to deliver. We believe that we are able to compete effectively with them due to our product portfolio, strong marketing network, customized and quality processing services. We expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors.

HUMAN RESOURCE

We believe role of employees is equally important as to that of our management team for growth of a business, and accordingly we have placed an experienced management team to look after various facets of operations. We endeavour to satisfy customers by continuous improvement through process improvement and quality maintenance. Our management and team has enabled us to maintain continuing customer relations, ensuring repeat sales orders. We believe that our employees are the key to the success of our business and our employees are key contributors to our business success and thus we focus on attracting and retaining the best possible talent. Our employee policies have always aimed to recruit a talented and qualified work force, facilitate their integration and encourage development of their skills in order to facilitate both the growth of its operations and its employees. Our Company is committed towards ensuring an empowering environment that motivates and facilitates growth and contribution. As on May 31, 2023, we have the total strength of 114 full-time employees in various departments apart for 10-20 labourers that we generally require.

Sr. No.	Department	No. of full time employees
1	Management including KMPs	4
2	Administration	5
3	Accounts and Finance	4
4	Production	95
5	Quality Control	2



6	Sales and Marketing	4
	Total	114

COLLABORATION


As on date of this prospectus, our Company has not entered into any technical or financial collaboration agreements.

INSURANCE

Our operations are subject to various risks inherent in our industry. We have obtained United Bharat Laghu Udyam Suraksha Policy vide Policy No:1412001122P101601322 from United India Insurance Company Limited for coverage against fire, burglary, house breaking and also terrorism and earthquake for our stocks.

INTELLECTUAL PROPERTY

We have applied for the following Trademarks under the Trademarks Act, 1999 –

Sr. No.	Trademark / Logo	Date of Application	Application No.	Class	Current Status	Validity
1.		July 13, 2018	3887370	24	Registered	10 Years

PROPERTIES

Following Properties are owned or taken on lease or licensed by our company:

Sr. No.	Description of Land/Property	Area	Date of Purchase	Use	Title
1.	Khasra No. 1474, Industrial Estate, Gram: Shreenagar, Tehsil: Nasirabad, Kishangarh, Four Lane Expressway, Distt. Ajmer, Rajasthan – 305025.	7700 Square Meter	May 25, 2011	Factory Unit I	Mortgaged to SBI
2.	Khasra No. 1629, 1648/1770, 1674/7769, Industrial Estate, Gram: Shreenagar, Tehsil: Nasirabad, Kishangarh, Four Lane Expressway, Distt. Ajmer, Rajasthan – 305025.	9340 Square Meter	May 01, 2014	Factory Unit II	Mortgaged to SBI

Following table sets forth the properties taken on lease / rent by us:



Sr. No.	Location of the property	Document and Date	Lease Rent/ License Fee (in Rs.)	Lease/License period		Use
				From	To	
1.	Ground Floor, Shop No.01, Jaithaliya Chaimbur Road Bhilwara-311001 Rajasthan	November 01, 2022	6,000/-	November 01, 2022	October 03, 2024	Branch Office of Company
2.	Shree Bhawan, Ajmer Road, Madanganj Kishangarh, Rajasthan 305801, India.	April 13, 2023	1000/- for the initial 11 months	January 01, 2023	December 31, 2025	Registered Office of Company



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 181 of this prospectus.

Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our business. We are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us:

A. BUSINESS AND TRADE RELATED REGULATIONS

National Textile Policy 2000 (“NTP 2000”)

The NTP 2000 aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. This objective is sought to be achieved by liberalizing controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. One of the key focus areas of the NTP 2000 is on the implementation, in a time bound manner, of the Technology Upgradation Fund Scheme (“TUFS”) covering all manufacturing segments of the industry, seeking to build world class state of the art manufacturing capabilities in conformity with environmental standards. Additionally, certain sector specific initiatives envisaged under the NTP 2000 include raw materials, clothing, exports, and knitting. The GoI constituted an expert level committee in December 2013 to review the NTP 2000 and to formulate a new textile policy to address concerns of adequate skilled work force, labour reforms, attracting investments in the textile sector and for providing a future road map for the textile and clothing industry.

The Government of India, in July 2014, submitted a draft of a new national textile policy, the Vision, Strategy and Action Plan for Indian Textile and Apparel Sector (2024) (“Draft NTP”) with the objective of achieving US\$300.0 billion exports and 20% share of the global trade in the textile sector by 2024-25. However, the said Draft NTP is not yet notified.

Following are the schemes currently enforced by the government :-

➤ Scheme for Integrated Textile Parks (SITP)

Government of India has launched “Integrated Textile Parks” scheme. SITP would create new textile parks of international standards at potential growth centers by 2007-08. The SITP is launched by merging the existing two schemes namely, the Scheme for Apparel Parks for Exports (APE) and the Textile Center Infrastructure Development Scheme (TCIDS). One of the main purposes of introducing the SITP is to provide the industry with world-class infrastructure facilities for setting up their textile units. Industry Associations / Group of Entrepreneurs are the main promoters of the Integrated Textiles Park (ITP).

➤ **100% Foreign Direct Investment (FDI) in the Textile Sector**

The Indian Government has allowed foreign equity investment up to 100% through automatic route, in the textile sector. Indian manufacturing companies are allowed 100% FDI to carry out wholesale trading on “a cash and carry basis” and also export trading through the automatic route, without seeking prior Government approval.

➤ **Integrated Wool Development Programme (IWDP)**

The Integrated Wool Development Programme (IWDP) is an umbrella programme which will be implemented over three years i.e. from 2017-18 to 2019-20 in all wool producing states. Following are the Schemes under this programme:

- a) Wool Marketing Scheme (WMS)
- b) Wool Processing Scheme (WPS)
- c) HRD & Promotional Activities (HRD)
- d) Angora Wool Development Scheme (AWDS)
- e) Wool Development Scheme (WDS)
- f) Social Security Scheme: (SSS)
- g) Reconstruction Plan for J&K State (Pashmina Promotion Programme: P-3)

➤ **Duty Drawback Scheme**

Duty Drawback scheme is a duty remission scheme enabling post export replenishment/remission of duty on inputs used in export products, whereby exporters are allowed refund of the excise and import duty paid on raw materials under Duty Drawback so as to make the products more competitive in the international market.

➤ **Revised Restructured Technology Upgradation Fund Scheme**

The Ministry of Textiles, Government of India, launched a Technology Upgradation Fund (“TUF”) scheme for the textile and jute industry for a five-year period from April 1, 1999 to March 31, 2004. It was subsequently extended in 2004 and 2007 with modifications. It was further restructured with effect until March 31, 2012 and extended until March 31, 2013. On October 4, 2013, the Ministry of Textiles provided the financial and operational parameters and implementation mechanism for the Revised Restructured-TUF (“RR-TUF”) scheme for the 12th Five Year Plan period i.e. until March 31, 2017. The TUF scheme provided for interest reimbursement of 5% on the interest charged by a lending agency for financing of a project of technology upgradation in conformity with the TUF scheme. Pursuant to the RR-TUF scheme, in cases of standalone spinning units, the interest reimbursement is 2% for new standalone/replacement/modernization of spinning machinery and 5% for spinning units with forward integration and matching capacity in weaving/knitting/processing/garmenting. The RR-TUF scheme also provides for 5% interest reimbursement and 10% capital subsidy for specified processing machinery, garmenting machinery and machinery required in manufacture of technical textiles. The RR-TUF scheme is monitored by an inter-ministerial steering committee constituted under the chairmanship of the minister of textiles. Only loans sanctioned on or after April 1, 2012 are eligible for grant of benefits under this scheme.

➤ **Amended Technology Upgradation Fund Scheme (ATUFS)**

Ministry of Textiles, Government of India has notified Amended Technology Up Gradation Fund Scheme vide notification dated January 13, 2016. In order to promote ease of doing business, promote make in India with “Zero effect and Zero defect” in manufacturing and increase the employment, government will be providing credit linked Capital Investment Subsidy (CIS) under the ATUFS. The Scheme would facilitate augmenting of investment, productivity, quality, employment and exports. It will also increase investment in textile industry (using benchmarked technology). Entities registered as Companies which have acknowledgment of Industrial Entrepreneur Memorandum (IEM) with DIPP except MSME units registered with the concerned Directorates of the State Government showing clearly the activity for which the unit is registered, will only be eligible to get



benefits under the scheme. Only benchmarked machinery as specified will be eligible for the subsidy under the scheme. The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted to Rs. 30 Crore.

➤ **Duty entitlement pass-book ("DEPB") scheme**

DEPB credit rates have been prescribed for 83 textiles and clothing products. The scheme aims to neutralize the incidence of basic and special custom duty on the import content of the export product, by way of grant of duty credit against the export product at specified rates. However, these export incentives may be reviewed shortly to make them WTO compatible.

➤ **Merchandise Exporter from India ("MEI") Scheme**

Pursuant to the Foreign Trade Policy (2015-2020), the MEI scheme has replaced five earlier schemes and was introduced to offset infrastructure inefficiencies and associated costs in export of goods, especially those having high export intensity, employment potential and able to enhance our export competitiveness. The basis for calculation of the reward under the MEI scheme is on the FOB value of exports realized in free foreign exchange or on the FOB value of exports mentioned in the shipping bill, whichever is less, unless otherwise specified.

➤ **Interest Equalization Scheme**

Interest Equalization Scheme on pre and post shipment rupee export credit for five years, starting April 1, 2015. This will provide relief to the exporters from India who were facing extensive competition because of higher interest rates than competing countries like Vietnam, China etc.

➤ **Market Development Assistance (MDA)**

Marketing Development Assistance (MDA) Scheme is to support/assist exporters/EPCs to undertake export promotion activities for their product(s) and commodities through Focus export promotion programmes in specific regions abroad viz. FOCUS (LAC), Focus (Africa), Focus (CIS) and Focus (ASEAN + 2) programmes. The incentives under this Scheme are primarily given to develop the already accessed markets abroad.

➤ **Market Access Initiative (MAI)**

Market Access Initiatives (MAI) Scheme is an Export Promotion Scheme envisaged to act as a catalyst to promote India's export on a sustained basis. The scheme is formulated on focus product-focus country approach to evolve specific market and specific product through market studies/survey.

Textile Committee Act 1963

The functions of the Committee shall generally be to ensure by such measures, as it thinks fit, standard qualities of textiles both for internal marketing and export purposes and the manufacture and use of standard type of textile machinery. The Committee may undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery; promote export of textiles and textile machinery; establish or adopt or recognize standard specifications for textiles and packing materials used in the packing of textiles or textile machinery, export and for internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials.



Textiles Committee (Cess) Rules, 1975

As per Section 5A (1) of the Textiles Committee Act, a Cess in the nature of excise duty has been imposed on all textiles and textile machinery manufactured in India. As per Section 5E of the Act, by notification, the following categories of textile items have been exempted from payment of Cess leviable under Section 5 of the Act. a) Rags and Chindis. b) All types of waste whatever description i.e. Yarn Waste, Hard Waste, Cotton Waste, Woolen Waste, Art-Silk Waste etc. c) Samples of textiles.

The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978

The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 prescribes and provides for the levy and collection of an additional excise duty on certain textiles and textile articles.

Textile (Development and Regulation) Order, 2001("Textile Order)

The Textile Order was brought into force by the Central Government under section 3 of the Essential Commodities Act, 1995 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of Textiles, Textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner.

The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade and Merchandise Marks Act, 1958, except under and limited to the extent of specific authorization by the holder of or application for such brand or trade name.

B. STATUTORY AND COMMERCIAL LAWS

The Companies Act, 2013

The Companies Act, 2013 ("CA 2013") has been introduced to replace the existing Companies Act, 1956 in a phased manner. The CA 2013 primarily regulates the formation, financing, functioning and winding up of companies. The CA 2013 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of the company. It plays a fundamental role in protecting the investors and the shareholders and balances it with different aspects of company autonomy. The Ministry of Corporate Affairs has also Issued Rules complementary to the Act, establishing the procedure to be followed by the companies in order to comply with the substantive provisions of the CA 2013

Competition Act, 2002

The Competition Act, 2002 ("Competition Act") aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India ("Competition Commission") which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.



Industrial (Development and Regulation) Act, 1951

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings 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.

Indian Contract Act, 1872

Indian Contract Act codifies the way we enter into a contract, execute a contract, and implement 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. Each contract creates some right and duties upon the contracting parties. Indian contract deals with the enforcement of these rights and duties upon the parties.

The Indian Contract Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the Act are now subject matter of separate enactments viz., the Sale of Goods Act and the Indian Partnership Act. The objective of the Contract Act is to ensure that the rights and obligations arising out of a contract are honoured and that legal remedies are made available to those who are affected.

Negotiable Instruments Act, 1881

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

The 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 was 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 Sale of Goods Act, 1930

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by installments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer's right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

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 and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimize the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

Electricity Act, 2003

The Electricity Act, 2003 has been recently introduced with a view to rationalize electricity tariff, and to bring about transparent policies in the sector. The Act provides for private sector participation in generation, transmission and distribution of electricity, and provides for the corporatization of the state electricity boards. The related Electricity Regulatory Commissions Act, 1998 has been enacted with a view to confer on these statutory Commissions the responsibility of regulating this sector.

The Legal Metrology Act 2009

The Legal Metrology Act, 2009 (“LMA”) provides for establishing uniform standards of weights and measures regulate trade in weights, and other goods which are sold or distributed by weight, measure or number. Every manufacturer, repairer and seller shall have to obtain a license from the respective Controller. The Act allows Govt. approved test centers to verify weights and measures.

C. LAWS RELATING TO LABOUR AND EMPLOYMENT

As part of business of the Company it is required to comply from time to time with certain laws in relation to the employment of labour. A brief description of certain labour legislations which are applicable to the Company is set forth below:

The Factories Act, 1948

This Act came into force on April 01, 1949 and extends to the whole of India, including Jammu and Kashmir. It has been enacted to regulate working conditions in factories and to ensure the provision of the basic minimum requirements for safety, health and welfare of the workers as well as to regulate the working hours, leave, holidays, employment of children, women, etc. It ensures annual leaves with wages, provides additional protection from hazardous processes, additional protection to women workers and prohibition of employment of children.

The Indian Boilers Act, 1923

The Boilers Act states that the owner of any boiler (as defined therein), which is wholly or partly under pressure when is shut off, shall under the provisions of the Boilers Act, apply to the Inspector appointed thereunder to have the boiler registered which shall be accompanied by prescribed fee. The certificate for use of a registered boiler is Issued pursuant to such application, for a period not exceeding twelve months, provided that a certificate in respect of an economizer or of an unfired boiler which forms an integral part of a processing plant in which steam is generated solely by the use of oil, asphalt or bitumen as a heating medium may be Issued for a period not exceeding twenty-four months in accordance with the regulations made under Boilers Act. On the expiry of the term or due to any structural alteration, addition or renewal to the boiler, the owner of the boiler shall renew the certificate by providing the Inspector all reasonable facilities for the examination and all such information as may reasonably be required of him to have the boiler properly prepared and ready for examination in the prescribed manner.

Employees State Insurance Act, 1948, as amended (the “ESIC Act”)

The Employee’s Compensation Act, 1923 has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The Act makes every employer liable to pay compensation in accordance with the Act if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by an accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the Act within one month from the date it falls due, the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Minimum Wages Act, 1948

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of up to six months or a fine of up to Rs. 500. Further, employees who have been paid less than the minimum wages are entitled to the payment of the shortfall amount, together with compensation, which may extend up to ten times the shortfall amount.

Employees' Compensation Act, 1923

The Employee's Compensation Act, 1923 ("ECA") has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The Act makes every employer liable to pay compensation in accordance with the Act if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by an accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the Act within one month from the date it falls due, the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

Payment of Wages Act, 1936

The Payment of Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments, either directly or indirectly through a sub-contractor, where the monthly wages payable to such persons is less than Rs. 10,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

The Payment of Gratuity Act, 1972

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for noncompliance with statutory provisions. Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed Rs. 1 million

Employees Provident Fund and Miscellaneous Provisions Act, 1952 ("Act") and the schemes formulated there under ("Schemes")

This Act provides for the institution of provident funds, family pension funds and deposit linked insurance fund for the employees in the factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

i. ***The Employees Provident Fund Scheme:*** As per this Scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.

ii. ***The Employees' Pension Scheme:*** Employees' Pension Scheme is Pension Scheme for survivors, old aged and disabled persons. This Scheme derives its financial resource by partial diversion from the Provident Fund contribution, the rate being 8.33%. Thus, a part of contribution representing 8.33 per cent of the employee's pay shall be remitted by the employer to the Employees' Pension fund within 15 days of the close of every month by a separate bank draft or cheque on account of the Employees' Pension Fund contribution in such manner as may be specified in this behalf by the appropriate authority constituted under the Act. The Central Government shall also contribute at the rate of 1.16 per cent of the pay of the members of the Employees' Pension Scheme and credit the contribution to the Employees' Pension Fund.



iii. **The Employees Deposit Linked Insurance Scheme:** As per this Scheme, the contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under Section 6C (4) of the Act, to the Insurance Fund within 15 days of the close of every month by a separate bank draft or cheque or by remittance in cash in such manner as may be specified in this behalf by the appropriate authority constituted under the Act.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 (“PoB”) Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

The Contract Labour (Regulation and Abolition) Act, 1970

The purpose of Contract Labour (Regulation and Abolition) Act, 1970 is to regulate the employment and protect the interests of the workers who are hired on the basis of individual contracts in certain establishments. In the event that any activity is outsourced, and is carried out by labourers hired on contractual basis, then compliance with the Contract Labour (Regulation and Abolition) Act, including registration will be necessary and the principal employer will be held liable in the event of default by the contractor to make requisite payments towards provident fund etc.

The Equal Remuneration Act, 1976 ("Equal Remuneration Act") and Equal Remuneration Rules, 1976

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act, 1976 was implemented. The Act provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against female employees in the matters of transfers, training and promotion etc.

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 Maternity Benefit Act, 1961("Maternity Act")

The Maternity Benefit Act, 1961 was enacted by Parliament in the Twelfth Year of the Republic of India to regulate the employment of women in certain establishments for certain periods before and after child-birth and to provide for maternity benefit and certain other benefits.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”) 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 behavior 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 Rs. 50,000/- (Rupees Fifty Thousand Only).

The Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 (the “**ID**”) provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

Inter State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979;

The Inter State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979 was enacted by Parliament in the Thirtieth Year of the Republic of India to regulate the employment of inter-State migrant workmen and to provide for their conditions of service and for matters connected therewith. This Act makes provision for availing with the onsite services of interstate workers by the contractors / establishments to overcome only the temporary shortage of required skilled workers in a state. The purpose of this act is not to encourage interstate migration of workers against the interests of local workers as the principal employers would have to incur more cost in deploying interstate workers.

Industrial Employment (Standing Orders) Act, 1946

The Industrial Employment (Standing Orders) Act, 1946 require employers in industrial establishments formally to define conditions of employment under them and applies to every industrial establishment wherein one hundred or more workmen are employed, or were employed on any day of the preceding twelve months.

Apprentices Act, 1961

The Apprentices Act was enacted in 1961 for imparting training to apprentices i.e. a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Every employer shall make suitable arrangements in his workshop for imparting a course of practical training to every apprentice engaged by him in accordance with the programme approved by the apprenticeship adviser. The central apprenticeship adviser or any other person not below the rank of an assistant apprenticeship adviser shall be given all reasonable facilities for access to each apprentice with a view to test his work and to ensure that the practical training is being imparted in accordance with the approved programme.

D. ENVIRONMENTAL LAWS

The Environment (Protection) Act, 1986 as amended, (“**Environment Protection Act**”), the Water (Prevention and Control of Pollution) Act, 1974, as amended, (“**Water Act**”) and the Air (Prevention and Control of Pollution) Act, 1981, (“**Air Act**”) provide for the prevention, control and abatement of pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 as amended, (“Hazardous Wastes Rules”) impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment,



package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state pollution control board for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste. 80 The Environmental Impact Assessment Notification dated September 14, 2006 read with notifications dated October 11, 2007, December 1, 2009, April 4, 2011 and January 25, 2012, Issued under the Environment Protection Act and the Environment (Protection) Rules, 1986, requires prior environmental clearance of the Ministry of Environment and Forests, GoI and at state level, of the state environment impact assessment authority, if any new project (specified in the notification) is proposed to be undertaken or for expansion and modernization of existing projects beyond certain specified threshold limits. The environment clearance (for commencement of the production operations) is valid for the time period prescribed in the notification.

The Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 (the “Public Liability Act”) imposes liability on the owner or controller of hazardous substances for death or injury to any person (other than a workman) or any damage to property arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to obtain an insurance policy insuring him against liability under the legislation. The Public Liability Insurance Rules, 1991 mandate that the owner has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the above requirements include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. Under the Air Act, the Central Board for the Prevention and Control of Water Pollution has powers, inter alia, to specify standards for quality of air, while the State Board for the Prevention and Control of Water Pollution have powers, inter alia, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

Water (Prevention and Control of Pollution) Cess Act, 1977, as amended (the “Water Cess Act”)

The Water Cess Act provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Under this statute, every person carrying on any industry is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the EPA. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed. Penalties for noncompliance with the obligation to furnish a return and evasion of cess include imprisonment of any person for a period up to six months or a fine of 1,000 or both and penalty for non-payment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears.



