Prospectus
Dated: September 22, 2023
Please read Section 26 & 32 of the Companies Act, 2013
Fixed Price Issue

(Please scan this QR Code to view the Prospectus)

KARNIKA INDUSTRIES LIMITED

CIN: U17299WB2022PLC253035

Registered Office	Contact Person	Email and Telephone	Website
6&6/1, Gurgola Ghat Road P.O. Salkia Howrah, West Bengal- 711106, India.	Ms. Muskan Mundhra, Company Secretary and Compliance Officer.	Tel. No.: 033-26558101 E-mail: info@karnikaindustries.com	www.karnikaindustries.com

PROMOTERS OF THE COMPANY:
MR. NIRANJAN MUNDHRA, MR. SHIV SHANKAR MUNDHRA AND MR. MAHESH KUMAR MUNDHRA

DETAILS OF THE ISSUE

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	32,99,200 Equity Shares of ₹76/- each.	Nil	₹2507.39 Lakhs	The Issue is being made in terms of Regulation 229(2) of the SEBI (ICDR) Regulations, 2018 As Amended

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

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10/- each and the Issue Price is 7.60 times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under chapter titled "Basis for Issue Price" beginning on Page No. 75 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to chapter titled "Risk Factors" beginning on Page No. 22 of this Prospectus.

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 Issue, which is material in the context of the Issue, 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 Issued through this Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited (NSE EMERGE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited.

LEAD MANAGER TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
BEELINE CAPITAL ADVISORS PRIVATE LIMITED	**Mr. Nikhil Shah**	**Email:** mb@beelinemb.com **Tel. No.:** +91-79-48407357

REGISTRAR TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
SKYLINE FINANCIAL SERVICES PRIVATE LIMITED	**Mr. Anuj Kumar**	**Email:** ipo@skylinerta.com **Tel. No.:** 011-40450193-197

ISSUE PROGRAMME

ISSUE OPENS ON	ISSUE CLOSES ON
FRIDAY, SEPTEMBER 29, 2023	**WEDNESDAY, OCTOBER 04, 2023**

Prospectus
Dated: September 22, 2023
Please read Section 26 & 32 of the Companies Act, 2013
Fixed Price Issue

KARNIKA INDUSTRIES LIMITED

CIN: U17299WB2022PLC253035

Our Company was originally formed as a Partnership Firm under the Partnership Act, 1932 ("Partnership Act") in the name and style of "Karni International" pursuant to Deed of Partnership dated July 21, 2017. Karni International was thereafter converted from Partnership Firm to a Public Limited Company under Part I chapter XXI of the Companies Act, 2013 with the name and style of "Karnika Industries Limited" and received a Certificate of Incorporation from the Registrar of Companies, Kolkata dated April 13, 2022. For further details, please refer to chapter titled "History and Corporate Structure" beginning on page 119 of this Prospectus.

Registered Office: 6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah, Howrah, West Bengal - 711106, India.
Tel No.: 033-26558101; **Email**: info@karnikaindustries.com, **Website:** www.karnikaindustries.com
Contact Person: Ms. Muskan Mundhra, Company Secretary and Compliance Officer.

OUR PROMOTERS: MR. NIRANJAN MUNDHRA, MR. SHIV SHANKAR MUNDHRA AND MR. MAHESH KUMAR MUNDHRA

THE ISSUE

INITIAL PUBLIC ISSUE OF 32,99,200 EQUITY SHARES OF RS. 10/- EACH ("EQUITY SHARES") OF KARNIKA INDUSTRIES LIMITED ("KARNIKA" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 76/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. 66/- PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. 2507.39 LAKHS ("THE ISSUE"), OF WHICH 1,66,400 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. 76/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. 66/- PER EQUITY SHARE AGGREGATING TO RS. 126.46 LAKH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 31,32,800 EQUITY SHARES OF RS. 10/- EACH INCLUDING A SHARE PREMIUM OF RS 66/- PER EQUITY SHARE AGGREGATING TO RS. 2380.93 LAKH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.61% AND 25.27%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THIS ISSUE IS BEING IN TERMS OF CHAPTER IX OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIERMENTS) REGULATIONS, 2018 AS AMENDED FROM TIME TO TIME.
For further details see "TERMS OF THE ISSUE" beginning on Page no. 209 of this Prospectus.