The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

E. TAX LAWS

The 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.

The Central Goods and Services Tax Act, 2017

The Government of India proposed a comprehensive national goods and services tax ("GST") regime that would combine taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (101 Amendment) Act 2016, which received presidential assent on September 8, 2016, enabled the Government of India and State Government to introduce GST. Accordingly, GST was enacted to make a provision for levy and collection of tax on supply of goods or services or both and was made effective from July 1, 2017. GST is a destination based tax levied on supply of goods and services. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the Government of that State. For inter-State transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST will be levied on all stages of the supply chain till the final sale to consumers, providing ITC the supply chain. There will be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods and services.

The Customs Act, 1962

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any company requiring to import or export any goods is required to get itself registered under the Customs Act, 1962 Act and obtain an Importer Exporter Code number.

F. INTELLECTUAL PROPERTY LAWS

India has certain laws relating to intellectual property rights such as patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 trademark protection under the Trade Marks Act, 1999, and design protection under the Designs Act, 2000.

The Trademarks Act, 1999

The Act provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain



relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

The Designs Act, 2000

This Act protects any visual design of objects that are not purely utilitarian. An industrial design consists of the creation of a shape, configuration or composition of pattern or colour, or combination of pattern and colour in three-dimensional form containing aesthetic value. It provides an exclusive right to apply a design to any article in any class in which the design is registered.

G. FOREIGN INVESTMENT REGULATIONS

The Foreign Trade (Development & Regulation) Act, 1992

The Foreign Trade (Development & Regulation) Act, 1992, 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.

Foreign Exchange Management Act, 1999 (“the FEMA”), and Rules and Regulations thereunder

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer of Offer of Security by a person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or Offer security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

Other Laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations.



OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

BRIEF HISTORY OF OUR COMPANY

Our Company was incorporated as Sahaj Fashions Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated May 20, 2011 in Kishangarh, Rajasthan. Later our company was converted into a Public Limited Company pursuant to Shareholders Resolution dated April 02, 2018 and the name of our Company was changed to “Sahaj Fashions Limited” vide fresh Certificate of Incorporation dated April 17, 2018 having CIN U17119RJ2011PLC035248 Issued by the Registrar of Companies, Jaipur.

The registered office of our company is situated at Shree Bhawan, Ajmer Road, Madanganj Kishangarh, Rajasthan 305801, India.

Initial subscribers to the Memorandum of Association of our Company

1. Mr. Rohit Toshniwal
2. Ms. Sadhana Toshniwal
3. Mr. Norat Mal Choudhary
4. Ms. Prabha Lakhotia

Current promoters of our Company

1. Mr. Rohit Toshniwal
2. Mr. Norat Mal Choudhary
3. Ms. Prabha Lakhotia
4. Ms. Sadhana Toshniwal
5. Mr. Rakesh Choudhary
6. Mr. Mukul Lakhotia
7. Mr. Nitin Toshniwal.

BUSINESS AND MANAGEMENT

For a description of our activities, products, market segments, management, Strategies of our Company, regional geographical segment etc., see “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Government and Other Approvals” on pages 101, 91, 167 and 181 respectively. For details of the management of our Company and its managerial competence, see “Our Management” on page 126.

ADDRESS OF THE REGISTERED OFFICE AND CORPORATE OFFICE

Registered Office	Shree Bhawan, Ajmer Road, Madanganj, Kishangarh – 305801, Rajasthan, India.
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CHANGE IN REGISTERED OFFICE

There has been no change in our Registered Office since inception till the date of this prospectus.

KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

Year	Events & Milestones
2012	Our unit situated in Rajasthan started its commercial production on April 04, 2012 in a record time of 6 months from the date of laying the foundation stone.
2014	Company Exposed itself to export market through merchant exporter.
2015	Our company expanded with backward integration by setting up a Yarn Sizing Unit in the Rajasthan facility thereby improving the quality and timely delivering of the orders.



2018	Achieved a Turnover of more than 100 crore in FY 2017-18 and FY 2018-2019
2018	Our Company previously filed Draft Prospectus for IPO on September 12, 2018 with NSE for SME listing for which we later received the In-principal Approval letter on November 06, 2018. However, we decided to shelve the plan of going ahead with the IPO after considering the market conditions during that period.

OUR MAIN OBJECT(S)

The main object(s) of our Company, as contained in our Memorandum of Association, are as set forth below:

- To carry on the business as weavers or otherwise manufacturers, buyers, sellers, importers, exporters and dealers of all kinds of man-made fibers, silk, art silk, synthetic, woolen and cotton fabrics and other fibrous products including dressing and furnishing materials, uniforms, readymade garments, carpets and carpet backing, yarn and sewing thread and other textiles.*
- To carry on the business of packing, grading, crimping, twisting, texturing, bleaching, dyeing, printing, mercerizing or otherwise processing yarn, cloth, carpets, blankets and other textile goods, whether made from cotton, silk, synthetic and other fibers or blends thereof.*

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Since incorporation, the following changes have been made to our Memorandum of Association:

Date of Shareholders' Approval	Amendment
July 22, 2014	Our Company has Increased the Authorised Share Capital from Rs. 5,00,000 to Rs. 10,00,000 vide ordinary Resolution passed dated July 22, 2014.
August 31, 2015	Our Company has Increased the Authorised Share Capital from Rs. 10,00,000 to Rs. 13,00,000 vide ordinary Resolution passed dated August 31, 2015.
November 16, 2015	Our Company has Increased the Authorised Share Capital from Rs. 13,00,000 to Rs. 20,00,000 vide ordinary Resolution passed dated November 16, 2015.
April 02, 2018	Our Company got converted into a Public Limited Company vide a fresh Certificate of Incorporation dated April 17, 2018 having CIN U17119RJ2011PLC035248.
August 10, 2018	Our Company has Increased the Authorised Share Capital from Rs. 20,00,000 to Rs. 10,10,00,000 vide ordinary Resolution passed dated August 08, 2018.
July 20, 2022	Our Company has adopted new set of Memorandum of Association
January 21, 2023	Our Company has Increased the Authorised Share Capital from Rs. 10,10,00,000 to Rs. 11,50,00,000 vide ordinary Resolution passed dated January 21, 2023.
March 27, 2023	Our Company has Increased the Authorised Share Capital from Rs. 11,50,00,000 to Rs. 13,50,00,000 vide ordinary Resolution passed dated March 27, 2023.

For details on change in Authorised Share Capital, see “*Capital Structure*” on page 57.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Date of Shareholders' Approval	Amendment
April 02, 2018	Our Company got converted into a Public Limited Company vide a fresh Certificate of Incorporation dated April 17, 2018 having CIN U17119RJ2011PLC035248.



August 20, 2018	Our Company adopted new set of Articles of Association of the Company in pursuance to comply with the requirements of a listed company.
July 20, 2022	Our Company adopted new set of Article of Association

HOLDING COMPANY OF OUR COMPANY

Our Company has no holding company as on the date of filing of this prospectus.

SUBSIDIARY COMPANY OF OUR COMPANY

Our Company does not have any Subsidiary Company as on the date of filing of this prospectus, except Sahaj Cottons Private Limited Company. For detailed information about the profile, business, financials, please see the chapter “*Our Group Entities*” beginning on page 155.

ASSOCIATE COMPANIES

Our Company has no associate company as on the date of filing of this prospectus.

DETAILS OF MERGERS AND ACQUISITIONS

There has been no merger or acquisitions of businesses or undertakings in the history of the Company.

JOINT VENTURES OF OUR COMPANY

Our Company does not have joint ventures as on the date of this prospectus.

INJUNCTIONS OR RESTRAINING ORDERS

Except as stated in the section titled “*Outstanding Litigation and Material Developments*” on page 177 there are no injunctions or restraining orders against our Company or Associate Companies.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (3) YEARS

There has not been any change in the activities of Our Company during the last Three years. For details in relation to our activities, refer to section titled “*Our Business*” beginning on page 101.

TECHNOLOGY, MARKET COMPETENCE AND CAPACITY BUILD-UP

For details on the technology, market competence and capacity build-up of our Company, please refer to the chapter titled “*Our Business*” beginning on page 101.

DETAILS OF PAST PERFORMANCE

For details in relation to our financial performance in the previous Three financial years, including details of non-recurring items of income, refer to section titled “*Restated Financial Statements*” beginning on page 160.

COLLABORATION AGREEMENTS

Our Company is not a party to any collaboration agreements.

MATERIAL AGREEMENT

Our Company has not entered into any material agreement.

EXCLUSIVE AGREEMENT

As on date of this prospectus, Our Company has not entered into an exclusive agreement.

NON COMPETE AGREEMENT

Our Company has not entered into any Non- compete Agreement as on the date of filing of this prospectus.

SHAREHOLDERS AGREEMENTS



Our Company has not entered into any shareholder's agreement as on date of filing of this prospectus.

GUARANTEES GIVEN BY OUR COMPANY

Our Company has not provided any guarantee as on date of filing this prospectus.

RESTRICTIVE COVENANTS IN LOAN AGREEMENTS

For details in relation to Restrictive Covenants in Loan Agreements, please see the chapters "*Financial Indebtedness*" beginning on page 161.

UNSECURED LOANS

For details on Unsecured Loans, please see the chapters "*Financial Indebtedness*" beginning on page 161.

STRATEGIC/ FINANCIAL PARTNERS

Our Company has no strategic and financial partners as on the date of filing of this prospectus.

CONVERSION OF LOANS INTO EQUITY SHARES

There has been no incident of conversion of loans availed from Banks into equity shares as on the date of filing of this prospectus.

CAPITAL RAISING ACTIVITIES THROUGH EQUITY

For details in relation to our capital raising activities through Equity, please see the chapters "*Capital Structure*" beginning on page 57.

STRIKE AND LOCK-OUTS

We have not faced any strikes or lock-outs in our operations in the past 3 financial years.

CHANGES IN THE MANAGEMENT

For details of change in Management, please see chapter titled "*Our Management*" on page 130.

RATING

Our Company do not hold any valid rating as on date of this prospectus.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this prospectus.

NUMBER OF SHAREHOLDERS

Our Company has Fifteen (15) shareholders on date of this prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled "*Capital Structure*" beginning on page 57.



OUR MANAGEMENT

BOARD OF DIRECTORS

In terms of our Articles of Association, our Company is required to have not less than 3 directors and not more than 15 directors. As on the date of this prospectus we have 6 (Six) Directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this prospectus:


Sr. No.	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Change in Current Designation	Other Directorships
1.	Name: Mr. Rohit Toshniwal Age: 62 Years Father's Name: Late Sh. Moti Lal Maheshwari Designation: Chairman & Whole-Time Director Address: Shree Bhawan Ajmer Road Madanganj Kishangarh 305081, Rajasthan, India Term: Retire by Rotation Nationality: Indian Occupation: Business DIN: 03507310	Initial appointment on May 20, 2011 Designation changed to Chairman & Whole-Time Director on August 13, 2018	1.Sahaj Cottons Private Limited
2.	Name: Mr. Norat Mal Choudhary Age: 74 Years Father's Name: Late Gopi Kishan Choudhary Designation: Managing Director Address: 36, Gopi Sadan, Nasirabad Road, Navjivan Hospital Ke Pass Adarsh Nagar Ajmer 305001, Rajasthan, India Term: 5 Years Nationality: Indian Occupation: Business DIN: 03558999	Initial appointment on June 24, 2011 Designation changed to Managing Director on January 21, 2023	1.Sahaj Cottons Private Limited
3.	Name: Ms. Sadhana Toshniwal Age: 59 Years Father's Name: Late Shri Niwas Bharadia Designation: Non-Executive and Non-Independent Director	Initial appointment on May 20, 2011 Designation changed to Non-Executive and Non-Independent	1.Sahaj Cottons Private Limited

	<p>Address: Shree Bhawan, Ajmer Road Madanganj Kishangarh - 305801, Rajasthan, India</p> <p>Term: Retire by Rotation</p> <p>Nationality: Indian</p> <p>Occupation: Social Worker</p> <p>DIN: 03515653</p>	Director on August 13, 2018	
4.	<p>Name: Ms. Prabha Lakhotia</p> <p>Age: 57 years</p> <p>Father's Name: Late Sh. Moti Lal Maheshwari</p> <p>Designation: Non-Executive and Non-Independent Director</p> <p>Address: M-2, Ana Sagar Link Road, Ajmer 305001, Rajasthan, India</p> <p>Term: Retire by Rotation</p> <p>Nationality: Indian</p> <p>Occupation: Social Worker</p> <p>DIN: 03559805</p>	<p>Initial appointment on June 24, 2011</p> <p>Designation changed to Non-Executive and Non-Independent Director on August 13, 2018</p>	1.Sahaj Cottons Private Limited
5.	<p>Name: Mr. Shreya Garg</p> <p>Age: 34 years</p> <p>Father's Name: Mr. Pukhraj Garg</p> <p>Designation: Independent Director</p> <p>Address: 115/10, Opp. Savitri Primary School, Civil Line, Ajmer, Rajasthan-305001 India</p> <p>Term: 5 years</p> <p>Nationality: Indian</p> <p>Occupation: Business</p> <p>DIN: 05335675</p>	Appointed as an Independent Director on January 21, 2023.	1. Yotta Business Ventures Private Limited
6.	<p>Name: Mr. Brij Behari Gupta</p> <p>Age: 62 years</p> <p>Father's Name: Mukut Behari Gupta</p> <p>Designation: Independent Director</p> <p>Address: B-359 Shastri Nagar Bhilwara- 311001 Rajasthan India</p> <p>Term: 5 years</p> <p>Nationality: Indian</p>	Appointed as an Independent Director on January 21, 2023.	1. Capico Solutions Private Limited

Occupation: Business		
DIN: 02659488		

BRIEF BIOGRAPHIES OF OUR DIRECTORS

	<p>Mr. Rohit Toshniwal, aged 62 Years, is the Promoter, Chairman & Whole-Time Director of our Company. He hold an experience of over 3 decades in our industry. He is a commerce graduate from University of Rajasthan and comes from a well-known family based at Kishangarh Rajasthan. With his straight forward and charismatic approach, he started his career in late 80's with yarn trading at Madanganj Kishangarh. In 90's he additionally entered into financing and real estate development on personal level.</p> <p>Thereafter in the year 2003, he set up a Marble Processing Unit at Kishangarh under the name "Sahaj Marbles" (a proprietorship concern owned by Ms. Sadhana Toshniwal) as Kishangarh is one of the largest Marble processing hub. Further, to pursue his long-term dream to enter into the textile manufacturing, he co-founded Sahaj Fashions Limited in the year 2011. Currently, he is taking care of strategic planning and decision making of our company.</p> <p>He has been honored as "Kishangarh Yuva Ratna" for his contribution to the society in year 2016 and has also received a certificate of appreciation from SDM Kishangarh for his charitable activities.</p> <p>He is a Philanthropist at heart and Manages his Family Charitable trust under the name "Toshniwal Charitable Trust" which mainly under takes the education of girl child and underprivileged children.</p>
	<p>Mr. Norat Mal Choudhary, aged 74 years, is the Promoter & Managing Director of our Company. He hold an experience of over a two decade in our industry. He is a Civil Engineering from Government Polytechnic college, Ajmer and started his career with Irrigation Department of Rajasthan and gradually promoted to senior level and then took voluntary retirement in the year 2004. He shares good relationship and network in all the government departments and political fronts. Currently, he is looking after the overall performance of the company.</p>
	<p>Ms. Sadhana Toshniwal, aged 59 years, is the Non-Executive Director of our company she is having experiences of 15 years. She completed her schooling from Gujarat. Currently she is President of "Maheshwari Mahila Mandal" Kishangarh branch. At present, she is not actively involved in the day to day workings of the Company.</p>

	<p>Ms. Prabha Lakhotia, aged 57 years, is the Promoter & Non-Executive Director of our company She is having experience of 15 Years. She is a Graduate in Arts from University of Rajasthan. She has interest in creative crafts and arts. She is the President of Indian Ladies Club Ajmer. She is also currently involved in other social welfare organizations. At present, she is not actively involved in the day to day affairs of the company.</p>
	<p>Mr. Shreya Garg, aged 34 years, is the Independent Director of our company. He is an Engineer in Bioinformatics from DY Patil Biotechnology and Bioinformatics Institute, Pune and also holds MBA Degree in Marketing & Sales from Amity Business School he is holding experience of 10 Years. Currently he is the promoter-director of Yotta Business Ventures Private Limited which is into the marketing & manufacturing of pharmaceutical products.</p>
	<p>Mr Brij Behari Gupta, aged 61 years is a Chartered Accountant by profession. He is in Full time practice more than 30 years now. His area of expertise includes accounting advisory, Income Tax related Matters, Bank Audits, Concurrent Audits, GST Consultancy and corporate law related matters.</p>

RELATIONSHIP BETWEEN OUR DIRECTORS

None of the Directors of our Company are related to each other except as follows:

Directors	Relationship
Rohit Toshniwal and Sadhana Toshniwal	Husband and Wife respectively
Rohit Toshniwal and Prabha Lakhotia	Brother and Sister respectively

CONFIRMATIONS

As on the date of this prospectus:

1. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors were selected as a director or member of senior management.
2. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
3. None of the Directors are categorized as a wilful defaulter or fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations
4. None of our Directors have interest in any property acquired by our Company within two years of the date of this prospectus.



- None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
- None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018
- None of the Promoter or Directors has been or is involved as a promoter or director of any other Company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

REMUNERATION / COMPENSATION OF DIRECTORS

The Remuneration payable to the Directors from F.Y. 2022-23 onwards as resolved in the Extra-Ordinary General Meeting held on January 21, 2023 is stated hereunder.

Name of Directors	Designation	Remuneration (Amount in Rs.)
Mr. Rohit Toshniwal	Chairman & Whole-Time Director	3,00,000/-
Mr. Norat Mal Choudhary	Managing Director	3,00,000/-
Ms. Prabha Lakhotia	Non-Executive Director	3,00,000/-
Ms. Sadhana Toshniwal	Non-Executive Director	3,00,000/-

Our Company has not paid and will not be paying any remuneration to the Independent Directors of our company except the applicable sitting fee and reimbursement of expenses as per the Companies Act, 2013.

Pursuant to the resolution passed by the Board of Directors of our Company on January 21, 2023, the independent directors of our Company would be entitled to a sitting fee of Rs. 5000/- for attending every meeting of Board and Rs. 5000/- for attending every committee meeting.

SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares.

The following table details the shareholding of our Directors as on the date of this prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre-Offer Equity Share Capital	% of Post Offer Equity Share Capital
1.	Mr. Rohit Toshniwal	13,30,640	15.31	10.10%
2.	Ms. Sadhana Toshniwal	13,52,000	15.55	10.26%
3.	Ms. Prabha Lakhotia	11,69,168	13.45	8.87%
4.	Mr. Norat Mal Choudhary	11,12,192	12.80	8.44%

INTERESTS OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable, if any to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable, if any to them under our Articles of Association, and/or to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of our Directors may be deemed to be interested to the extent of interest paid on any loan or advances provided to our company, any body corporate including companies and firms and trusts, in which they are interested as directors, members, partners or trustees.



Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoter, and /or trustees pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares, if any.

Our Directors are not interested in the appointment of or acting as Lead Manager, Registrar and Bankers to the Offer or any such intermediaries registered with SEBI.

No sum has been paid or agreed to be paid to our directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them by such firm or company, in connection with the promotion or formation of our Company.

Other than Mr. Rohit Toshniwal, Mr. Norat Mal Choudhary, Ms. Prabha Lakhotia, Ms. Sadhana Toshniwal, Mr. Rakesh Choudhary, Mr. Mukul Lakhotia and Mr. Nitin Toshniwal who are our Promoters and are interested as disclosed in “Our Promoter and Promoter Group” on page 145, none of our Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Except as disclosed in this prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration, interest on loan, lease rent for vehicles and reimbursement of expenses for services rendered as Directors and/or as Key Management Personnel.

No loans have been availed by our Directors from our Company.

PROPERTY INTEREST

Except as stated/referred to in the heading titled “Land & Properties” mentioned in the chapter “Our Business” beginning on page 101, our Directors have not entered into any contract, agreement or arrangements during the preceding two years from the date of this prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

CHANGES IN OUR BOARD OF DIRECTORS

The Changes in the Board of Directors of our Company in the three years preceding the date of this prospectus are as follows:

Name	Date of event	Nature of event	Reason
Mr. Shreya Garg	January 21, 2023	Appointment as Independent Director	To Comply with corporate governance Provisions of Companies Act 2013
Mr. Brij Behari Gupta	January 21, 2023	Appointment as Independent Director	To Comply with corporate governance Provisions of Companies Act 2013

BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at Extra-Ordinary General Meeting of our Company held on January 21, 2023 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 (1)(c) of the Companies Act, 2013 for borrowing, 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 (apart from temporary loans obtained from our Company’s bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 100 Crores.

CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent



reporting. The corporate governance framework is based on an effective independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law. We are in compliance with the requirements of the applicable regulations, including the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2009 in respect of corporate governance particularly in relation to constitution of the Board and committees thereof.

We have a Board constituted in compliance with the Companies Act, 2013 and as per the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in accordance with the best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Currently, our Board has 6 (Six) Directors. We have 1 (one) Managing Director, 1 (one) Executive Director, 2 (Two) Non-Executive Non- Independent Directors and 2 (Two) Independent Directors.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may from time to time, constitute committees for various functions.

Following are the details of various committees of the Board:

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee

A) Audit Committee

Our Company has constituted an audit committee ("**Audit Committee**") as per the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide resolution passed in the meeting of the Board of Directors held on March 01, 2023.

The terms of reference of Audit Committee complies with the requirements of the Companies Act, 2013. The committee presently comprises the following three (3) directors.

Composition of Audit Committee:

Name of the Director	Status	Nature of Directorship
Mr. Brij Behari Gupta	Chairperson	Independent Director
Mr. Shreya Garg	Member	Independent Director
Ms. Prabha Lakhotia	Member	Non-Executive and Non-Independent Director

The Company Secretary of the Company acts as the Secretary to the Audit committee.

Meeting of the Audit Committee and relevant quorum

1. The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.
2. The quorum for meetings of the committee shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.
3. The audit committee at its discretion shall invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee.

The terms of reference of the Audit Committee includes but shall not be restricted to the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly and annual financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an Offer (public Offer, rights Offer, preferential Offer, 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 Offer, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
8. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
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. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors on any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.



16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism, in case the same exists.
19. Approval of appointment of CFO or any other person heading the finance function or discharging that function after assessing the qualifications, experience & background, etc. of the candidate.
20. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
3. Management letters / letters of internal control weaknesses Issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. Statement of deviations:
 - a) Half-yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Powers of the Audit Committee:

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

B) Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide resolution passed at the meeting of the Board of Directors held on March 01, 2023.

Composition of Nomination and Remuneration Committee

Name of the Director	Status	Nature of Directorship
Mr. Shreya Garg	Chairperson	Independent Director
Mr. Brij Behari Gupta	Member	Independent Director
Ms. Prabha Lakhotia	Member	Non-Executive and Non-Independent Director

The Company Secretary of our Company acts as the Secretary to the Committee.

Meeting of Nomination and Remuneration Committee and Relevant Quorum

1. The Committee is required to meet at least once a year.
2. The quorum necessary for a Nomination and Remuneration Committee either two members or one-third of the members of the committee, whichever is greater.

Role of Nomination and Remuneration Committee are:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on diversity of Board of Directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
5. 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.
6. Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.
7. Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

C) Stakeholders Relationship Committee

Our Company has constituted a Stakeholder's Relationship Committee ("*Stakeholder's Relationship Committee*") to redress the complaints of the shareholders. The stakeholder's relationship committee was constituted as per the provisions of Section 178(5) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide resolution passed at the meeting of the Board of Directors held on March 01, 2023.

Composition of Stakeholders Relationship Committee

Name of the Director	Status	Nature of Directorship
Mr. Brij Behari Gupta	Chairperson	Independent Director
Mr. Shreya Garg	Member	Independent Director
Ms. Prabha Lakhota	Member	Non-Executive and Non-Independent Director

The Company Secretary of the Company will act as the Secretary of the Committee.

Meetings of the Stakeholders Relationship Committee

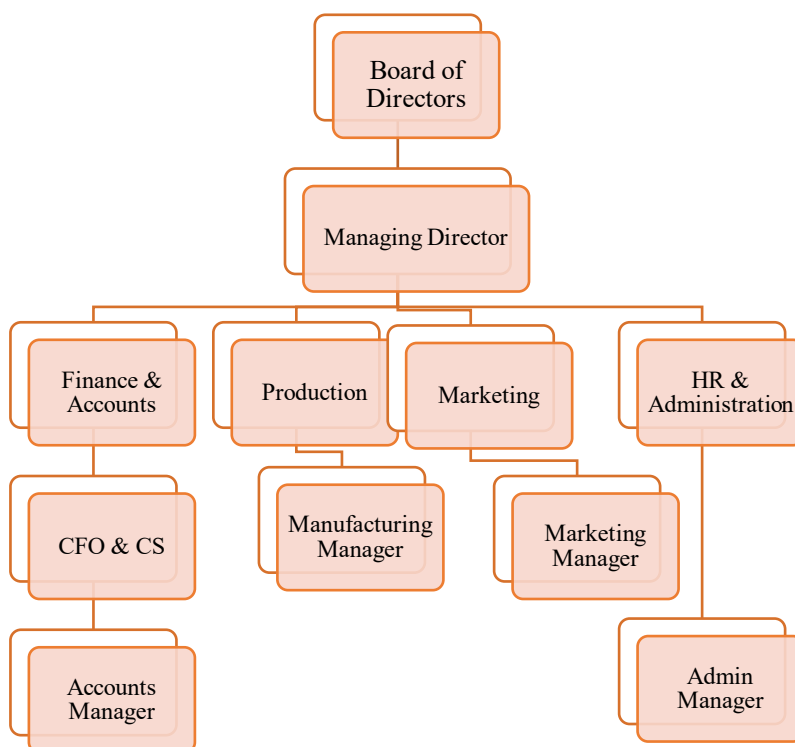
1. The Committee is required to meet at least once a year.
2. The quorum necessary for a meeting shall be two members present.

SCOPE OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Stakeholders Relationship Committee include the following:



- Resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, Offer of new/duplicate certificates, general meetings, etc.
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services rendered by the registrar and share transfer agent and to recommend measures for overall improvement in the quality of investor services;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- Approve, register, refuse to register transfer or transmission of shares and other securities;
- Sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
- Allotment and listing of shares;
- Authorise affixation of common seal of the Company;
- Offer duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- Approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- Dematerialize or rematerialize the Issued shares;
- Ensure proper and timely attendance and redressal of investor queries and grievances;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Advising for giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and Offer of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- Carry out any other functions contained in the Companies Act, 2013 (including Section 178) and/or equity listing agreements (if applicable), as and when amended from time to time;
- Further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s); and
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.


ORGANISATIONAL STRUCTURE



KEY MANAGERIAL PERSONNEL



The details of the Key Management Personnel of our Company are as follows:

	<p>Norat Mal Choudhary (<i>Managing Director</i>)</p> <p>Norat Mal Choudhary, aged 74 years, is the Promoter & Managing Director of our Company. He hold an experience of over a decade in our industry. He is a Civil Engineering from Government Polytechnic college, Ajmer and started his career with Irrigation Department of Rajasthan and gradually promoted to senior level and then took voluntary retirement in the year 2004. He shares good relationship and network in all the government departments and political fronts. Currently, he is looking after the overall performance of the company.</p>
	<p>Mr. Mukul Lakhotia (<i>Chief Financial Officer</i>)</p> <p>Mr. Mukul Lakhotia, aged around 34 years, is the Chief Financial Officer of our company. He is a qualified Chartered Accountant from Institute of Chartered Accountants of India with experience of over 10 years. He is associated with the company since its inception as finance head and is responsible for the overall financial planning of the company. He is dynamic and well versed with the changing statutory compliances and government policies</p>

	<p>Ms. Shilpi Agarwal (Company Secretary & Compliance Officer)</p> <p>Aged 33 Years, she is a Qualified Companies Secretary since 2013. She has a strong academic background. She also has wide experience of 9 years in MCA and SEBI related compliances of various listed and unlisted companies</p>
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DETAILS OF KEY MANAGERIAL PERSONNEL OF OUR COMPANY WHOM WE THINK AS PART OF CORE MANAGEMENT TEAM AND ONE LEVEL BELOW THE EXECUTIVE DIRECTORS AS PER SEBI ICDR, 2018

Following are the senior personnel employed in our company who other than the Directors & KMPs play a vital role in the functioning of our company –

	<p>Mr. Rakesh Choudhary (Marketing Head)</p> <p>Mr. Rakesh Choudhary, aged 49 years is the Marketing Head of our company. He holds an experience of 29 years in the field of textiles. He had started his career in textile at an age of 20 at Ichalkaranji, Maharashtra. After learning and experiencing the in and out of this industry for 3 years he started his own weaving unit under the name of Usha fabrics with 8 weaving looms. He further increased the number of machines to 100 in a short span of time and captured a good share in the Regional Domestic market within 13 years. Later he left Usha Fabrics and joined our company with his rich experience.</p>
	<p>Mr. Nitin Toshniwal (Operations Head)</p> <p>Mr. Nitin Toshniwal, aged 34 years holding experience of 12 years, is the Operations Head of our company. He graduated in Commerce and is a semi-qualified Chartered Accountant. He has been associated with our company since its inception and since beginning he is looking after the operations of the company with his friendly and dynamic approach.</p>

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

There is no family relationship between the Key Managerial Personnel of our Company.

FAMILY RELATIONSHIPS OF DIRECTORS WITH KEY MANAGERIAL PERSONNEL

There is no family relationship between the Key Managerial Personnel and Director of our Company except as mentioned below:

Name of Director	Designation	Relation
Ms. Prabha Lakhotia	Non-Executive Director	Mother of CFO Mr. Mukul Lakhotia
Mr. Mukul Lakhotia	Chief Financial Officer	Son of Non-Executive Director Ms. Ms. Prabha Lakhotia



Mr. Rohit Toshniwal	Chairman & Wholetime Director	Brother of Non-Executive Director Ms. Prabha Lakhotia and Spouse of Non-Executive Director Mr. Sadhna Toshniwal
Ms. Sadhna Toshniwal	Non-Executive Director	Spouse of Chairman - Wholetime Director Mr. Rohit Toshniwal

All of Key Managerial Personnel are permanent employees of our company.

ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS

There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

None of the KMPs hold any Equity shares of our Company as on the date of this prospectus except the following:

Sr. No.	Name of the Shareholder	No. of Shares held
1.	Mr. Norat Mal Chaudhary	11,12,192
2.	Mr. Mukul Lakhotia	Nil
3.	Ms. Shilpi Agarwal	Nil
4.	Mr. Rakesh Choudhary	1,81,152
5.	Mr. Nitin Toshniwal	1,28,592

BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

LOANS TO KEY MANAGERIAL PERSONNEL

No loans and advances have been given to the Key Managerial Personnel as on the date of this prospectus.

INTEREST OF KEY MANAGERIAL PERSONNEL

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any.

Except as disclosed in this prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration, reimbursement of expenses, lease rent on vehicles and interest on loan.

Our Key Managerial Personnel have no interest in any property acquired by our Company within two years of the date of this prospectus.



CHANGES IN KEY MANAGERIAL PERSONNEL DURING LAST THREE (3) YEARS

The changes in the key managerial personnel in the last three years are as follows:

Name of Managerial Personnel	Designation	Date of Event	Reason
Ms. Shilpi Agarwal	Company Secretary & Compliance Officer	December 01, 2022	Appointed as Company Secretary & Compliance Officer
Mr. Sajid Hussain	Company Secretary & Compliance Officer	February 29, 2020	Resigned from the post of Company Secretary

Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

ESOP/ESPS SCHEME TO EMPLOYEES

Presently, our company does not have any ESOP/ESPS Scheme for employees.

PAYMENT OR BENEFIT TO OUR OFFICERS

Except as disclosed in the heading titled “*Restated Financial Statements*” beginning on page 160, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS


1. **Mr. Rohit Toshniwal**
2. **Mr. Norat Mal Choudhary**
3. **Ms. Prabha Lakhotia**
4. **Ms. Sadhana Toshniwal**
5. **Mr. Rakesh Choudhary**
6. **Mr. Mukul Lakhotia**
7. **Mr. Nitin Toshniwal**

DETAILS OF OUR PROMOTERS


1. Mr. Rohit Toshniwal

	<p>Rohit Toshniwal, aged 62 Years, is the Promoter, Chairman & Whole-Time Director of our Company. He hold an experience of over 3 decades in our industry. He is a commerce graduate from University of Rajasthan and comes from a well-known family based at Kishangarh Rajasthan. With his straight forward and charismatic approach, he started his career in late 80's with yarn trading at Madanganj Kishangarh. In 90's he additionally entered into financing and real estate development on personal level.</p> <p>Thereafter in the year 2003, he set up a Marble Processing Unit at Kishangarh under the name "Sahaj Marbles" (a proprietorship concern owned by Ms. Sadhana Toshniwal) as Kishangarh is one of the largest Marble processing hub. Further, to pursue his long-term dream to enter into the textile manufacturing, he co-founded Sahaj Fashions Limited in the year 2011. Currently, he is taking care of strategic planning and decision making of our company.</p> <p>He has been honored as "Kishangarh Yuva Ratna" for his contribution to the society in year 2016 and has also received a certificate of appreciation from SDM Kishangarh for his charitable activities.</p> <p>He is a Philanthropist at heart and Manages his Family Charitable trust under the name "TOSHNIWAL CHARITABLE TRUST" which mainly under takes the education of girl child and underprivileged children.</p>
Particulars	Details
Permanent Account Number	AAVPM6037G
Date of Birth	August 08, 1960
Nationality	Indian
Residential Address	Shree Bhavan, Ajmer Road, Kishangarh (Rural), Madanganj Kishangarh Ajmer-305801 Rajasthan India


2. Mr. Norat Mal Choudhary

	<p>Norat Mal Choudhary, aged 74 years, is the Promoter & Managing Director of our Company. He hold an experience of over a decade in our industry. He is a Civil Engineering from Government Polytechnic college, Ajmer and started his career with Irrigation Department of Rajasthan and gradually promoted to senior level and then took voluntary retirement in the year 2004. He shares good relationship and network in all the government departments and political fronts. Currently, he is looking after the overall performance of the company.</p>
Particulars	Details
Permanent Account Number	ABKPC7341P
Date of Birth	October 10, 1948
Nationality	Indian
Residential Address	36, Gopi Sadan , Nasirabad Road, Navjivan Hospital Ke Pass Adarsh Nagar Ajmer-305001 Rajasthan India


3. Ms. Prabha Lakhotia

	<p>Ms. Prabha Lakhotia, aged 57 years, she is a Graduate in Arts from University of Rajasthan. She has interest in creative crafts and arts. She is currently Office Bearer in many social organizations. Currently She is President of Indian Ladies Club Ajmer. She is a Non-Executive Director in the Company and is not actively involved in the day to day affairs of the company.</p>
Particulars	Details
Permanent Account Number	AAQPL8901M
Date of Birth	September 05, 1965
Nationality	Indian
Residential Address	M-2, Ana Sagar, Link Road Ajmer-305001 Rajasthan India


4. Ms. Sadhana Toshniwal

	<p>Sadhana Toshniwal, aged 59 years, is the Non-Executive Director of our company. She completed her schooling from Gujarat. Currently she is President of “Maheshwari Mahila Mandal” Kishangarh branch. At present, she is not actively involved in the day to day workings of the Company.</p>
Particulars	Details
Permanent Account Number	AAGPT8544G
Date of Birth	December 17, 1963
Nationality	Indian
Residential Address	Shree Bhavan, Ajmer Road, Kishangarh (Rural), Madanganj Kishangarh Ajmer-305801 Rajasthan India


5. Mr. Rakesh Choudhary

	<p>Mr. Rakesh Choudhary, aged 49 years is the Marketing Head of our company. He holds an experience of 29 years in the field of textiles. He had started his career in textile at an age of 20 at Ichalkaranji, Maharashtra. After learning and experiencing the in and out of this industry for 3 years he started his own weaving unit under the name of Usha fabrics with 8 weaving looms. He further increased the number of machines to 100 in a short span of time and captured a good share in the Regional Domestic market within 13 years. Later he left Usha Fabrics and joined our company with his rich experience.</p>
Particulars	Details
Permanent Account Number	AAMPC8328F
Date of Birth	June 11, 1973
Nationality	Indian
Residential Address	36, Gopi Sadan, Navjivan Hospital Ke Pass, Adarsh Nagar Ajmer-305001 Rajasthan India

6. Mr. Mukul Lakhotia

	Mr. Mukul Lakhotia , aged around 34 years, is the Chief Financial Officer of our company. He is a qualified Chartered Accountant from Institute of Chartered Accountants of India with over 10 years of experience. He is associated with the company since its inception as finance head and is responsible for the overall financial planning of the company. He is dynamic and well versed with the changing statutory compliances and government policies.
Particulars	Details
Permanent Account Number	ACQPL9179F
Date of Birth	June 19, 1988
Nationality	Indian
Residential Address	M-2 Ana Sagar Link Road, Ajmer-305001 Rajasthan India

7. Mr. Nitin Toshniwal

	Mr. Nitin Toshniwal , aged 34 years holding experience of 12 years, is the Operations Head of our company. He graduated in Commerce and is a semi-qualified Chartered Accountant. He has been associated with our company since its inception and since beginning he is looking after the operations of the company with his friendly and dynamic approach.
Particulars	Details
Permanent Account Number	AEOPT5532Q
Date of Birth	December 08, 1987
Nationality	Indian
Residential Address	Shree Bhawan, Ajmer Road, near O.B.C Bank, Kishangarh (rural) Ajmer-305801 Rajasthan India

DECLARATION

1. We confirm that the Permanent Account Number, Bank Account number, Passport number, Driving License number Aadhaar Card number of our Promoters have been submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.
2. Our Promoter and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters or fraudulent borrowers by the RBI or any other governmental authority.



3. Our Promoter have not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.
4. No violations of securities law have been committed by our Promoter or members of our Promoter Group or any Group Companies in the past or is currently pending against them. None of (i) our Promoter and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoter is or was associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities Issued by any such entity by any stock exchange in India or abroad.
5. Our Promoter is not and has never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

CHANGE IN CONTROL OF OUR COMPANY

There has not been any change in the control of our Company in the five years immediately preceding the date of this prospectus.

EXPERIENCE OF OUR PROMOTER IN THE BUSINESS OF OUR COMPANY

Each of our Promoters have over a decade of experience in textiles industry. For details in relation to experience of our Promoter in the business of our Company, please refer the chapter “*Our Management*” beginning on page 130.

INTEREST OF THE PROMOTERS

Our Promoter do not have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by them or their relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Restated Financial Statements*” and “*Our Management*” beginning on pages 57, 160 and 130.

Except as stated otherwise in this prospectus, we have not entered into any contract, agreements or arrangements in which our Promoter is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please see chapter titled “*Restated Financial Statements*” beginning on page 160.

Interest in the promotion of our Company

Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by him as well as his relatives and also to the extent of any dividend payable to him and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which our promoters are interested as a director, member or partner.

Interest in the property of our Company

Except as stated in the chapter titled “*Our Business*” and “*Restated Financial Statements*” beginning on page 101 and 160 respectively, our Promoters have confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of this prospectus or proposed to be acquired by our Company as on the date of this prospectus



Further, other than as mentioned in the chapter titled “*Our Business*” beginning on page 101 our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery

Interest in our Company arising out of being a member of a firm or company

Our Promoters are not interested as member of a firm or company where any sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify them as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Interest in our Company other than as Promoter

Except as mentioned in this chapter and chapters titled “*Our Business*”, “*History and Certain Corporate Matters*”, “*Our Management*” and “*Restated Financial Statements*” beginning on pages 101, 126, 130 and 160, respectively, our Promoters do not have any other interest in our Company.