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, dated November 10, 2015 and the all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self-Certified Syndicate Banks ("SCSBs") for the same. Further pursuant to SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, for implementation of Phased II for UPI facility, which is effective from July 01, 2019, all potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts or UPI ID (in case of RIIs), in which the corresponding Application Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable. For details, see "ISSUE PROCEDURE" on Page No. 216 of this Prospectus.

THE FACE VALUE OF THE EQUITY SHARE IS RS. 10/- AND THE ISSUE PRICE IS RS. 76/- THE ISSUE PRICE IS 7.60 TIMES OF THE FACE VALUE.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10/- each and the Issue Price is 7.60 times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under chapter titled "Basis for Issue Price" beginning on Page No. 75 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to chapter titled "Risk Factors" beginning on Page No. 22 of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE") in terms of the Chapter IX of the SEBI ICDR Regulation, 2018 as amended from time to time. Our Company has received an In-Principal Approval letter dated September 15, 2023 from National Stock Exchange of India Limited ("NSE") for using its name in this offer document for listing our shares on the NSE EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
BEELINE CAPITAL ADVISORS PRIVATE LIMITED B 1311-1314, Thirteenth Floor, Shilp Corporate Park, Rajpath Rangoli Road, Thaltej, Ahmedabad- 380054, Gujarat, India. **Tel. No.:** +91-79-48407357 **Email:** mb@beelinemb.com **Website**: www.beelinemb.com **Investor Grievance Email:** ig@beelinemb.com **Contact Person**: Mr. Nikhil Shah **SEBI Registration No.:** INM000012917	**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED** D-153A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi – 110020, India **Tel. No.:** 011-40450193-197 **Email:** ipo@skylinerta.com **Website**: www.skylinerta.com **Investor Grievance Email:** grievances@skylinerta.com **Contact Person**: Mr. Anuj Kumar **SEBI Registration No.:** INR000003241
ISSUE OPENS ON	**ISSUE CLOSES ON**
FRIDAY, SEPTEMBER 29, 2023	**WEDNESDAY, OCTOBER 04, 2023**

TABLE OF CONTENTS

SECTION	CONTENTS	PAGE NO.
I	**GENERAL**	
	DEFINITIONS AND ABBREVIATIONS	01
	CERTAIN CONVENTIONS;PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	12
	FORWARD LOOKING STATEMENTS	14
II	**OFFER DOCUMENT SUMMARY**	15
III	**RISK FACTORS**	22
IV	**INTRODUCTION**	
	THE ISSUE	43
	SUMMARY OF FINANCIAL INFORMATION	44
V	**GENERAL INFORMATION**	47
VI	**CAPITAL STRUCTURE**	55
VII	**PARTICULARS OF THE ISSUE**	
	OBJECTS OF THE ISSUE	70
	BASIS FOR ISSUE PRICE	75
	STATEMENT OF POSSIBLE TAX BENEFITS	80
VIII	**ABOUT THE COMPANY**	
	INDUSTRY OVERVIEW	84
	BUSINESS OVERVIEW	95
	KEY REGULATIONS AND POLICIES	111
	HISTORY AND CORPORATE STRUCTURE	119
	OUR MANAGEMENT	123
	OUR PROMOTERS AND PROMOTER GROUP	136
	DIVIDEND POLICY	141
IX	**FINANCIAL INFORMATION OF OUR COMPANY**	
	RESTATED FINANCIAL STATEMENTS	142
	OTHER FINANCIAL INFORMATION	176
	MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS	177
	CAPITALISATION STATEMENT	185
X	**LEGAL AND OTHER INFORMATION**	
	OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	186
	GOVERNMENT AND OTHER APPROVALS	192
XI	**INFORMATION WITH RESPECT TO GROUP COMPANIES**	197
XII	**OTHER REGULATORY AND STATUTORY DISCLOSURES**	199
XIII	**ISSUE RELATED INFORMATION**	
	TERMS OF THE ISSUE	209
	ISSUE STRUCTURE	214
	ISSUE PROCEDURE	216
	RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	258
XIV	**DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION**	260
XV	**OTHER INFORMATION**	
	MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	289
	DECLARATION	290

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under. Notwithstanding the foregoing, terms used in of the sections "Industry Overview", "Key Regulations and Policies", "Statement of Possible Tax Benefits", "Restated Financial Statements", "Basis for Issue Price", "History and Corporate Structure", "Other Regulatory and Statutory Disclosures", "Outstanding Litigations and Material Developments" and "Description of Equity Shares and Terms of the Articles of Association" on pages 84, 111, 80, 142, 75, 119, 199, 186 and 260, respectively, shall have the meaning ascribed to such terms in such sections.