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1) (pp) of SEBI (ICDR) Regulations includes the following persons:



a) Natural Persons who are part of our Individual Promoters Group

The natural persons who are part of our Promoter Group (due to the relationship with our Promoters), other than the Promoters named above are as follows:

Sr. No.	Relationship	Mr. Rohit Toshniwal	Mr. Norat Lal Choudhary	Ms. Prabha Lakhotia	Ms Sadhana R Toshniwal	Mr. Rakesh Choudhary	Mr. Mukul Lakhotia	Mr. Nitin Toshniwal
1.	Father	Late Sh. Moti Lal Maheshwari	Late Sh. Gopi Kishan Choudhary	Late Sh. Moti Lal Maheshwari	Late Sh. Shriniwas Bharadia	Mr. Norat Lal Choudhary	Mr. Rajendra Lakhotia	Mr. Rohit Toshniwal
2.	Mother	Late Smt. Basanti Devi Toshniwal	Late Smt. Parwati Devi Choudhary	Late Smt. Basanti Devi Toshniwal	Late Smt. Gulab Devi Bharadia	Ms. Usha Choudhary	Ms. Prabha Lakhotia	Ms Sadhana R Toshniwal
3.	Spouse	Ms. Sadhana Toshniwal	Ms. Usha Choudhary	Mr. Rajendra Lakhotia	Mr Rohit Toshniwal	Mrs Aruna Choudhary	Mrs Deepali Jhanwar	Mrs Anjali Toshniwal
4.	Brother	-	Mr. Satyanarayan Maheshwari	Mr. Rohit Toshniwal	Mr Gopal Bharadia	-	-	-
5.	Sister	Ms. Pushpa Rani Dhoot, Ms. Chandra Kabra, Ms. Prabha Lakhotia	Late Smt. Bhanwari Devi Rathi	Ms. Pushpa Rani Dhoot Ms. Chandra Kabra,	Ms Chandra Prabha Kalantri, Ms Shakuntla Sarada, Ms Sunita Soin	Ms. Ranjana Maheshwari, Ms. Ritu Maheshwari	-	Ms. Neha Jaithlya
6.	Children	Ms. Neha Jaithlya, Mr. Nitin Toshniwal	Ms. Ranjana Maheshwari, Mr. Rakesh Choudhary,	Mr. Mukul Lakhotia	Ms. Neha Jaithlya, Mr. Nitin Toshniwal	Mr Anmol Choudhary Ms Suhani Choudhary	Ms. Keshvee Lakhotia (<i>minor</i>)	Ms. Aadhya Toshniwal (<i>minor</i>)



			Ms. Ritu Maheshwari					
7.	Spouse Father	Late Sh. Shrinivas Bharadia	Late Sh. Bhagwands Jhanwar	Late Sh. Vijay Karan Lakhotia	Late Moti Lal Maheshwari	Mr Purushotam	Late Navneet Jhanwar	Late Mr Ashok Kumar Kasat
8.	Spouse Mother	Late Gulab Devi Bharadia	Late Smt. Ratan Devi Jhanwar	Late Smt. Gayatri Devi Lakhotia	Late Smt. Basanti Devi Toshniwal	Mrs Indu Devi	Mrs Madhu Jhanwar	Mrs Anuradha Kasat
9.	Spouse Brother	Late Sh. Shrivallabh Bharadia, Mr. Gopal Bharadia	Mr. Gopal Jhanwar, Mr. Rajkumar Jhanwar, Mr. Shiv Kumar Jahnwar	Mr. Ashok Lakhotia, Mr. Satish Lakhotia	-	Mr Ashish Bharadia Mr Ravi Bharadiya	Mr Navdeep Jhanwar	Mr Arpit Kasat
10.	Spouse Sister	Ms. Chandrapra Bha Kalantri Ms. Shakuntla Sarda Ms. Sunita Soni	Ms. Shankuntla Mundra, Ms. Madhu Kothari	Ms. Prem Ajmera	Ms. Pushpa Rani Dhoot, Ms. Chandra Kabra, Ms. Prabha Lakhotia	-	-	-

b) Companies related to our Promoter Companies are as follows:

Relationship with promoters	Name of Entities
Subsidiary or holding company of Promoter Company.	NA
Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).	NA
Any Body corporate in which a group or individuals or companies or combinations thereof which hold 20% or more of the equity share capital in that body corporate also hold 20% or more of the equity share capital of the Issuer.	NA

c) Companies and proprietorship firms and HUF related to our Promoters are as follows:

Relationship with promoters	Name of Entities
Any Body Corporate in which twenty percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member.	NA
Any Body corporate in which Body Corporate as provided above holds twenty percent or more of the equity share capital.	NA
Any Hindu Undivided Family or Firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than twenty percent.	M/s Toshniwal Corporation, M/s Sahaj Corporation, M/s Maheshwari International, M/s Nitin International, M/s Sahaj Marbles, M/s Nitin Toshniwal & Sons HUF M/s Aruna Trading, M/s Usha International, M/s Parwati Trading Company M/s Shree Trading Company M/s R. K. Toshniwal & Co.- HUF M/s Gayatri Trading, M/s Vijay Trading

For further details on our Group Entities refer Chapter titled “*Our Group Entities*” beginning on page no. 155.



DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS

Our Promoter have not disassociated themselves from any of the companies/partnership firms during preceding three years.

OUTSTANDING LITIGATIONS

There is no other outstanding litigation against our Promoter except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigations and Material Developments*” beginning on pages 23 and 177 respectively.

RELATED PARTY TRANSACTIONS

Except as disclosed in the Related Party Transactions in the chapter titled “*Restated Financial Statements*” beginning on page 160, our Company has not entered into any related party transactions with the Promoters and the group entities.

CONFIRMATIONS

Our Promoters and their relatives have not been declared as Willful Defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this prospectus against our Promoters except as mentioned in the section titled “*Outstanding Litigation and Material Developments*” on page 177.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.



OUR GROUP ENTITIES

The definition of ‘Group Companies’ as per the SEBI ICDR Regulations, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which Financial Statements is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board. However, we have included partnership firms and proprietorships also in the list of ‘Group Entities’.

Our Group Entities include:

1. Those entities disclosed as related parties in accordance with Accounting Standard (“AS 18”) Issued by the Institute of Chartered Accountants of India, during the period for which Financial Information is disclosed.
2. All such entities which are deemed to be material by the Board of Directors.

Our Group entities as on the date of this Prospectus are ranked below in terms of their turnover:

1. Sahaj Marbles
2. Parwati Trading Company
3. Shree Trading Company
4. Nitin Toshniwal & Sons- HUF

1. M/s Sahaj Marbles ((Proprietor Ms. Sadhana R. Toshniwal)

The Proprietorship, owned by Ms. Sadhana R. Toshniwal, commenced its business in the year 2003. The PAN of the Proprietor is AAGPT8544G. The Registered Office of the Proprietorship is situated at E-252,4th Phase, Ricco Ind. Area, Madanganj, Kishangarh- 305801, Rajasthan, India

M/s Sahaj Marbles is into following business:-

The business of the proprietorship is manufacturing and processing marbles.

Capital Structure

As on March 31, 2022, the Proprietor’s Capital of M/s Sahaj Marbles is Rs.260.79 Lacs.

Financial Performance

The brief financial details of M/s Sahaj Marbles derived from its audited financial statements for Fiscals 2022, 2021 and 2020 are set forth below:

(Rs. In lacs)

Audited Financial Information	For the Year Ended		
	March 31,2022	March 31, 2021	March 31,2020
Proprietor’s Capital	260.79	248.94	240.38
Total Revenue (Including Other Income)	959.47	1806.41	1574.47
Net Profit attributable to Proprietor	3.40	8.41	8.70

Proprietor of the Firm

The Proprietor of M/s Sahaj Marbles as on the date of this prospectus is Ms. Sadhana R. Toshniwal.

Nature and extent of interest of our Promoter

Our Promoter holds 100% interest in M/s Sahaj Marbles. Further, our Promoter, Ms. Sadhana R. Toshniwal is the sole proprietor in M/s Sahaj Marbles.

Other Confirmations

- a) As on the date of this prospectus, M/s Sahaj Marbles is a sole proprietorship.
- b) The Proprietorship is neither a sick Proprietorship nor is under winding up



- c) There are no defaults in meeting any statutory/bank/institutional dues.
- d) No proceedings have been initiated for economic offences against the Proprietorship.

2. M/s Parwati Trading Company (Proprietor Mr. Norat Mal Chaudhary)

The Proprietorship, owned by Mr. Norat Mal Chaudhary, commenced its business in the year 2016. The PAN of the Proprietor is ABKPC7341P. The Registered Office of the Proprietorship is situated at 36, Adarsh Nagar, Ajmer- 305001, Rajasthan, India.

M/s Parwati Trading Company is into following business:-

To carry on the business of trading in textile yarn and fabrics.

Capital Structure

As on the date of this prospectus, the Proprietor's Capital of M/s Parwati Trading Company is Rs. 62.84 Lacs.

Financial Performance

The brief financial details of M/s Parwati Trading Company derived from its audited financial statements for Fiscals 2022, 2021 and 2020 are set forth below:

(Rs. in Lacs)

Audited Financial Information	For the Year Ended		
	March 31,2022	March 31, 2021	March 31,2020
Proprietor's Capital	62.84	62.61	61.86
Total Revenue (Including Other Income)	619.52	349.65	582.46
Net Profit attributable to Proprietor	1.80	1.37	2.18

Proprietor of the firm:

The Proprietor of M/s Parwati Trading Company as on the date of this prospectus is Mr. Norat Mal Chaudhary

Nature and extent of interest of our Promoter

Our Promoter holds 100% interest in M/s Parwati Trading Company. Further, our Promoter, Mr. Norat Mal Chaudhary is the sole proprietor in M/s Parwati Trading Company.

Other Confirmations

- a) As on the date of this prospectus, M/s Parwati Trading Company is a sole proprietorship.
- b) The Partnership Firm is neither a sick proprietorship nor is under winding up.
- c) There are no defaults in meeting any statutory/bank/institutional dues.
- d) No proceedings have been initiated for economic offences against the Proprietorship.

3. M/s Shree Trading Company (Proprietor Mr. Rohit Toshniwal)

The Proprietorship, owned by Mr. Rohit Toshniwal, commenced its business in the year 2019. The PAN of the Proprietor is AAVPM6037G. The Registered Office of the Proprietorship is situated at Shree Bhawan, Kishangarh - 305801, Rajasthan, India.

M/s Shree Trading Company is into following business:-

To carry on the business of trading in textile yarn and fabrics.



Capital Structure

As on the date of this prospectus, the Proprietor's Capital of M/s Shree Trading Company is Rs.14.98 Lacs.

Financial Performance

The brief financial details of M/s Shree Trading Company derived from its audited financial statements for Fiscals 2022, 2021 and 2020 are set forth below:

(Rs. in Lacs)

Audited Financial Information	For the Year Ended		
	March 31,2022	March 31, 2021	March 31,2020
Proprietor's Capital	14.98	14.91	10.84
Total Revenue (Including Other Income)	388.09	301.11	384.84
Net Profit attributable to Proprietor	1.93	4.06	3.65

Proprietor of the firm:

The Proprietor of M/s Shree Trading Company as on the date of this prospectus is Mr. Rohit Toshniwal.

Nature and extent of interest of our Promoter

Our Promoter holds 100% interest in M/s Shree Trading Company. Further, our Promoter, Mr. Rohit Toshniwal is the sole proprietor in M/s Shree Trading Company.

Other Confirmations

- As on the date of this prospectus, M/s Shree Trading Company is a sole proprietorship.
- The Partnership Firm is neither a sick proprietorship nor is under winding up.
- There are no defaults in meeting any statutory/bank/institutional dues.
- No proceedings have been initiated for economic offences against the Proprietorship.

4. Nitin Toshniwal & Sons- HUF

The PAN of the Karta of the HUF, Mr. Nitin Toshniwal, is AAIHN0729D. The office of the HUF is situated at Shree Bhawan Madanganj, Kishangarh, Rajasthan-305001, India

Business of Nitin Toshniwal & Sons- HUF:-

The business of the HUF is to make investments.

Financial Performance

The brief financial details of Nitin Toshniwal & Sons- HUF derived from its computation of Income Tax Returns for Fiscals 2022, 2021 and 2020 are set forth below:

(Rs. In lacs)

Audited Financial Information	For the Year Ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Gross Total Income	5.08	3.84	3.01
Deductions Under Chapter VIA	0.09	0.07	0.01
Total Income	4.99	3.77	3.00
Tax Payable / (Refund)	0.13	(0.02)	(0.01)

Karta of the HUF

Our promoter Mr. Nitin Toshniwal is the Karta of Nitin Toshniwal & Sons.-HUF.



Nature and extent of interest of our Promoters

Our Promoter, does not have any interest in Nitin Toshniwal & Sons.-HUF. However, Nitin Toshniwal belonging to the promoter group hold 100% interest in the HUF.

Other Confirmations

- a) The HUF is neither a sick firm nor is under insolvency.
- b) There are no defaults in meeting any statutory/bank/institutional dues.
- c) No proceedings have been initiated for economic offences against the HUF.
- d) No proceedings have been initiated for economic offences against the HUF.



DIVIDEND POLICY

Under the Companies Act, an Indian company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the general meeting of our Company. The Article of Association of our Company give our shareholders, the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous Years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Dividends are payable within 30 days of approval by the Equity Shareholders at the Annual General Meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company.

We have not declared dividend in any Financial Year.



SECTION VII- FINANCIAL INFORMATION
RESTATED FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1	Restated Financial Statements	F 1 to F 36

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FINANCIAL INDEBTEDNESS

Our Company has availed borrowings in the ordinary course of business. Set forth below is a brief summary of our aggregate outstanding borrowings as on February 28, 2023:

A. SECURED LOANS

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY AS ON FEBRUARY 28, 2023

(Rs. In Lakhs)

RESTATED STATEMENT OF BORROWINGS									
Name of bank*	Currency	Type of Facility	Sanctioned amount	Date of Loan received	Rate of interest	As at February 28, 2023	Repayment schedule of loans	Prepayment and penalty	Security
HDFC Bank	Ten Months Ended	Term Loan 1	690.70	October 13, 2017	9.00%	247.89	Repayable In EMI	As per extant guidelines	Stock, Book Debts, Property
HDFC Bank	Indian	Term Loan 2	82.27	October 13, 2017	9.00%	34.31	Repayable In EMI	As per extant guidelines	Stock, Book Debts, Property
HDFC Bank	Indian	ECLGS TERM LOAN I	609.00	September 28, 2020	8.25%	355.19	Repayable In EMI	As per extant guidelines	Central Govt. Guarantee
HDFC Bank	Indian	ECLGS TERM LOAN II	304.00	March 17, 2022	8.25%	304.00	Repayable In EMI	As per extant guidelines	Central Govt. Guarantee
HDFC Bank	Indian	Cash Credit	2500.00	October 30, 2018	9.00%	2497.16	Repayable on Demand	As per extant guidelines	Stock, Book Debts and Property
		TOTAL				3438.55			

*As on the date of latest financial statements i.e. February 28, 2023 our secured loan facilities were maintained with HDFC Bank Ltd. However, we have migrated our loan facilities to State Bank of India vide sanction letter executed on March 13, 2023.

Details of the sanction letter received from State Bank of India (SBI) as per sanction letter executed on March 13, 2023 are as follows:

(Rs. in Crores)							
Name of bank	Currency	Type of Facility	Sanctioned amount	Rate of interest	Repayment schedule of loans	Prepayment and penalty	Security
State Bank of India	Indian	Cash Credit (Hypothecation)	25.00	13.25%	Monthly EMI	Not Applicable	Primary Security -First and exclusive hypothecation charge Collateral Security Various Properties, Land and Buildings

		cation) limit					
State Bank of India	Indian	Term Loan-II	0.36	13.25%	Monthly EMI	Not Applicable	Primary Security -First and exclusive hypothecation charge Collateral Security Various Properties, Land and Buildings
State Bank of India	Indian	Term Loan-I	2.72	13.25%	Monthly EMI	Not Applicable	Primary Security -First and exclusive hypothecation charge Collateral Security - Various Properties, Land and Buildings
State Bank of India	Indian	GECL 1.00 Loan*	3.91	9.25%	Monthly EMI	Not Applicable	Primary Security -First and exclusive hypothecation charge Collateral Security Various Properties, Land and Buildings
State Bank of India	Indian	GECL II.00 Extn. Loan*	3.04	9.25%	Monthly EMI	Not Applicable	Primary Security -First and exclusive hypothecation charge Collateral Security - Various Properties, Land and Buildings
State Bank of India*	Indian	Solar Term Loan	2.45	13.25%	Monthly EMI	Not Applicable	Primary Security -First and exclusive hypothecation charge Collateral Security Various Properties, Land and Buildings
Total			37.48				

*GECL stands for Guaranteed Emergency Credit Line.

**Solar Term Loan amounting Rs. 2.45 Crores was sanctioned but not yet availed.

Principal terms of the above loan facilities are as mentioned below -

1. Security:

Working capital limits	
Primary Security	Details
FB Limit (CC Limit, Term loans)	<ol style="list-style-type: none"> First and exclusive hypothecation charge on all fixed assets of company including all plant and machinery, present & future, lying in factory premises or elsewhere in the name of company. First and exclusive hypothecation charge on all current assets of company including all stocks and receivables, present & future, lying in factory premises or elsewhere in the name of company. First and exclusive hypothecation charge on proposed solar plant and machinery.
Collateral Security	Details
FB Limit (CC Limit, Term Loans)	<ol style="list-style-type: none"> Equitable mortgage of Industrial Land & Building at Part A & B, Khasra No. 1629, 1648/7770, 1674/7769, Srinagar, Nasirabad, Ajmer, admeasuring 9843.77 Sq. yds., in the name of M/s Sahaj Fashions Ltd. Equitable mortgage of Land and Building on Plot No. E-252 at RIICO Industrial Area, IVth phase, Kishangarh, Ajmer, admeasuring 6225 Sq. Mtr., in the name of M/s. Sahaj Marbles Ltd. Equitable mortgage of Residential Property at Plot No. 3, Khasra No. 494, Tilak Vihar, Sector -6, Madanganj, Kishangarh, Ajmer, admeasuring 200 Sq. yds, in the name of Nitin Toshniwal Equitable mortgage of Residential Plot No. 2, Khasra No. 494, Tilak Vihar, Sector - 6, Madanganj, Kishangarh, Ajmer, admeasuring 237.50 Sq. yds, in the name of Norat Mal Choudhary Equitable mortgage of Residential Plot No. 4, Khasra No. 952, Pandit Fathe Lal Nagar Link Road to Ajmer Road, Madanganj, Kishangarh, Ajmer, admeasuring 255 Sq. yds, in the name of Nitin Toshniwal. Equitable mortgage of Land and Building near Chuna Bhata, Sumerganj, Madanganj, Kishangarh, Ajmer, admeasuring 250 Sq. yds, in the name of Usha Fabrics.

	<p>7. Equitable mortgage of Residential Plot No. 7, Khasra No. 78/7, Tilak Nagar, Sector -2, Madanganj, Kishangarh, Ajmer, admeasuring 201.66 Sq. yds, in the name of Rakesh Choudhary.</p> <p>8. Equitable mortgage of Residential Plot No. 5, Khasra No. 78/7, Tilak Nagar, Sector-2, Madanganj, Kishangarh, Ajmer, admeasuring 21.83 Sq. yds, in the name of Rohit Toshniwal.</p> <p>9. Equitable mortgage of Residential Plot No. 4, Khasra No. 494, Tilak Vihar, Sector - 6, Madanganj, Kishangarh, Ajmer, admeasuring 205.83 Sq. yds, in the name of Nitin Toshniwal.</p> <p>10. Equitable mortgage of Residential Plot No. 8, Khasra No. 78/7, Tilak Nagar, Sector-2, Madanganj, Kishangarh, Ajmer, admeasuring 200 Sq. yds, in the name of Rakesh Choudhary.</p> <p>11. Equitable mortgage of Land and Building 133-B, Subhash Colony, Madanganj, Kishangarh, Ajmer, admeasuring 521 Sq. yds, in the name of Prabha Lakhotia</p> <p>12. Equitable mortgage of Industrial Land & Building at Khasra No. 1474, Srinahar, Nasirabad, Ajmer, admeasuring 7700 Sq. Mtr., in the name of M/s Sahaj Fashions Ltd.</p> <p>13. Equitable mortgage of Residential Plot No. 1, Khasra No. 494, Tilak Vihar, Sector-6, Madanganj, Kishangarh, Ajmer, admeasuring 244.80 Sq. yds, in the name of Norat Mal Choudhary.</p>
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Guarantee

Personal Guarantee of Directors	Third Party Guarantee	Corporate Guarantee
Sh. Ronit Toshniwal S/o Sh. Lal Maheshwari	Sh. Nitin Toshniwal S/o Sh. Rohit Toshniwal	Mis. Usha fabrics (Prop. Usha Choudhary)
Sh. Norat Mal Choudhary S/o Gopi Kishan Choudhary	Sh. Rakesh Choudhary S/o Sh. Norat Mal Choudhary	M/s. Sahaj Marbles (Prop. Sadhana Toshniwal)
Smt. Sadhana R. Toshniwal W/o St. Rohit Toshniwal	Smt. Usha Choudhary W/o Sh. Norat Mal Choudhary	-
Smt. Prabha Lakhotia W/o Rajendra Lakhotia	-	-
<p>Note:</p> <ol style="list-style-type: none"> For GECL and GECL Extension Loan, second charge on above mentioned primary and collateral securities Personal Guarantee/Corporate Guarantee is not charged to GECL and GECL Extension loan. 		

2. Period of Advance & Repayment Terms:

Cash Credit:	Repayable on demand. The facility which has been sanctioned on 13.03.2023 is available for 12 months from that date, subject to review every year within the given time, when it may be cancelled / reduced depending upon the conduct and utilization of the advance, or as per the Bank's Scheme.
Term Loan:	
TL-I (Takeover with o/s. Rs. 0.36 Cr.)	To be repaid as per existing repayment term with HDFC Bank Ltd. Present outstanding with HDFC Bank is Rs. 0.36 Cr. which is to be repaid in 41 Monthly EMIs of Rs.1,07,469.00/- commencing from 07.03.2023.
TL-II (Takeover with o/s. Rs. 2.72 Cr.)	To be repaid as per existing repayment term with HDFC Bank Ltd. Present outstanding with HDFC Bank is Rs. 2.72 Cr which is to be repaid in 27 months EMIs of Rs. 11,78,903.00 commencing from 07.03.2023.
GECL WCTL (Takeover with o/s. Rs. 3.91 Cr.)	To be repaid as per existing repayment term with HDFC Bank Ltd Present outstanding with HDFC Bank is Rs. 3.91 Cr. which is to be repaid in 23 Monthly EMIs of Rs.19,15,417.00/- commencing from 07.03.2023.
GECL Extn Loan (Takeover with o/s. Rs. 3.04 Cr.)	To be repaid as per existing repayment term with HDFC Bank Ltd Present outstanding with HDFC Bank is Rs. 3.04 Cr. which is to be repaid in 36 Monthly EMIs of Rs. 9,45,630/- commencing from 07.04.2023.

Fresh Solar Term Loan*:	The proposed term loan of Rs. 2.45 Cr will be repaid in 75 monthly instalments commencing from 07 th April 2024. Repayment date would be 7 th of every month. Detailed repayment schedule is as under:-				
	Financial Year	Monthly instalment	No. of instalments during the F.Y.	Repayment	Closing balance at the end of the F.Y.
	2022-23	Moratorium Period	0	0	245.00
	2023-24	Moratorium Period	0	0	245.00
	2024-25	2.00	12	24.00	221.00
	2025-26	2.50	12	30.00	191.00
	2026-27	3.00	12	36.00	155.00
	2027-28	3.50	12	42.00	113.00
	2028-29	4.00	12	48.00	65.00
	2029-30	4.00	12	48.00	17.00
2030-31	5.50*2 and 6.00*1	3	17.00	0.00	
Interest and other charges shall be paid as and when levied and shall be paid during the moratorium period also.					

*Solar Term Loan amounting Rs. 2.45 Crores was sanctioned but not availed yet.

Enhanced / Penal Interest	
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 : <ul style="list-style-type: none"> 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	
Details of other charges:	
Loan Processing Charges:	0.30% of limit.
Upfront Fee	1.10% of the loan amount.(Excluding GECL and GECL extn. loans)
Annual review charges for Term Loans	Not applicable
Commitment charges	Not applicable
Pre-payment charges	As per extant guidelines.
Facility Fee	0.12% of limit.
Inspection Charges	Not applicable
Non Submission of Stock statements	Stock statements not submitted within 20 days of the succeeding month to be treated as non-submission. Flat penal Interest at Rs.1000/- per day of delay.
Non-submission of renewal data 30 days before the due date for renewal of limits	Flat Rs.50000/- up to the due date of renewal & flat Rs. 1,00,000/- per month thereafter till the date of submission.
Non submission / delayed submission of FFRs on due date	Rs.5000/- for each month of delay beyond due date for submission.

Non submission of audited balance sheet within 6 months of the closure of the financial year of the Borrowing entity	Delay of one month: NIL 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.
Diversion of Funds	2.00 % p.a. on the entire outstanding (over and above the aggregate penal interest of 3 % p.a.) till such time the position is rectified.
Irregularity in the account	Cross default (Default in payment of instalment / interest to other Institutions/ Banks:-1.00 % p.a. on the entire outstanding for the period of non-adherence subject to a minimum period of 1 year.
“Non-renewal of insurance policy(ies) in a timely manner or inadequate insurance cover	Flat penalty (penal interest) of Rs 200/- for each day of delay beyond due date.
Limit allocation charges	Not applicable
Revalidation of sanction	For WC: - 50% of the applicable processing charges. For Term Loans: - 50% of the applicable processing charges applicable to WC limits.
Equitable Mortgage Charges	Minimum of Rs 50,000.00 upto 5 recitals only. Beyond 5 recitals, Rs 5500/- per recital to be recovered. (8 * 5500 = 44,000.00) Total charges is 50,000.00 + 44,000.00
Documentation Charges	Rs.22,000/-
Lead bank fee	Not applicable
Conversion of Rupee Term Loan to FCNRB (TL) and vice versa.	As per extant instructions.
<ol style="list-style-type: none"> 1. GST on above charges is applicable over and above the rates specified. 2. The card rates of all the above charges advised are as per the extant circular of the bank applicable as on date. These rates are subject to revision in accordance with changes in banks' circulars and instructions. 3. Concession provided. If any, shall be recovered in case of takeover within 24 months from original sanction. 	

3. Margins

SL.	ITEM	MARGIN (IN %)
A.	FUND BASED LIMITS	
a.	Raw Materials: Imported	NA
b.	Raw Materials: Indigenous	25.00
c.	Semi-Finished Goods/SIP	25.00
d.	Finished Goods	25.00
e.	Domestic Receivables (120 days)	25.00
f.	Solar Term Loan	25.24%
B.	NON-FUND BASED LIMITS	
a.	BG Limit	NA

RESTRICTIVE COVENANTS

Pre: Disbursement Conditions: -

1. Fresh Capital of Rs. 1.00 Crore to be infused before disbursement and Rs. 0.60 Crore before 31.03.2023.
2. Conversion of USL of Rs. 1.60 Cr. into equity before disbursement.
3. DSRA (Debt Service Reserve Account) deposit equivalent to 3 Month installment and Interest for Solar Term Loan.
4. Vetting of irradiation data to be done from Bank's empanelled engineer for Solar Term Loan.
5. Disbursement will be made only after completion of all the documentation formalities

Other Critical Covenants:-

1. The company is advised to maintain the level of unsecured loan in to the business and should be interest free USL to be subordinated to Banks loan and it should not be repaid without the approval of the Bank. An undertaking in this regard to be provided.
2. Any cost over run in the project will be met by company/promoters by infusing additional equity.
3. CIR of all the major suppliers to be obtained from DNB/Mira Inform or any other banks approved agency before disbursement of term loan.
4. Company shall furnish an undertaking that the funds so availed will be used only for the purposes for which it is granted.
5. Term Loan disbursement will be directly to the supplier.
6. FSMTL statements shall be submitted by the company in bank's specified format and periodicity.
7. TOL/Adj TNW to be below 4 as on 31/03/2023 else 1% p.a. penal interest to be charged from 01/04/2023.
8. LIE for Solar plant to be appointed and disbursement to be made on the basis of LIE report in compliance with banks extant instructions.
9. Financial Covenants to be tested based on ABS March 2023. For breach of covenants, penal interest to be recovered as per Bank's instructions.

B. UNSECURED LOANS

<i>(Rs. in Lakhs)</i>							
Name of bank	Type of Facility	Sanctioned amount	Date of Loan Received	Rate of interest	As at 28 February 2023	Repayment schedule of loans	Prepayment and penalty
HDK Int. Pvt. Ltd.	Business Loan	Not Applicable	January 01, 2015	Nil	88.92	Repayable on Demand	Not Applicable
Noratma Choudhary	Business Loan	Not Applicable	April 01, 2019	Nil	4.50	Repayable on Demand	Not Applicable
M/s Parwati Trading Company	Business Loan	Not Applicable	April 01, 2019	Nil	4.72	Repayable on Demand	Not Applicable
Prabha Lakhotia	Business Loan	Not Applicable	April 01, 2019	Nil	8.62	Repayable on Demand	Not Applicable
Rohit Toshniwal	Business Loan	Not Applicable	April 01, 2019	6.70 %	33.28	Repayable on Demand	Not Applicable
Sadhana Toshniwal	Business Loan	Not Applicable	July 31, 2018	5.50 %	226.68	Repayable on Demand	Not Applicable
M/s Sahaj Marbles	Business Loan	Not Applicable	July 31, 2018	6.00 %*	211.13	Repayable on Demand	Not Applicable
	Total				577.85		

*Our company entered into an agreement dated June 26, 2023 with M/s Sahaj Marbles to reduce the rate of interest being charged by M/s Sahaj Marbles from 24.6% to 6% p.a. w.e.f. April 01, 2023.

The interests charged for various loans are decided after taking into consideration various facts such as sanction letter, wherever applicable, prevailing interest rates in market for unsecured loans and the covenants mentioned in the sanctioned letter where it is mentioned to keep nil interest rates for unsecured loans (for a certain quantum of unsecured loans).



MANAGEMENTS' DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our restated financial statement (“restated financials statements”) attached in the chapter titled “Financial Information of the Company” beginning on page 160. You should also read the section titled “Risk Factors” on page 23 and the section titled “Forward Looking Statements” on page 16, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated 136 which is included in this prospectus under “Financial Statements”. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

BUSINESS OVERVIEW

We are engaged in manufacturing of high standard fabric which is used for various purposes such as garments, home furnishings, and industrial applications, etc. We have expertise in manufacturing of primarily cotton suiting fabric and cotton shirting fabric apart from polyester based and cotton-polyester blended fabrics. We also manufacture cotton yarn dyed fabrics which, we believe, are almost always in demand by the garment manufacturing industry. At present our sales have penetrated our home state of Rajasthan as well as some other states like Gujarat, Maharashtra, Haryana and Delhi.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED FINANCIALS

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this prospectus i.e. February 28, 2023, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. Authorisation of Initial Public Offer vide Board Resolution dated February 27, 2023 and by Special Resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an EGM held on March 01, 2023
2. The Authorized Share Capital of Rs. 11,50,00,000 (Rupees Eleven Crores Fifty Lakhs only) consisting of 1,15,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs.13,50,00,000 (Rupees Thirteen Crores Fifty Lakhs only) consisting of 1,35,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated March 27, 2023
3. Board of Directors vide Board Resolution dated March 01, 2023 authorized the offer of further shares on right basis to the existing shareholder in the ratio of 1:2 at Rs. 30.00 per share. Further, vide Board Resolution dated March 31, 2023 Board of Directors authorized allotment of 3,20,000 shares each to Mr. Rohit Toshniwal, Mr. Norat Mal Chaudhary, Ms. Sadhana Toshniwal and Ms. Prabha Lakhotia aggregating to 12,80,000 equity shares after considering acceptance and renunciation of right offered.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 23. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our ability to attract and retain qualified personnel;
- Technology upgradation;
- Supply chain disturbance;
- Increased competition in our Industry;
- Availability of applicable approvals, licenses, registrations and permits in a timely manner;
- Higher interest outgo on our loans;
- Our ability to successfully implement our growth strategy and expansion plans;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;



- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control.

DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the restated financial results of our Company for period ended February 28, 2023 and years ended March 31, 2022, 2021 and 2020.

Principal Components of Statement of Profit and Loss

Income

Our total income comprises revenue from operations and other income as mentioned below:

Revenue from Operations

Our revenue from operations primarily includes sale of fabrics in India.

Other Income

Our other income primarily includes Interest Income and Yarn & Spares Discounts.

Expenses

Our total expenses include the below mentioned expenses:

Direct Cost

The Direct Cost primarily includes expenses related to Cost of Materials & Stores Consumed and other expenses.

Changes in Inventories

Changes in Inventories includes the inventory of finished goods and work in progress of manufactured fabrics at the beginning of the year and at the end of the year.

Employee benefit expenses

Our employee benefit expense primarily includes salaries and staff welfare expenses, director's remuneration and perquisites.

Finance Cost

Our finance costs primarily include interest, other borrowing cost and bank charges.

Depreciation and Amortization Expense

Our depreciation and amortization primarily include depreciation of land and building, plant and machinery furniture and fixtures, vehicles, computer and other assets.

Other Expenses

Our other expenses primarily include expenditure incurred on Consumption of Electric, Power and Fuel, Purchases, Freight Inward, Sales Promotion Expenses, Packing Expenses, Office Salaries etc.

Tax Expense

Our tax expenses primarily include current tax, deferred tax and adjustment for tax of earlier years.



Results of Operations based on Restated Financial Statement

The following table sets forth select financial data from our restated statement of profit and loss for the period February 28, 2023 and Fiscal year 2022, 2021 and 2022 the components of which are also expressed as a percentage of total income for such periods.

(Rs. In lakhs)

Particulars	For the year ended February 28, 2023	% of Total Income	For the year ended 31st March 2022	% of Total Income	For the year ended 31st March 2021	% of Total Income	For the Year ended 31st March 2020	% of Total Income
I) Income								
(a) Revenue from Operations	9097.58	99.96%	8,695.75	99.97%	7,470.44	99.93%	9,930.66	99.97%
(b) Other Income	3.49	.04%	2.61	0.03%	5.10	0.07%	2.95	0.03%
II) Total revenue	9,101.07	100.00%	8,698.36	100.00%	7,475.54	100.00%	9,933.61	100.00%
III) Expenses								
(a) Cost of Materials & Stores Consumed	7,989.31	87.78%	7,649.10	87.94%	6,426.31	85.96%	8,657.72	87.16%
(b) Changes in inventories of finished goods, WIP and Stock-in-Trade	(225.68)	(2.48%)	(184.74)	(2.12%)	34.37	0.46%	162.66	1.64%
(c) Employee benefit expenses	202.14	2.22%	219.48	2.52%	165.22	2.21%	190.62	1.92%
(e) Finance costs	326.95	3.59%	380.23	4.37%	384.21	5.14%	392.46	3.95%
(f) Depreciation and amortization expense	91.85	1.01%	117.63	1.35%	130.68	1.75%	150.25	1.51%
(g) Other expenses	322.81	3.55%	460.38	5.29%	291.33	3.90%	339.44	3.42%
(IV) Total Expenses	8,288.58	91.07%	8,642.08	99.35%	7,432.12	99.42%	9,893.15	99.59%
(V) Profit/(Loss) before tax (II-IV)	393.69	4.33%	56.27	0.65%	43.43	0.58%	40.45	0.41%
(VI) Tax expense								
(a) Current Tax	103.61	1.14%	15.36	0.18%	11.93	0.16%	11.59	0.12%
(b) Previous year Tax adjustments	0.00	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
(c) Deferred Tax expense / (credit)	(0.33)	Negligible	(0.99)	Negligible	(0.64)	Negligible	(0.46)	Negligible



VII) Total Taxes	103.94	1.14%	14.37	0.17%	11.29	0.15%	11.13	0.11%
VIII) Profit after Taxes	289.75	3.18%	41.90	0.48%	32.14	0.43%	29.32	0.30%

Other Key Ratios

Particulars	For the period ending February 28, 2023*	Financial year ending March 31 st ,		
		2022	2021	2020
Fixed Asset Turnover Ratio	11.04	9.50	7.38	8.71
Debt Equity Ratio	2.33	2.95	2.88	2.59
Current Ratio	1.62	1.62	1.54	1.31

*The ratios for the period ending February 2023 are not annualized

Notes:

Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total fixed assets, based on Restated Financial Information.

Debt Equity Ratio: This is defined as total debt divided by total shareholder funds. Total debt is the sum of long term borrowings, short-term borrowings and current maturity of long-term debt, based on Restated Financial Information.

Current Ratio: This is defined as current assets divided by current liabilities excluding current maturity of long term debt, based on Restated Financial Information.

RESULTS OF OPERATIONS FOR THE PERIOD ENDED FEBRUARY 28, 2023

Revenue from operations

Our revenue from operations is Rs. 9097.58 lakhs for the period ended February 28, 2023. Our overall revenue has increased due to increase in our sales of manufactured products i.e. sale of different varieties of Fabrics.

Other Income

Our other income is Rs. 3.49 lakhs for the period ended February 28, 2023, which was primarily due to interest income & Miscellaneous Income.

Expenses

The table below sets forth details in relation to our total expenses for the period ended February 28, 2023.

Particulars	Amount (In Lakhs)
Cost of Materials & Stores Consumed	7989.31
Changes in inventories of finished goods, WIP and Stock-in-Trade	(225.68)
Employee benefits expense	202.14
Finance costs	326.95
Depreciation and amortization expenses	91.85
Other expenses	322.81
Total Expenses	8,707.38

Cost of Raw Materials & Components consumed

The table below sets forth details in relation to our Cost of Raw Materials & Components consumed for the period ended February 28, 2023.

Particulars	Amount(In Lakhs)
Opening Stock	1,065.66
Add : Purchases (Net)	8,412.23
Less : Closing Stock	1,488.58
Raw Materials & Components Consumed	7,989.31

Change in inventories

The table below sets forth details in relation to change in inventories for the period ended February 28, 2023.

Particulars	Amount(In Lakhs)
Inventories (at close)	
Finished Goods	635.09
Work-In-Progress	93.55
Total (a)	728.64
Inventories (at commencement)	
Finished Goods	427.10
Work-In-Progress	75.88
Total (b)	502.98
Change in inventories(b-a)	(225.68)

Employee benefits expenses



Our employee benefits expenses for the period ended February 28, 2023 was Rs. 202.14 lakhs. Our employee benefit expense as a percentage of revenue from operation was 2.22% for the period ended February 28, 2023.

Finance Costs

Our finance costs is Rs. 326.95 Lakhs for the period ended February 28, 2023.

Particulars	Amount(In Lakhs)
Interest on Working Capital Facilities	314.31
Other Interest	5.88
Bank Charges	6.76
Total	326.95

Depreciation and Amortisation Expense

Our depreciation and amortization expenses is Rs. 91.85 lakhs for the period ended February 28, 2023.

Other Expenses

Our other expenses is Rs. 322.81 lakhs for the period ended February 28, 2023.

Tax Expenses

Our tax expenses is Rs. 103.94 lakhs for the period ended February 28, 2023.

Profit for the Year

As a result of the foregoing factors, our profit for the year for the period ended February 28, 2023 was Rs. 289.75 lakhs.

Particulars	For the period		For the financial year ended					
	From April 01, 2022 to February 28, 2023		2021-22		2020-21		2019-20	
	Rs. In Lakhs	%	Rs. In Lakhs	%	Rs. In Lakhs	%	Rs. In Lakhs	%
Profit After Tax	288.71	3.17%	41.90	0.49%	32.14	0.43%	29.32	0.30%

Reason for growth in PAT for the period ended February 28, 2023:

1. In the period there was good global as well as domestic demand of cotton suiting fabric. We believe there are few players who are experts in manufacture of cotton suiting fabric. Sahaj Fashions Limited being one of the prominent manufacturer of cotton suiting fabric benefited from large orders with better profitability margins to the company.
2. The cotton prices were at 30 years high during the period mainly because of low production of cotton at global level. Our company Sahaj Fashions Limited being a reputed and old player in the market with good relations with its suppliers of raw cotton yarns had inventory at cheaper rates which helped the company to improve cost efficiency and maintain good profit margins in the period.
3. The company has also started catering to new clients with their customised demands such as suitings/ bottomwears for which there are comparatively lesser players in the market. This has also helped the company to achieve good profit margins as compared to previous years.

FISCAL 2022 COMPARED TO FISCAL 2021

Income

Our total income increased by 16.35% to Rs. 8,698.36 lakhs in Fiscal 2022 from Rs. 7,475.54 lakhs in Fiscal 2021, primarily on account of the factors discussed below.

Revenue from operations

Our revenue from operations increased by 16.40% to Rs. 8,695.75 lakhs in Fiscal 2022 from Rs. 7,470.44 lakhs in Fiscal 2021. Our overall revenue has increased due to increase in our sale of manufactured products i.e. sale of different varieties of Fabrics.

Other income

Our other income decreased by 48.82% to Rs. 2.61 lakhs in Fiscal 2022 from 5.10 in Fiscal 2021. Other income has decreased due to non-receipt of Yarn & Spares Discounts.

Expenses

Our total expenses increased by 16.28% to Rs. 8,642.08 lakhs in Fiscal 2022 from Rs. 7,432.12 lakhs in Fiscal 2021, which primarily comprised of:

Direct Cost

The Direct Cost increased by 19.03% to Rs. 7,649.10 lakhs in fiscal 2022 from Rs. 6,426.31 lakhs in fiscal 2021. Direct cost has increased due to increase in payment to vendors and other expenses related to purchases.

Changes in Inventories

Changes in Inventories changed by 637.56% to Rs. (184.74) lakhs in fiscal 2022 from Rs. 34.37 lakhs in fiscal 2021 on account increase in inventory of finished goods.

Employee Benefit Expense

Our employee benefit expense increased by 32.84% to Rs.219.48 lakhs in Fiscal 2022 from Rs.165.22 lakhs in Fiscal 2021 primarily due to increase in the payments of salary & wages.

Finance Costs

Our finance costs decreased by 1.04% to Rs.380.23 lakhs in Fiscal 2022 from Rs. 384.21 Lakhs in Fiscal 2021, primarily due to decrease in the interest on borrowings.

Depreciation and Amortization Expense

Our depreciation and amortization expenses decreased by 9.99% to Rs.117.63 lakhs in Fiscal 2022 from Rs.130.68 lakhs in Fiscal 2021, primarily due to no major addition in vehicles, computer and other equipment during this period.

Other Expenses

Our other expenses increased by 58.03% to Rs.460.38 lakhs in Fiscal 2022 from Rs.291.33 lakhs in Fiscal 2021, primarily due to increase in the Consumption of Electric, Power and Fuel, Purchases, Freight Inward, Sales Promotion Expenses, Transportation (Diesel & Maintenance of Truck), Packing Expenses, Office Salaries etc.

Tax Expense

Our tax expenses increased by 27.28% to Rs. 14.37 lakhs in Fiscal 2022 from Rs.211.29 lakhs in Fiscal 2021 on account of increase in profit.

Profit for the Year



Our profit for the year increased by 30.37% to Rs.41.90 lakhs in Fiscal 2022 from Rs. 32.14 lakhs in Fiscal 2021.

FISCAL 2021 COMPARED TO FISCAL 2020

Income

Our total income decreased by 24.74% to Rs. 7,475.54 lakhs in Fiscal 2021 from Rs. 9,933.61 lakhs in Fiscal 2020, primarily on account of the factors discussed below.

Revenue from operations

Our revenue from operations decreased by 24.77% to Rs.7,470.44 lakhs in Fiscal 2021 from Rs. 9,930.66 lakhs in Fiscal 2020, due to lockdown and Covid crises.

Other Income

Our other income increased by 72.88% to Rs. 5.10 lakhs in Fiscal 2021 from 2.95 in Fiscal 2020. Other income has increased mainly due to increase in Yarn & Spares Discounts.

Expenses

Our total expenses decreased by 24.88% to Rs. 7,432.12 lakhs in Fiscal 2021 from Rs. 9,893.15 lakhs in Fiscal 2020, which primarily comprised of:

Direct Cost

The Direct Cost decreased by 25.77% to Rs. 6,426.31 lakhs in fiscal 2021 from Rs. 8,657.72 lakhs in fiscal 2020. Direct cost has increased due to decrease in payment to vendors and other expenses related to purchases.

Changes in Inventories

Changes in Inventories decreased by 78.87% to (Rs. 1346.02) lakhs in fiscal 2021 from Rs. 633.69 lakhs in fiscal 2020 due to decrease in the inventory of Finished goods.

Employee Benefit Expense

Our employee benefit expense decreased by 13.32% to Rs.165.22 lakhs in Fiscal 2021 from Rs. 190.62 lakhs in Fiscal 2020. Due to lockdown and pandemic situation many of the employees migrated to their native places.

Finance Costs

Our finance costs decreased by 2.10% to Rs. 384.21 lakhs in Fiscal 2021 from Rs.392.46 in Fiscal 2020, primarily due to decreased in the interest on borrowings of the Company.

Depreciation and Amortization Expense

Our depreciation and amortization expenses decreased by 13.03% to Rs. 130.68 lakhs in Fiscal 2021 from Rs. 150.25 lakhs in Fiscal 2020, primarily due to no major addition in property, plant and equipment during this period.

Other Expenses

Our other expenses decreased by 14.17% to Rs. 291.33 lakhs in Fiscal 2021 from Rs. 339.44 lakhs in Fiscal 2020, primarily due to decreased in the Consumption of Electric, Power and Fuel, Purchases, etc.

Tax Expense

Our tax expenses increased by 1.40% to Rs. 11.29 lakhs in Fiscal 2021 from Rs.11.13 lakhs in Fiscal 2020. In Fiscal 2020, our tax expenses have increased due to increase in profit.



Profit for the Year

As a result of the foregoing factors, our profit for the year increased by 9.64% to Rs. 32.14 lakhs in Fiscal 2021 from the loss of Rs. 29.32 lakhs in Fiscal 2020.

CASH FLOW BASED ON RESTATED FINANCIAL STATEMENTS

(Rs. In lakhs)

Particulars	FISCAL		
	2022	2021	2020
Net cash generated from operating activities	312.48	(99.69)	423.46
Net cash (used in)/generated from investing activities	(20.39)	2.11	2.54
Net cash (used in)/generated from financing activities	(163.06)	105.72	(480.41)
Cash and cash equivalents at the end of the year	176.10	47.08	38.95

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the section titled “*Risk Factors*” beginning on page 23, to our knowledge there are no known significant economic changes that materially affected or are likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the section titled “*Risk Factors*” beginning on page 23, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

4. Future relationship between Costs and Income

Our Company’s future costs and revenues will be determined by multiple factors such as industry preferences, economic activity, government policies and demand of our products.

5. The extent to which material increase/decrease in net revenue are due to increase/decrease in the production.

Increase/Decrease in revenues are by and large linked to increase/decrease in volume of business activities carried out by the Company.

6. Total turnover of each major industry segment in which the Issuer company operates.

The Company is operating in Textile Industry and relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 91.

7. Status of any publicly announced new products or business segments

Our Company has not announced any new products or segment, other than through this prospectus.

8. The extent to which the business is seasonal

Our Company’s business is not seasonal in nature.



9. Any significant dependence on a single or few clients.

Our business is not significantly dependent on few clients. Our top 5 customers contributed 36.42%, 38.52% and 74.98% of total revenue from operations for the period ending February 28, 2023, F.Y. 2021-22 and 2020-21 respectively.

10. Competitive Conditions

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “*Our Business*” on page 101.



SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoter.

Our Board, in its meeting held on March 01, 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 10% of profit after tax of the Company, as per the last audited standalone 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 10.00% of the Company’s trade payables for the last audited financial statements.

A. LITIGATION INVOLVING OUR COMPANY

A.1. LITIGATION FILED AGAINST OUR COMPANY

1. Litigation Involving Criminal Matters: NIL
2. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL
3. Litigation/Matters involving Tax Liabilities:
 - i. Direct Tax Liabilities:

Sr. No.	Type of Direct Tax	Under Section	Assessment Year	Outstanding Demand Amount (Rs.)
1.	Outstanding Demand	154	2018-19	1,77,770
2.	Outstanding Demand including Accrued Interest	143(1)(a)	2020-21	1,715

- ii. Indirect Tax Liabilities: NIL

4. Other Pending Litigations: NIL

A.2 LITIGATIONS FILED BY OUR COMPANY

1. Litigation Involving Criminal Matters: NIL
2. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL
3. Litigation Involving Tax Liabilities: NIL
4. Other Pending Litigations: NIL

B. LITIGATIONS INVOLVING OUR DIRECTORS

B.1 LITIGATIONS FILED AGAINST THE DIRECTORS

1. Litigation involving Criminal Matters: NIL

2. **Litigation involving Actions by Statutory/Regulatory Authorities:** NIL

3. **Litigation Involving Tax Liabilities**

3.1 **Mr. Norat Mal Chaudhary**

i. **Direct Tax Liabilities:**

Sr. No.	Type of Direct Tax	Under Section	Assessment Year	Outstanding Demand Amount (Rs.)
1.	Outstanding Demand including Accrued Interest	143(1)(a)	2009-10	1690

ii. **Indirect Tax Liabilities:** NIL

3.2 **Mr. Rohit Toshniwal**

i. **Direct Tax Liabilities:** NIL

ii. **Indirect Tax Liabilities:** NIL

3.3 **Ms. Sadhana Toshniwal**

i. **Direct Tax Liabilities:** NIL

ii. **Indirect Tax Liabilities:** NIL

3.4 **Mr. Prabha Lakhotia**

i. **Direct Tax Liabilities:** NIL

ii. **Indirect Tax Liabilities:** NIL

3.5 **Mr. Brij Behari Gupta**

i. **Direct Tax Liabilities:** NIL

ii. **Indirect Tax Liabilities:** NIL

3.6 **Mr. Shreya Garg**

i. **Direct Tax Liabilities:**

Sr. No.	Type of Direct Tax	Under Section	Assessment Year	Outstanding Demand Amount (Rs.)
1.	Defective Notice	139(9)	2016-17	-

ii. **Indirect Tax Liabilities:** NIL

4. **Other Pending Litigations:** NIL

B.2 LITIGATIONS FILED BY OUR DIRECTORS

1. **Litigation involving Criminal Matters:** NIL



2. **Litigation involving Actions by Statutory/Regulatory Authorities:** NIL
3. **Litigation Involving Tax Liabilities:** NIL
4. **Other Pending Litigations:** NIL

C. LITIGATIONS INVOLVING OUR PROMOTERS OTHER THAN DIRECTORS

C.1 LITIGATIONS FILED AGAINST OUR PROMOTERS OTHER THAN DIRECTORS

1. **Litigation involving Criminal Matters:** NIL
2. **Litigation involving Actions by Statutory/Regulatory Authorities:** NIL
3. **Litigation Involving Tax Liabilities**

3.1 Mr. Rakesh Choudhary

- i. **Direct Tax Liabilities:** NIL
- ii. **Indirect Tax Liabilities:** NIL

3.2 Mr. Mukul Lakhotia

- i. **Direct Tax Liabilities:**

A notice has been issued to Mr. Mukul Lakhotia u/s 143(1)(a) of Income Tax Act, 1961 for adjustment in AY 2020-21.

- ii. **Indirect Tax Liabilities:** NIL

3.3 Mr. Nitin Toshniwal

- i. **Direct Tax Liabilities:**

A notice has been issued to Mr. Nitin Toshniwal u/s 143(1)(a) of Income Tax Act, 1961 for adjustment in AY 2018-19.

- ii. **Indirect Tax Liabilities:** NIL

4. **Other Pending Litigations:** NIL

B.2 LITIGATIONS FILED BY OUR PROMOTERS OTHER THAN DIRECTORS

1. **Litigation involving Criminal Matters:** NIL
2. **Litigation involving Actions by Statutory/Regulatory Authorities:** NIL
3. **Litigation Involving Tax Liabilities:** NIL
4. **Other Pending Litigations:** NIL



OUTSTANDING DUES TO CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors will be available on the website of our Company.

As on February 28, 2023, there is no creditor to whom we owe more than 10% of our total creditors of Rs. 1,237.40 Lakhs on basis. Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure in relation to amount unpaid together with interest payable have not been furnished.

MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE:

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 167, there have been no material developments that have occurred after the Last Balance Sheet date.



GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Offer and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Offer or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

I. APPROVALS IN RELATION TO OUR COMPANY'S INCORPORATION

Our Company was incorporated as Sahaj Fashions Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated May 20, 2011 in Kishangarh, Rajasthan. Further, upon conversion into a Public Limited Company pursuant to Shareholders Resolution dated April 02, 2018, the name of our Company was changed to "Sahaj Fashions Limited" vide fresh Certificate of Incorporation dated April 17, 2018 having CIN: U17119RJ2011PLC035248 Issued by the Registrar of Companies, Jaipur.

II. APPROVALS IN RELATION TO THE OFFER

Corporate Approvals

Our Board of Directors has, pursuant to resolutions passed at its meeting held on February 27, 2023 authorized the Offer, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.

Our shareholders have, pursuant to a resolution dated March 01, 2023 under Section 62(1) (c) of the Companies Act, 2013, authorized the Offer.

Approvals from Stocks Exchange

Our Company has received in- principle listing approval from the NSE Emerge dated July 28, 2023 for listing of Equity Shares Offered pursuant to the Offer.

Other Approvals

The Company has entered into a tripartite agreement dated July 17, 2018 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.

The Company has entered into an agreement dated July 12, 2018 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.

III. APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

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. Under Direct and Indirect Laws

Sr. No.	Nature of License / Approvals / Registrations	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Income Tax	Income Tax Department, Govt. of India	PAN: AAPCS8434E	Perpetual	-
2.	Tax Deduction Account Number (TAN)	Income tax Department, Govt. of India	TAN: JDHS12158G	Perpetual	-
3.	Goods & Service Tax Registration for Maharashtra	Government of India	GSTIN.: 27AAPCS8434E1ZZ	Perpetual	-
4.	Goods & Service Tax Registration for Rajasthan	Government of India	GSTIN.: 08AAPCS8434E1ZZ	Perpetual	-
5.	Importer-Exporter Code	DGFT, Ministry of Commerce	IEC.: 1311005587	Perpetual	-

Under Industrial and Labour Law

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Employees' Provident Fund Registration in Rajasthan	Employees' Provident Fund Organisation, Ministry of Labour & Employment, Govt. of India	Code No.: RJRAJ0029111000	Perpetual	-
2.	Employee's State Insurance Corporation (ESIC) in the state of Rajasthan	ESI Corporation, Rajasthan.	Code No.: 15000522500000101	Perpetual	-
3.	Clearance for Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 for – Kundan Ki Beri, NH 8, Srinagar, Nasirabad, Rajasthan	Rajasthan State Pollution Control Board	File no.: - F(Tech)/Ajmer(Nasirabad)/1688(1)/2015-2016/745-746	December 31, 2031	-

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
4.	Certification for use of Boiler at our manufacturing facility in Rajasthan	Rajasthan State Boiler Inspection Department, Government of Rajasthan.	Registry No.: - RJ-2193	January 8, 2023	To be worked at Maximum Pressure of 14 kg/cm ²
5.	Factory License for our Rajasthan based manufacturing facility	Chief inspector of Factories and Boilers, Rajasthan	Regn. No. : RJ/31830	March 31, 2024	Company must comply with the applicable provisions of Factories Act, 1948 and Rajasthan Factories Rules, 1951
6.	Factory License for our Rajasthan based manufacturing facility	Chief inspector of Factories and Boilers, Rajasthan	Regn. No. : RJ/31840	March 31, 2025	Company must comply with the applicable provisions of Factories Act, 1948 and Rajasthan Factories Rules, 1951
7.	Udyog Aadhaar Memorandum	Ministry of Micro, Small and Medium Enterprises, Government of India	UAN. No. 281700608495	Perpetual	-

Licenses / registrations / approvals /consents / permissions from the Government and various other Government agencies which the company is required to apply but not yet applied.

Nil

Licenses / registrations / approvals /consents / permissions from the Government and various other Government agencies which the company has applied but not yet received.


- i. An application vide application no. SCA/2023/33/132619 has been made for registration under Rajasthan Shops and Establishment Act, 1958. The same is pending for approval.
- ii. An application for renewal of certificate for use of boiler has been applied but not yet received.

INTELLECTUAL PROPERTY

We have applied for the following Trademark(s) under the Trademarks Act, 1999: -

Sr. No.	Trademark / Logo	Date of Application	Application No.	Class	Current Status	Validity
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2.		July 13, 2018	3887370	24	Registered	July 13, 2028
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OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE OFFER

Corporate Approvals

- ✓ Our Board has authorized the Fresh Offer of Equity shares by a resolution dated February 27, 2023 subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.
- ✓ Our shareholders have, pursuant to a special resolution passed at the Extra Ordinary General Meeting of our Company held on March 01, 2023 at the Registered office of our Company under Section 62(1)(c) of the Companies Act 2013, authorized the Offer.
- ✓ Our Company has obtained in-principle approval dated July 28, 2023 from the Emerge platform of NSE for using the name of the Exchange in its Prospectus for listing of the Equity Shares Issued by our Company pursuant to the Offer.

Approvals from Lenders

- ✓ We have received No Objection Certificate from Banker to the Company i.e. State Bank of India Limited.
- ✓ We have received No Objection Certificates from our Unsecured Lenders to our Company i.e. HDK International Pvt. Ltd, Mr. Noratmal Choudhary, M/s Parwati Trading Company, Ms. Prabha Lakhota, Mr. Rohit Toshniwal, Ms. Sadhana Toshniwal and M/s Sahaj Marbles.

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Further, our company, promoter, members of the promoter group, directors, are not debarred or prohibited from accessing the capital markets 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 as on the date of this prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

PROHIBITION BY RBI

Neither our Company, nor our Promoters, or the relatives (as defined under the Companies Act) of our Promoter or Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority in accordance with the guidelines on wilful defaulters Issued by RBI. There are no violations of securities laws committed by our Company, Directors, Promoters, Promoter Group and Group Companies in the past or no proceedings thereof are pending against them.

DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this prospectus.

COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, our Promoter and Promoter Group is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this prospectus.

ELIGIBILITY FOR THE OFFER

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations; and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE Emerge.

- a) Our Company was incorporated on May 20, 2011, under the Companies Act, 2013 with the Registrar of Companies.
- b) As on the date of this prospectus, our Company has a total paid-up equity capital (face value) of ₹ 869.22 Lakhs comprising 86,92,160 Equity Shares of ₹10/- each and the Post Offer equity paid-up Capital (face value) will be ₹ 1317.42 Lakhs comprising 1,31,68,160 Equity Shares which shall be below ₹ 25 crores.



- c) Our Promoters have on an average track record of more than a decade as on date of filing of this prospectus.
- d) Our company had positive cash accruals (earnings before interest, depreciation and tax) from operations in 2 out of 3 financial years preceding the date of this prospectus and its net-worth is positive.
- e) Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our company and promoting companies.
- f) There is no winding up petition against the company, which has been admitted by NCLT/ Court of competent jurisdiction or a liquidator has not been appointed.
- g) No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.
- h) Other Disclosures:
 - We have disclosed all material regulatory or disciplinary actions by a stock exchange or regulatory authority in the past one year in respect of Promoter/promoting company(ies), group companies, companies promoted by the Promoter/promoting company(ies) of our company in the Prospectus.
 - There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our company, Promoter/promoting company(ies), group companies, companies promoted by the Promoter/promoting company(ies) during the past three years except as mentioned in the Prospectus.
 - We have disclosed the details of our company, Promoter/promoting company(ies), group companies, companies promoted by the Promoter/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter “*Outstanding Litigations and Material Developments*” on page 177.
 - We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of Issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “*Outstanding Litigations and Material Developments*” on page 177.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- a. The Draft Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the Emerge platform of NSE. NSE is the Designated Stock Exchange.
- b. Our Company has entered into an agreement with NSDL on July 12, 2018 and with CDSL on July 17, 2018 for dematerialisation of its Equity Shares already Issued and proposed to be Issued.
- c. The entire pre-Offer capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be Issued pursuant to this IPO are fully paid-up.
- d. The entire Equity Shares held by the Promoter are in dematerialised form.
- e. The fund requirements set out for the Objects of the Offer are proposed to be met entirely either from the Net Proceeds or from Internal Accruals. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Offer as required under the SEBI ICDR Regulations. For details, please refer the chapter “*Objects of the Offer*” on page 78.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.



Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- a. Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- b. None of our Promoter or Directors are Promoter or directors of companies which are debarred from accessing the capital markets by the SEBI.
- c. Neither our Company nor our Promoter or Directors is a wilful defaulter or fraudulent borrower.
- d. None of our Promoter or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines Issued by SEBI and the Stock Exchange.

We further confirm that:

In accordance with Regulation 246 of the SEBI ICDR Regulations, the Lead Manager shall ensure that the Issuer shall file copy of the Prospectus with SEBI along with relevant documents as required at the time of filing the Prospectus to SEBI.

In accordance with Regulation 260 of the SEBI ICDR Regulations, this Offer is 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total offer size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” beginning on page 49.

In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Offer is greater than or equal to fifty, otherwise, the entire application money will be unblocked or refunded forthwith. If such money is not unblocked or repaid within four days from the date our company becomes liable to unblock or repay it, then our company and every officer in default shall, on and from expiry of fourth day, be liable to unblock or repay such application money, with interest as prescribed under SEBI ICDR Regulations and section 40 of the Companies Act, 2013.

COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER KHAMBATTA SECURITIES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, KHAMBATTA SECURITIES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED APRIL 27, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.



THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS OFFER DOCUMENT.

Note: All legal requirements pertaining to the Offer will be complied with at the time of registration of this Prospectus with the RoC in terms of section 26 and 28 of the Companies Act, 2013.

DISCLAIMER FROM OUR COMPANY, SELLING SHAREHOLDER AND THE LEAD MANAGER

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this prospectus or in the advertisements or any other material Issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, www.sahajfashions.in, or the website of any affiliate of our Company, would be doing so at his or her own risk.

The Lead Manager accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement entered into between the Underwriter and our Company and Market Maker Agreement entered into among Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever.

Our Company and the Lead Manager shall make all information available 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 or at collection centres etc.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Khambatta Securities Limited is not an associate of the Company and is eligible to be appointed as the Lead Manager in this Offer, under SEBI MB Regulations.

Investors who apply in this Offer 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 and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager 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 Equity Shares.

Neither our Company nor Lead Manager is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

Further, the selling shareholders will be severally responsible for the respective statements confirmed or undertaken by it in this prospectus in relation to itself and its respective portion of the offered shares.

DISCLAIMER IN RESPECT OF JURISDICTION

This Offer is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus/ Prospectus comes is required to inform himself or herself about, and to observe, any such



restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Rajasthan only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Prospectus/ Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus/ Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, 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 U.S Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE NSE

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2356 dated July 28, 2023, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of 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 (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations 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. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share 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.



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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

LISTING

Application have been made to NSE Emerge for obtaining permission for listing of the Equity Shares being offered and sold in the Offer on its NSE Emerge after the allotment in the Offer. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

Our company has obtained In-principle approval from NSE vide letter dated July 28, 2023 to use name of NSE in the Prospectus for listing of equity shares on NSE Emerge.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE Emerge, the Company shall unblock, without interest, all moneys received from the applicants in pursuance of the Prospectus. If any such money is not unblocked within four (4) days after the Issuer becomes liable to unblock it then our Company and every director of the company who is an officer in default shall, on and from the expiry of the fourth (4) day, be jointly and severally liable to unblock that money with interest at the rate of fifteen per cent per annum (15% pa) as prescribed under Section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge mentioned above are taken within six (6) Working Days of the Offer Closing Date.

CONSENTS

Consents in writing of: (a) The Directors, Promoters, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditors; and (b) the Lead Manager, Registrar to the Offer, the Legal Advisors to the Offer, Banker to the Offer, Bankers to the company, Market Maker and Underwriters to act in their respective capacities, have been or shall be duly obtained as the case may be and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 and Section 28 of the Companies Act, 2013.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, M/s Raman Chawla & Associates, Chartered Accountants, Peer Reviewed Auditors to Restated Financials, Rama K Gupta & Co., Chartered Accountants, Statutory Auditors, have provided their written consents on March 13, 2023 and March 01, 2023, respectively, for the inclusion of their names and Statement of Tax Benefits dated April 14, 2023 issued by Statutory Auditors on possible tax benefits which may be available to the Company and its shareholders, included in this prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this prospectus.

EXPERT OPINION

Except the report of the Statutory Auditor on statement of tax benefits as included in this prospectus, our Company has not obtained any expert opinion.

Here, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act

PREVIOUS PUBLIC OR RIGHTS OFFERS DURING THE LAST FIVE YEARS

We have not made any rights to the public and public Offers in the past, and we are an “Unlisted Company” in terms of the SEBI ICDR Regulations and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

COMMISSION AND BROKERAGE PAID ON PREVIOUS OFFERS OF OUR EQUITY SHARES IN LAST FIVE YEARS

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

CAPITAL OFFERS DURING THE LAST THREE YEARS BY OUR COMPANY, LISTED GROUP COMPANIES, SUBSIDIARIES & ASSOCIATES OF OUR COMPANY

Except as disclosed in Chapter titled “*Capital Structure*” on page 57, our Company has not made any capital Offer during the previous three years.



We do not have any listed Group Company / Subsidiary / Associate as on date of this prospectus.

PERFORMANCE VIS-À-VIS OBJECTS

Except as stated in the chapter titled “Capital Structure” beginning on page 57, we have not made any previous rights and / or public Offers during the last five (5) years and are an “Unlisted Issuer” in terms of SEBI ICDR Regulations and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

PRICE INFORMATION OF THE PAST OFFERS HANDLED BY THE LEAD MANAGER

Sr. No.	Issue name	Issue size (Rs. Crores)	Issue price (Rs.)	Listing Date	Opening price on Listing Date (Rs.)	+/- % change in closing price, [+/-% change in Closing benchmark] 30 th calendar days from listing	+/- % change in closing price, [+/-% change in closing benchmark] 90 th calendar days from listing	+/- % change in closing price, [+/-% change in Closing benchmark] 180 th Calendar days from listing
1.	De Neers Tools Limited	22.99	101	May 11, 2023	190	+74.50 [+1.12]	+142.57 [+6.94]	
2.	Quicktouch Technologies Limited	9.33	61	May 02, 2023	92	+110.90 [+2.00]	+129.67 [+8.99]	N.A.
3.	Quality Foils (India) Limited	4.52	60.00	March 24, 2023	100	+62.33 [+3.21]	+50.08 [+9.93]	N.A.
4.	Vels Films International Limited	33.74	99.00	March 22, 2023	101	0.00 [+2.60]	+1.92 [+9.54]	N.A.
5.	Gayatri Rubbers and Chemicals Limited	4.58	30.00	February 07, 2023	35.00	+18.67 [-1.13]	+35.67 [+2.67]	+93.17 [9.71]
6.	Rudrabhishek Enterprises Limited	18.73	41.00	July 13, 2018	41.25	-1.68 [+3.05]	-1.56 [+2.32]	+15.95 [+0.60]

Source: Price Information www.nseindia.com, Issue Information from respective Prospectus.

Summary statement of price information of past issues handled by Khambatta Securities Limited:

Financial Year	Total no. of IPOs	Total Funds raised (Rs. Crores)	Nos. of IPOs trading at discount on as on 30 th calendar days from listing date			Nos. of IPOs trading at premium on as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			Nos. of IPOs trading at premium as on 180 th calendar days from listing date		
			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%
2023-24	2	32.32	-	-	-	2	-	-	-	-	-	-	-	-



2022-23	3	42.84	-	-	-	1	-	2	-	-	-	1	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note:

- Based on date of listing.
- BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30th /90th /180th day, scrip are not traded then last trading price has been considered.
- N.A. – Period not completed.
- As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by lead manager are provided.

TRACK RECORD OF PAST OFFERS HANDLED BY LEAD MANAGER

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 Issued by the SEBI, please refer the website of the Lead Manager at: www.khambattasecurities.com.

STOCK MARKET DATA OF EQUITY SHARES

This being an initial public Offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Company have appointed Bigshare Services Private Limited as the Registrar to the Offer, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch.

The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Offer will handle investor's grievances pertaining to the Offer. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Board has also constituted a Stakeholders' Relationship Committee. The composition of the Stakeholders' Relationship Committee is as follows:

Name of the Directors	Nature of Directorship	Designation in Committee
Mr. Brij Behari Gupta	Chairman	Independent Director
Mr. Shreya Garg	Member	Independent Director



Ms. Prabha Lakhotia	Member	Non-Executive and Non-Independent Director
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For further details, please see the chapter titled “*Our Management*” beginning on page 130.

Our Company has also appointed Ms. Shilpi Agarwal, as the Compliance Officer of the Company and she may be contacted at the Registered Office of our Company.

Ms. SHILPI AGARWAL

SAHAJ FASHIONS LIMITED

Shree Bhawan Ajmer Road,
Madanganj Kishangarh-305801 Rajasthan India

Tel No.: +91 1463 246782

E-mail: cfo@sahajfashions.in

Website: www.sahajfashions.in

STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this prospectus and hence there are no pending investor complaints as on the date of this prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

The Company has appointed Registrar to the Offer, to handle the investor grievances in coordination with our Company. All grievances relating to the present Offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Offer to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Offer will handle investor’s grievances pertaining to the Offer. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.



SECTION IX– OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being Offered pursuant to this Offer shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN) 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 Offer. The Equity Shares shall also be subject to laws, guidelines, rules, notifications and regulations relating to the Offer of capital and listing of securities Issued from time to time by SEBI, the Government of India, NSE, ROC, RBI and / or other authorities, as in force on the date of the Offer and to the extent applicable.

Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process.

Further vide the said circular Registrar to the Offer and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Offer and DPs as and when the same is made available.

THE OFFER

The Offer consists of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in “*Objects Of The Offer*” on page 78 of this prospectus.

RANKING OF EQUITY SHARES

The Equity Shares being Offered/Alloted and transferred in the Offer shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Offer will be entitled to dividends, Voting Power and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles of Association of the Company.

AUTHORITY FOR THE OFFER

This Offer has been authorized by a resolution of the Board passed at their meeting held on February 27, 2023 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Offer by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the EGM of the Company held on March 01, 2023.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders 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, 2013. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the transferee who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, please refer to the chapter titled Dividend Policy beginning on page 159 of this prospectus.

FACE VALUE AND OFFER PRICE

The face value of each Equity Share is Rs.10/-. The Offer Price of Equity Shares is Rs. 30.00/- per Equity Share. The Offer Price shall be determined by our Company in consultation with the Lead Manager and is justified under the chapter titled “*Basis of Offer Price*” beginning on page 85 of this prospectus.



COMPLIANCE WITH THE DISCLOSURE AND ACCOUNTING NORMS

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDER

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Main Provisions of Articles of Association*” on page 225 of this prospectus.

ALLOTMENT ONLY IN DEMATERIALISED FORM

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements has been signed by our Company with the respective Depositories and the Registrar to the Offer before filing this prospectus:

- Tripartite agreement dated July 17, 2018 among CDSL, our Company and the Registrar to the Offer; and
- Tripartite agreement dated July 12, 2018 among NSDL, our Company and the Registrar to the Offer.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate shall 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. The trading of the Equity Shares will happen in the minimum contract size of 4,000 Equity Shares and the same may be modified by the NSE Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 4,000 Equity Shares subject to a minimum allotment of 4,000 Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

MARKET LOT AND TRADING LOT

The trading of the Equity Shares will happen in the minimum contract size of 4,000 Equity Shares and the same may be modified by the EMERGE Platform of NSE from time to time by giving prior notice to investors at large. For further details, see “*Offer Procedure*” on page 202.

MINIMUM NUMBER OF ALLOTTEES

Further in accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and all the monies blocked by SCSBs shall be unblocked within four (4) working days of closure of Offer.



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.

JURISDICTION

Exclusive Jurisdiction for the purpose of this Offer is with the competent courts/authorities in India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be Issued or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being Issued and sold only outside the United States in off- shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the 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 Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

NOMINATION FACILITY TO THE INVESTOR

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, 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 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/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be titled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. 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 ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the equity shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for the lock-in of the pre-Offer capital of our Company, Promoters' minimum contribution as provided in "*Capital Structure*" on page 57 of this prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "*Main Provisions of Articles of Association*" on page 225 of this prospectus.



The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the equity shares will happen in the minimum contract size of 4,000 Equity Shares. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of NSE.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. Issued by our Company. Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs. It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

WITHDRAWAL OF THE OFFER

Our Company in consultation with the LM, reserve the right to not to proceed with the Offer after the Offer Opening Date but before the Allotment. In such an event, our Company would Offer a public notice in the newspapers in which the pre-Offer advertisements were published, within two (2) days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Lead Manager through, the Registrar to the Offer, shall notify the SCsBs to unblock the bank accounts of the ASBA applicant within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an Offer/Offer for sale of the Equity Shares, our Company shall file a fresh Draft Prospectus with Stock Exchange.

MINIMUM SUBSCRIPTION

In terms of Regulation 260 of the SEBI ICDR Regulations, 2018, the Offer is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “*General Information*” on page 49 of this prospectus.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Period of Subscription List of the Public Offer

Event	Indicative Date
Offer Opening Date	Friday, August 25, 2023
Offer Closing Date	Tuesday, August 29, 2023
Finalization of Basis of Allotment with the Designated Stock Exchange	Friday, September 01, 2023
Initiation of Refunds	Monday, September 04, 2023
Credit of Equity Shares to Demat Accounts of Allottees	Tuesday, September 05, 2023
Commencement of trading of the Equity Shares on the Stock Exchange	Wednesday, September 06, 2023

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholder and the Lead Manager. Whilst our Company and the Selling Shareholder 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 Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. The Selling Shareholder confirm that they shall extend complete co-operation required by our Company and the Lead Manager for the completion of the Sahaj Fashions Limited's Draft Prospectus/ Prospectus necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Offer Closing Date, or within such other period as may be prescribed

MIGRATION TO MAIN BOARD

In accordance with the National Stock Exchange of India Limited Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the Emerge Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of National Stock Exchange of India Limited as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations. Our company may migrate to the main board of NSE Limited at a later date subject to the following:

- a. If the Paid up Capital of our Company is likely to increase above Rs. 25 crores by virtue of any further Offer of capital by way of rights, preferential Offer, bonus Offer etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor 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), our Company shall apply to NSE Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b. If the paid-up Capital of our company is more than Rs. 10 Crores but below Rs. 25Crores, our Company 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 Promoters in favor 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 Issued and transferred through this Offer are proposed to be listed on the Emerge Platform of NSE Limited with compulsory market making through the registered Market Maker of the Emerge Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of NSE Limited. For further details of the market making arrangement please refer to chapter titled "*General Information*" beginning on page 49 of this prospectus.

OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.



OFFER STRUCTURE

This Offer is being made in terms of Regulation 229 (2) of the Chapter IX of SEBI ICDR Regulations, as amended from time to time, whereby, our post Offer face value capital is more than Ten (10) crore rupees and upto Twenty-Five (25) crore rupees. The Company shall Offer specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE Emerge). For further details regarding the salient features and terms of such this Offer, please see the chapters titled “*Terms of the Offer*” and “*Offer Procedure*” beginning on page 194 and 202 respectively.

PRESENT OFFER STRUCTURE

Initial Public Offering of up to 46,52,000 Equity Shares of Rs. 10/- each (“Equity Shares”) of Sahaj Fashions Limited (“SFL” or the “Company”) for cash at a price of Rs. 30.00/- per equity share (the “Offer Price”), aggregating to Rs. 1,395.60 Lakhs (“The Offer”), comprising a Fresh Issue of up to 44,76,000 equity shares aggregating to Rs. 1,342.80 Lakhs by our company (“Fresh Issue”) and an Offer for Sale of up to 1,76,000 equity shares by Ankur Shah (“the Selling Shareholder”) aggregating to Rs. 52.80 Lakhs (“Offer for Sale”). Out of the offer, 2,36,000 equity shares aggregating to Rs. 70.80 Lakhs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”). The offer less the Market Maker Reservation Portion i.e. Net Offer of 44,16,000 equity shares of face value of Rs. 10.00/- each at an Offer price of Rs. 30.00/- per equity share aggregating to Rs. 1,324.80 Lakhs is hereinafter referred to as the “Net Offer”. The offer and the net offer will constitute 35.33% and 33.54%, respectively of the Post Offer paid up equity share capital of our company. Particulars of the Offer Net Offer to Public Market Maker Reservation Portion

Particulars of the Offer	Net Offer to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	44,16,000	2,36,000
Percentage of Offer Size available for allocation	94.93% (50.00% to Retail Individual Investors and the balance 50.00% to other Investors)	5.07%
Basis of Allotment	Proportionate subject to minimum allotment of 4,000 Equity Shares and further allotment in multiples of 4,000 Equity Shares each. For further details please refer to the Basis of Allotment on page 212 of this prospectus.	Firm Allotment
Mode of Application	All the Applicants must compulsorily apply through the ASBA Process or through UPI for Retail Investors.	Through ASBA Process Only
Minimum Application Size	For Retails Individuals: 4,000 Equity Shares For Other than Retail Individual Investors: Such Number of Equity Shares in multiples of 4,000 equity shares such that the application value exceeds Rs. 2,00,000.	Application size shall be 2,36,000 equity shares since there is firm allotment.
Maximum Application Size	For Retails Individuals: 4,000 Equity Shares For Other than Retail Individual Investors: Such number of Equity Shares in multiples of 4,000 Equity Shares not exceeding the size of the Offer, subject to limits as applicable to the Applicant.	Application size shall be 2,36,000 equity shares since there is a firm allotment.
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	4,000 Equity Shares	4,000 Equity Shares, However the Market Makers may accept odd



		lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	The entire Application Amount will be payable at the time of submission of the Application Form.

Note:

1. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
2. Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Offer.
3. SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB.

Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the Circular) standardized the lot size for Initial Public Offer proposing to list on Emerge exchange/platform and for the secondary market trading on such exchange/platform, as under:

Offer Price (in Rs.)	Lot Size (No. of shares)
Up to 14	10000
More than 14 up to 18	8000
More than 18 up to 25	6000
More than 25 up to 35	4000
More than 35 up to 50	3000
More than 50 up to 70	2000
More than 70 up to 90	1600
More than 90 up to 120	1200
More than 120 up to 150	1000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1000	160
Above 1000	100

Further to the Circular, at the initial public offer stage the Registrar to Offer in consultation with Lead Manager, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

*50% of the shares offered are reserved for applications below Rs.2.00 lakh and the balance for higher amount applications.

OFFER OPENING DATE	Friday, August 25, 2023
OFFER CLOSING DATE	Tuesday, August 29, 2023

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Offer Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Offer closing date when applications will be accepted only between 10.00 a.m. to 2.00 p.m.



In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical bid form, for a particular bidder, the detail as per physical application form of that bidder may be taken as the final data for the purpose of allotment.

Standardization of cut-off time for uploading of applications on the Offer closing date:

- a. A standard cut-off time of 3.00 PM for acceptance of applications.
- b. A standard cut-off time of 4.00 PM for uploading of applications received from non-retail applicants i.e. QIBs, HNIs and employees (if any).

A standard cut-off time of 5.00 PM for uploading of applications received from only retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by Lead Manager to the Exchange within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



OFFER PROCEDURE

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 the Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and 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 the Prospectus.

Pursuant to the SEBI ICDR Regulations, the ASBA process is mandatory for all investors excluding Anchor Investors and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Application forms. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. 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 <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Offer and Share Transfer Agent (“RTA”) that have been notified by NSE to act as intermediaries for submitting Application Forms are provided on <http://www.nseindia.com>. For details on their designated branches for submitting Application Forms, please refer the above mentioned NSE website.

FIXED PRICE OFFER PROCEDURE

This Offer is being made in terms of Chapter IX of SEBI (ICDR) Regulations, 2018 via Fixed Price Process.

Applicants are required to submit their Applications to the SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to an Offer and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

As per the provisions Section 29(1) of the Companies Act, 2013, the Allotment of Equity Shares in the Offer shall be only in a de-materialized form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement Issued through the electronic mode). The Equity Shares on Allotment shall, however, be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

Our Company or the Lead Managers will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Draft Prospectus/ Prospectus/ Abridged Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Offer, Registrar to the Offer as mentioned in the Application form. The application forms may also be downloaded from the website of NSE i.e. www.nseindia.com Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Applicants shall only use the



specified Application Form for the purpose of making an Application in terms of the Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

Phased implementation of Unified Payments Interface

SEBI has Issued UPI Circulars in relation to streamlining the process of public Offer 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 RIIs through intermediaries with the objective to reduce the time duration from public Offer 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 Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a) Phase I: This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual applicant, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum 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 Offer closure to listing continued to be six Working Days.
- b) Phase II: This phase commenced on completion of Phase I i.e. with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public Offers, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, 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 be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Offer closure to listing would continue to be six Working Days during this phase.
- c) Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public Offer closure to listing would be reduced to be three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

All SCSBs offering the facility of making applications in public Offers are required to provide a facility to make applications using the UPI Mechanism. Further, in accordance with the UPI Circulars, our Company has appointed Kotak Mahindra Bank Ltd as the 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 Investors into the UPI mechanism.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through 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.

A Retail Individual Investor making applications using the UPI Mechanism shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the Offer. The SCSBs, upon receipt of the Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchange. Applications made by the Retail Individual Investors using third party bank accounts or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. The Bankers to the Offer shall provide the investors' UPI linked bank account details to the RTA for the purpose of reconciliation. Post uploading of the Bid details on the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Investors with the Depositories.

Application Form used by ASBA applicants. Upon completing and submitting the Application Form for Applicants to the SCSB, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form



submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this prospectus.

Note:

- Details of depository account are mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialised subsequent to allotment.
- The shares of the Company, on allotment, shall be traded on stock exchanges in demat mode only.
- Single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.
- The correct procedure for applications by Hindu Undivided Families and applications by Hindu Undivided Families would be treated as on par with applications by individuals;

SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- An SCSB, with whom the bank account to be blocked, is maintained;
- A syndicate member (or sub-syndicate member);
- A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (broker);
- A depository participant (DP) (Whose name is mentioned on the website of the stock exchange as eligible for this activity);
- A registrar to an Issuer and share transfer agent (RTA) (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For Applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading they shall forward a schedule as per prescribed format along with the application forms



	to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. 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 resubmission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non- SCSB bank or any Escrow Collection Bank.

WHO CAN APPLY?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines: -

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- 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;
- Mutual Funds registered with SEBI;
- 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 Offer;
- 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);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional applicants category;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- 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;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;



- Pension Funds with minimum corpus of Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- 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;
- Insurance funds set up and managed by army, navy or air force of the Union of India
- Any other person eligible to applying in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

As per the existing regulations, OCBs cannot participate in this Offer.

PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTER, PROMOTERS GROUP AND PERSONS RELATED TO PROMOTER/PROMOTERS GROUP

The LM shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Offer, either in the QIB Portion or in Non Institutional Portion as may be applicable to such Applicants. Such Applying and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the LM or any associates of the LM, except Mutual Funds sponsored by entities which are associates of the LM or insurance companies promoted by entities which are associate of LM or AIFs sponsored by the entities which are associate of the LM or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the LM nor; (ii) any “person related to the Promoters and members of the Promoters Group” shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoters and members of the Promoters Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoters and members of the Promoters Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Our Promoters and members of our Promoters Group will not participate in the Offer.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Offer and The Registrar to the Offer as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE Limited i.e <https://www.nseindia.com>.

OPTION TO SUBSCRIBE IN THE OFFER

- a. As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares in dematerialization form only.
- b. The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c. In a single Application Form any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION

Application must be made only in the names of individuals, limited companies or Statutory Corporations/institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF’s application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.



APPLICATION BY MUTUAL FUNDS

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof. Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single Company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific funds/Schemes. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

APPLICATIONS BY ELIGIBLE NRI

NRI may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSSB to block their Non-Resident External (NRE) accounts, or Foreign Currency Non-Resident (FCNR) ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSSB to block their Non-Resident Ordinary (NRO) accounts for the full Application Amount, at the time of the submission of the Application Form.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated May 03, 2000 to Offer securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of Offer of shares of allotment to NRIs on repatriation basis. Allotment of Equity shares to non-residents Indians shall be subject to the prevailing Reserve Bank of India guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with an income thereon subject to permission of the RBI and subject to the Indian Tax Laws and Regulations and any other applicable laws. The company does not require approvals from FIPB or RBI for the Offer of equity shares to eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and multi-lateral and Bi-lateral development financial institutions.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in color). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in color).

APPLICATIONS BY ELIGIBLE FIIs/FPIs

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations.

An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Offer until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The



aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may Offer, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is Issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are Issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are Issued after compliance with know your client' norms. Further, pursuant to a Circular dated November 24, 2014 Issued by the SEBI, FPIs are permitted to Offer offshore derivate instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further Offer or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

FPIs who wish to participate in the Offer are advised to use the Application Form for Non-Residents (blue in color). FPIs are required to apply through the ASBA process to participate in the Offer.

APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURECAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the "SEBI VCF Regulations") and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the "SEBI AIF Regulations") prescribe, amongst others, the investment restrictions on AIFs. 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 Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration Issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. Limited Liability Partnerships can participate in the Offer only through the ASBA Process.

APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration Issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the IRDA Investment Regulations), are broadly set forth below:

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 (a), (b) and (c) above, as the case may be. Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars Issued by IRDAI from time to time

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000.00 million or more but less than ₹2,500,000.00 million.

Insurance companies participating in this Offer, shall comply with all applicable regulations, guidelines and circulars Issued by IRDA from time to time.

APPLICATIONS BY BANKING COMPANIES

Applications by Banking Companies: In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration Issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee Company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Applications by SCSBs: SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 02, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public Offers and clear demarcated funds should be available in such account for such applications.



APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a. With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b. With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration Issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c. With respect to applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 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 Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Offer that, for the purpose of mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Offer shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.



MAXIMUM AND MINIMUM APPLICATION SIZE

a. For Retail Individual Applicants

The Application must be for a minimum of 4,000 Equity Shares. As the Application Price payable by the Applicant cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for 4,000 Equity Shares.

b. For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 4,000 Equity Shares thereafter. An application cannot be submitted for more than the Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this prospectus.

INFORMATION FOR THE APPLICANTS:

- a. Our Company will file a copy of Prospectus with the Registrar of Companies, Jaipur, at least 3 (three) days before the Offer Opening Date.
- b. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office or from the office of the LM.
- c. Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- d. Applications made in the name of minors and/ or their nominees shall not be accepted.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Offer are not located may submit/mail their applications at their sole risk along with Demand payable at Mumbai.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public Offers using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Offer with effect from January 01, 2013. The list of Broker Centre is available on the websites of NSE Limited i.e. www.nseindia.com.

APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicants



bank account details, MICR code and occupation (hereinafter referred to as Demographic Details'). Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Offer.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

SUBMISSION OF APPLICATION FORM

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the NSE. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
 - a. For applications where the proportionate allotment works out to less than 4,000 equity shares the allotment will be made as follows:
 - i. Each successful applicant shall be allotted 4,000 equity shares; and
 - ii. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
 - b. If the proportionate allotment to an applicant works out to a number that is not a multiple of 4,000 equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 4,000 equity shares subject to a minimum allotment of 4,000 equity shares.
 - c. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 4,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this prospectus.
 - d. The above proportionate allotment of shares in an Offer that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
 - i. As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - ii. The balance net offer of shares to the public shall be made available for allotment to
 - a. Individual applicants other than retails individual investors and
 - b. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.



- iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Offer 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.

TERMS OF PAYMENT

The entire Offer price of Rs. 30/- 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 or Sponsor Bank to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Offer or the Registrar or Sponsor Bank is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Applicants.

PAYMENT MECHANISM FOR APPLICANTS

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Offer 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 Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Offer of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer 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. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, may use UPI.

ELECTRONIC REGISTRATION OF APPLICATIONS

The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities on a regular basis before the closure of the Offer.

On the Offer Closing Date, the Designated Intermediaries may upload the applications till such time as may be permitted by the Stock Exchange.



Only Applications that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. In the Phase 1, the Designated Intermediaries are given till 1:00 pm on the day following the Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Offer Period after which the Stock Exchange send the application information to the Registrar to the Offer for further processing.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- All Applicants should submit their application through ASBA process only.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Offer.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Offer.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Offer to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.



- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Offer to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

GROUNDS FOR REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the 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;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;



- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Offer;
- Applications for number of Equity Shares which are not in multiples of 1,000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Offer Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or —qualified institutional buyers as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Offer Closing Date;

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) 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 a fictitious name,

Shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.

SIGNING OF UNDERWRITING AGREEMENT

Vide an Underwriting agreement dated August 14, 2023 this Offer is 100% Underwritten.

FILING OF THE PROSPECTUS WITH THE ROC

The Company will file a copy of the Prospectus with the Registrar of Companies, Jaipur and in terms of Section 26 of Companies Act, 2013.

PRE-OFFER ADVERTISEMENT



Subject to Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, the Company shall, after filing the Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI 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. In the pre-Offer advertisement, we shall state the Offer Opening Date and the Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, shall be in the format prescribed in Part A of Schedule VI of the SEBI Regulations.

ISSUANCE OF ALLOTMENT ADVICE

On the Designated date, the SCSBs shall transfer the funds represented by allocation of equity shares into public Offer account with the banker to the Offer. Upon approval of the basis of the allotment by the Designated Stock Exchange, the Registrar to the Offer shall upload the same on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their respective depository participants to accept the equity shares that may be allotted to them pursuant to the Offer. Pursuant to confirmation of such corporate actions the Registrar to the Offer will dispatch allotment advice to the applicants who have been allotted equity shares in the Offer. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.

The Company will Offer and dispatch letters of allotment/ securities certificates and/ or letters of regret or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer 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 Offer Account with the Bankers to the Offer.

The Company will Offer 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 Offer 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.

NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER

The authorised employees of the Stock Exchange, along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

METHOD OF ALLOTMENT AS MAY BE PRESCRIBED BY SEBI FROM TIME TO TIME

Our Company will not make any allotment in excess of the Equity Shares offered through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size.

DISPOSAL OF APPLICATION AND APPLICATION MONIES AND INTEREST IN CASE OF DELAY

The company shall ensure the dispatch of allotment advice, instruction to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the stock exchange within one (1) working day of the date of allotment of equity shares.



The company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge platform of NSE, where the equity shares are proposed to be listed are taken with six (6) working days of the closure of the Offer.

MODE OF REFUNDS

- a. In case of ASBA Applicants: Within 6 (six) Working Days of the Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer.
- b. In the case of Applications from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the applicant on account of conversion of foreign currency.
- c. In case of Other Investors: Within six Working Days of the Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

MODE OF MAKING REFUNDS FOR APPLICANTS OTHER THAN ASBA APPLICANTS

The payment of refund, if any, may be done through various modes as mentioned below:

- i. NECS - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the applicant as obtained from the Depository
- ii. NEFT - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants' through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- iii. Direct Credit – Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- iv. RTGS – Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the applicant, DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Investors' account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the Lead Manager or the Registrar to the Offer or the



Escrow Collection Bank nor the Company shall have any responsibility and undertake any liability for the same;

- v. Please note that refunds, on account of our Company not receiving the minimum subscription, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank. For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Investors may refer to Prospectus.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as maybe specified by SEBI.

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/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

1. that if our Company do not proceed with the Offer after the Offer Closing Date, the reason thereof shall be given as a public notice in the newspapers to be Issued by our Company within two days of the Offer Closing Date. The public notice shall be Issued in the same newspapers in which the Pre- Offer advertisement was published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
2. that if our Company withdraw the Offer after the Offer Closing Date, our Company shall be required to file a Fresh Issue document with the RoC / SEBI, in the event our Company subsequently decides to proceed with the Offer;
3. That the complaints received in respect of this Offer shall be attended to by us expeditiously and satisfactorily;
4. That all steps shall be taken to ensure that listing and commencement of trading of the Equity Shares at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working Days of Offer Closing Date or such time as prescribed;
5. 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 Offer by our Company;
6. 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 Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
7. That no further Offer 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, under-subscription etc.
8. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
9. That if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be 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 ICDR Regulations and applicable law for the delayed period;
10. That the letter of allotment/ unblocking of funds to the non-resident Indians shall be dispatched within specified time; and

UNDERTAKING BY SELLING SHAREHOLDER

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Selling Shareholder in this prospectus shall be deemed to be “statements and undertakings made by the Selling Shareholder”. All other



statements and/ or undertakings in this prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholder. The Selling Shareholder severally and not jointly, specifically confirms and undertakes the following in respect of itself and the Equity Shares being offered by it pursuant to the Offer for Sale:

1. The portion of the offered Shares shall be transferred in the offer free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrance or transfer restrictions, both present and future, in a manner prescribed under Applicable Law in relation to the Offer, and without any objection by it and in accordance with the instructions of the Registrar to the Offer.
2. The portion of the offered Shares have been held by such Selling Shareholder for a minimum period of one year prior to the date of filing this prospectus, such period determined in accordance with Regulation 26 (6) of the SEBI ICDR Regulations.
3. It is the Legal and Beneficial owner and has full title of its respective portion of the offered Shares.
4. That it shall provide all reasonable co-operation as requested by our Company and the LM in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of its respective portion of the offered Shares.
5. It will not have recourse to the proceeds of the Offer for Sale, until approval for final listing and trading of the Equity Shares is received from the Stock Exchanges.
6. It will deposit its respective portion of the offered Shares in an escrow account opened with the Share Escrow Agent prior to opening of the Offer.
7. It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application in the Offer, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes an application in the Offer.
8. That it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the LM in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer, except as permitted under applicable law.
9. The Selling Shareholder has authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Applicants in respect of the Offer for Sale.

UTILIZATION OF OFFER PROCEEDS

Our Company specifically confirms and declares that:

1. All monies received out of the Offer of specified securities to public shall be credited/ transferred to 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 Offer referred to in sub-item(i) shall be disclosed and continue to be disclosed till the time any part of the Fresh Issue proceeds remains un-utilised under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised and;
3. Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under the appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

WITHDRAWAL OF THE OFFER

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Offer, in whole or any part thereof at any time after the Offer Opening Date but before the Allotment, with assigning reason



thereof. The notice of withdrawal will be Issued in the same newspapers where the pre-Offer advertisements have appeared within Two days of Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for such decision and. The LM, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. Notwithstanding the foregoing, the Offer is also subject to obtaining the following:

1. The final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and
2. The final RoC approval of the Prospectus after it is filed with the concerned RoC.

If our Company withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall file a fresh prospectus with stock exchange.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered into following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. We have entered into tripartite agreement dated July 17, 2018 between NSDL, the Company and the Registrar to the Offer;
- b. We have entered into tripartite agreement dated July 12, 2018 between CDSL, the Company and the Registrar to the Offer;

The Company's Equity shares bear an ISIN INE013901017.

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

COMMUNICATIONS

All future communications in connection with the Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated intermediary to the Offer where the Application and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre Offer or post Offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts etc.



OFFER PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

This section is for the information of investors proposing to subscribe to the Offer through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA PROCESS

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (ASBA Account) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the LM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all investors have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB. Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the Public Offer Account.



The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions Issued in this regard by the Registrar to the Offer. The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount against allocated shares to the Public Offer Account, or until withdrawal/failure of the Offer or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Offer, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Offer Account as per the provisions of section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Offer by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Offer, in the event of withdrawal/failure of the Offer or rejection of the ASBA Application, as the case may be.



RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the government of India and 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. Foreign investment is allowed up to 100% under automatic route in our Company.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), Issued consolidated FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI Issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP Offers an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. The Equity Shares offered in the Offer have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.



SECTION X – MAIN PROVISION OF ARTICLES OF ASSOCIATION

Following are the extracts of Articles of Association which were adopted pursuant to special resolution passed by Members on August 20, 2018 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

Article No.	Description
Preliminary	
I	Subject as hereinafter provided the Regulations contained in Table 'F' in the Schedule I to the Companies Act, 2013 shall apply to the Company.
Interpretation	
II	In these regulations—
1.	“the Act” means the Companies Act, 2013,
2.	“the seal” means the seal of the company.
3.	“the public Company” means a company which – (a) is not a private company.
Share capital and variation of rights	
4.	<p>Subject to the provisions of the Act and these Articles, the share capital of the company shall be under the control of the Directors who may Offer, allot or otherwise dispose of the same or a n y 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.</p> <p>(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 Offer shall be provided,—</p> <p style="padding-left: 40px;">(a) one certificate for all his shares without payment of any charges; or</p> <p style="padding-left: 40px;">(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.</p> <p>(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to Offer 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.</p>
5.	<p>(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 ad equate, 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.</p> <p>(ii) The provisions of Articles (4) and (5) shall mutatis mutandis apply to debentures of the company.</p>
6.	Except as required by law, no person shall be recognized 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 recognize (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.
7.	(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.

	<p>(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.</p> <p>(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.</p>
8.	<p>(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 Offer 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.</p> <p>(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.</p>
9.	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 Offer of the shares of that class, be deemed to be varied by the creation or Offer of further shares ranking <i>pari passu</i> therewith.
10.	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 Offer of the shares may, by special resolution, determine.
Lien	
11.	<p>(i) The company shall have a first and paramount lien—</p> <p style="padding-left: 40px;">(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</p> <p style="padding-left: 40px;">(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:</p> <p>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.</p> <p>(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.</p>
12.	<p>The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:</p> <p>Provided that no sale shall be made—</p> <p>(a) unless a sum in respect of which the lien exists is presently payable; or</p> <p>(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.</p>
13.	<p>(i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.</p> <p>(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>(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.</p>
14.	<p>(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.</p> <p>(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.</p>
Calls on shares	

15.	<p>(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:</p> <p>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.</p> <p>(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.</p> <p>(iii) A call may be revoked or postponed at the discretion of the Board.</p>
16.	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.
17.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
18.	<p>(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>
19.	<p>(i) Any sum which by the terms of Offer 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 Offer such sum becomes payable.</p> <p>(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.</p>
20.	<p>The Board—</p> <p>(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</p> <p>(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.</p>
Transfer of shares	
21.	<p>(i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.</p> <p>(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.</p>
22.	<p>The Board may, subject to the right of appeal conferred by section 58 decline to register—</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(b) any transfer of shares on which the company has a lien.</p>
23.	<p>The Board may decline to recognize any instrument of transfer unless—</p> <p>(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</p> <p>(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</p> <p>(c) the instrument of transfer is in respect of only one class of shares.</p>

24.	<p>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:</p> <p>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.</p>
Transmission of shares	
25.	<p>(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 recognized by the company as having any title to his interest in the shares.</p> <p>(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.</p>
26.	<p>(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—</p> <p style="padding-left: 40px;">(a) to be registered himself as holder of the share; or</p> <p style="padding-left: 40px;">(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>(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.</p>
27.	<p>(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.</p> <p>(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>(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 afore said as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>
28.	<p>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:</p> <p>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.</p>
Forfeiture of shares	
29.	<p>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 there after 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.</p>
30.	<p>The notice aforesaid shall—</p> <p style="padding-left: 40px;">(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</p> <p style="padding-left: 40px;">(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.</p>

31.	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.
32.	(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.
33.	(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.
34.	(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. (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.
35.	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of Offer 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	
36.	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.
37.	Subject to the provisions of section 61, the company may, by ordinary resolution,— (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
38.	Where shares are converted into stock,— (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

	<p>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p> <p>(c) such of the regulations of the company as are applicable to paid- up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stockholder” respectively.</p>
39.	<p>The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—</p> <p>(a) its share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any share premium account.</p>
Capitalization of Profit	
40.	<p>(i) The company in general meeting may, upon the recommendation of the Board, resolve—</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution;</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(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;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);</p> <p>(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unIssued shares to be Issued to members of the company as fully paid bonus shares;</p> <p>(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.</p>
41.	<p>(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and Offers of fully paid shares if any; and(b) generally do all acts and things required to give effect thereto.</p> <p>(ii) The Board shall have power—</p> <p>(a) to make such provisions, by the Offer of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the</p>

	<p>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 capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p>
Buy-back of shares	
42.	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	
43.	All general meetings other than annual general meeting shall be called extra-ordinary general meeting.
44.	<p>(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>(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.</p>
Proceedings at general meetings	
45.	<p>(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.</p> <p>(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.</p>
46.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
47.	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.
48.	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.
49.	<p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>
50.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p>
51.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
52.	<p>(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.</p> <p>(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>

53.	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.
54.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
55.	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.
56.	(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	
57.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized 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.
58.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
59.	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	
60.	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 Present Directors of the Company: 1. Rohit Tosniwal 2. Sadhanar Tosniwal 3. Norat Mal Choudhary 4. Prabha Lakhotia
61.	(i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the company.
62.	The Board may pay all expenses incurred in getting up and registering the company.
63.	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.
64.	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.
65.	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.

66.	<p>(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.</p> <p>(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.</p>
Proceedings of the Board	
67.	<p>(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>
68.	<p>(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.</p> <p>(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>
69.	<p>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.</p>
70.	<p>(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>(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 member to be Chairperson of the meeting.</p>
71.	<p>(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.</p> <p>(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</p>
72.	<p>(i) A committee may elect a Chairperson of its meetings.</p> <p>(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>
73.	<p>(i) A committee may meet and adjourn as it thinks fit.</p> <p>(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.</p>
74.	<p>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.</p>
75.	<p>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.</p>
Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer	
76.	<p>Subject to the provisions of the Act,—</p> <p>(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may</p>

	thinks 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.
77.	A provision of the Act or these regulations requiring or authorizing 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.
78.	(i) The Board shall provide for the safe custody of the seal. The seal of the Company shall not be affixed to any instrument except by the Authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of any one director or of the secretary (if appointed) or such other person as the Board may appoint for the purpose; or any one director or the Secretary (if appointed) or the other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.
Dividends and Reserve	
79.	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
80.	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.
81.	(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.
82.	(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.
83.	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.
84.	(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.
85.	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.
86.	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.
87.	No dividend shall bear interest against the company.
Accounts	
88.	(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	
89.	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>
Indemnity	
90.	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 XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus to be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Shree Bhawan, Ajmer Road, Madanganj Kishangarh-305801, Rajasthan, India, from date of filing Prospectus with RoC to Offer Closing Date on working days from 10.00 a.m. to 5.00 p.m.

MATERIAL CONTRACTS TO THE OFFER

1. Memorandum of Understanding dated March 01, 2023 between our Company, Selling Shareholder and the Lead Manager.
2. Agreement dated March 01, 2023 between our Company, Selling Shareholder and the Registrar to the Offer.
3. Underwriting Agreement dated August 14, 2023 between our Company, Selling Shareholder and the Underwriter.
4. Market Making Agreement dated August 14, 2023 between our Company, the Lead Manager and the Market Maker.
5. Share Escrow Agreement dated August 14, 2023 between our Company, Registrar to the Offer, Selling Shareholder and Lead Manager.
6. Public Offer Account agreement dated August 14, 2023 among our Company, the Lead Manager, the Selling Shareholder, the Public Offer Bank/Banker to Offer, and the Registrar to the Offer.
7. Tripartite agreement dated July 12, 2018 among NSDL, our Company and the Registrar to the Offer.
8. Tripartite agreement dated July 17, 2018 among CDSL, our Company and the Registrar to the Offer.

MATERIAL DOCUMENTS TO THE OFFER

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certificate of incorporation dated May 20, 2011 and fresh certificate of incorporation dated April 17, 2012 consequent to conversion of our Company to a public limited company.
3. Resolution of the Board of Directors dated February 27, 2023 authorising the Offer.
4. Resolution of the shareholders dated March 01, 2023 under section 62(1)(c) of the Companies Act, 2013 authorising the Offer.
5. Examination reports of the Auditors, M/s Raman Chawla & Associates, Chartered Accountants, dated July 25, 2023 on the Restated Financial Statements included in this prospectus.
6. The Statement of Possible Tax Benefits dated April 14, 2023 from our Statutory Auditors included in this prospectus.
7. Consents of Promoters, Directors, Selling Shareholder, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditors to Restated Financials, Banker to our Company,



Banker to the Issue, the Lead Manager, the Underwriter, the Market Maker, Registrar to the Offer, Legal Advisor to act in their respective capacities.

8. Copy of approval from NSE vide letter dated July 28, 2023 to use the name of NSE in the Prospectus for listing of Equity Shares on Emerge Platform of NSE.
9. Due Diligence Certificate dated April 27, 2023 from the Lead Manager.
10. Copy of Managing Director Agreement with Mr. Norat Mal Choudhary and our Company dated March 01, 2023 for his appointment.

Any of the contracts or documents mentioned in this prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, with the approval of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



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 the Government of India or the regulations or guidelines Issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines Issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

SIGNED BY THE CHAIRMAN & WHOLE-TIME DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Rohit Toshniwal Chairman & Whole-Time Director DIN: 03507310	Sd/-

Date: August 16, 2023

Place: Rajasthan



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 the Government of India or the regulations or guidelines Issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines Issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

SIGNED BY THE MANAGING DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Norat Mal Choudhary Managing Director DIN: 03558999	Sd/-

Date: August 16, 2023

Place: Rajasthan



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 the Government of India or the regulations or guidelines Issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines Issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

SIGNED BY THE NON-EXECUTIVE DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Prabha Lakhota Non-Executive Director DIN: 03559805	Sd/-

Date: August 16, 2023

Place: Rajasthan



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 the Government of India or the regulations or guidelines Issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines Issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

SIGNED BY THE NON-EXECUTIVE DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Sadhana Toshniwal Non-Executive Director DIN: 03515653	Sd/-

Date: August 16, 2023

Place: Rajasthan



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 the Government of India or the regulations or guidelines Issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines Issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Brij Behari Gupta Independent Director DIN: 02659488	Sd/-

Date: August 16, 2023

Place: Rajasthan



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 the Government of India or the regulations or guidelines Issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines Issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Shreya Garg Independent Director DIN: 05335675	Sd/-

Date: August 16, 2023

Place: Rajasthan



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 the Government of India or the regulations or guidelines Issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines Issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Name and Designation	Signature
Mukul Lakhota Chief Financial Officer PAN: ACQPL9179F	Sd/-

Date: August 16, 2023

Place: Rajasthan



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 the Government of India or the regulations or guidelines Issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines Issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:

Name and Designation	Signature
Shilpi Agarwal Company Secretary & Compliance Officer M. No. A51226	Sd/-

Date: August 16, 2023

Place: Rajasthan



DECLARATION

I hereby certify that all statements and undertakings made or confirmed by me in this Prospectus in relation to myself as a Selling Shareholder and the Equity Shares being offered by me in the Offer for Sale are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY:

Name and Designation	Signature
Ankur Shah	Sd/-

Date: August 16, 2023

Place: Rajasthan