General Terms

Term	Description
"Karnika", "the Company", "our Company" and Karnika Industries Limited	Karnika Industries Limited, a company incorporated in India under the Companies Act, 2013 having its Registered office at 6&6/1, Gurgola Ghat Road P.O. Salkia Howrah, West Bengal- 711106, India. Our Company was originally incorporated on April 13, 2022 as "Karnika Industries Limited" pursuant to the conversion of a Partnership Firm named M/s KARNI INTERNATIONAL into Public Limited Company vide Registration No. 253035 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Kolkata.
"we", "us" and "our"	Unless the context otherwise indicates or implies, refers to our Company
"you", "your" or "yours"	Prospective investors in this Issue

Company related terms

Term	Description
AOA / Articles / Articles of Association	Articles of Association of Karnika Industries Limited as amended from time to time.
Audit Committee	The Committee of the Board of Directors constituted as the Company's Audit Committee in accordance with Section 177 of the Companies Act, 2013 as amended.
Auditors/ Statutory Auditors	The Auditors of Karnika Industries Limited being M/s A A A J & Associates, Chartered Accountants, having Firm Registration Number: 322455E.
Bankers to the Company	HDFC Bank Limited
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled "Our Management" beginning on page 123 of this Prospectus.
Chairman/ Chairperson	The Chairman/ Chairperson of Board of Directors of our Company being Mr. Niranjan Mundhra
CIN	Corporate Identification Number of our Company i.e. U17299WB2022PLC253035
Chief Financial Officer/CFO	The Chief Financial Officer of our Company being Mr. Krishan Kumar Karnani
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Ms. Muskan Mundhra
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Erstwhile Partnership Firm	The Erstwhile Partnership firm in our case being Karni International
Equity Shares	Equity Shares of the Company of Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company.

Group Companies	Companies with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and also other companies as considered material by our Board of the issuer as disclosed in "Information with Respect to Group Companies" on page 197 of this Prospectus.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the Listing Regulations.
ISIN	International Securities Identification Number. In this case being INE0MGA01012
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled "Our Management" on page 123 of this Prospectus.
Key Performance Indicators" or "KPIs"	Key financial and operational performance indicators of our Company, as included in "Basis for Issue Price" beginning on page 75.
Manufacturing Unit - I	6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah, West Bengal- 711106, India and Holding No.2, Hazarimall Shah Road in Ward No.1, 7, Gurgola Ghat Road, Salkia, Howrah 711 106, West Bengal, India
Manufacturing Unit - II	Block B(III) Satyen Bose Road, Near N.C Pal Bridge, Hatgacha Banipur, Howrah – 711304, West Bengal, India
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on March 31, 2023, in accordance with the requirements of the SEBI (ICDR) Regulations, 2018.
MD or Managing Director	The Managing Director of our Company being Mr. Niranjan Mundhra.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Karnika Industries Limited as amended from time to time.
Non-Residents	A person resident outside India, as defined under FEMA Regulations.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013.
Non-Executive Director	A Director not being an Executive Director or an Independent Director
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	The Peer Review Auditor of Company being A Y & Company, Chartered Accountants.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoter(s)	Shall mean promoters of our Company i.e., Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra. For further details, please refer to section titled "Our Promoters and Promoter Group" beginning on page 136 of this Prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled "Our Promoters and Promoter Group" beginning on page 136 of this Prospectus.
Registered Office	6 & 6/1, Gurgola Ghat Road P.O. Salkia Howrah, West Bengal- 711106, India.
Restated Financial Information	The restated audited financial information of the Company, which comprises of the restated audited balance sheet, the restated audited profit and loss information and restated audited cash flow information, for the period ended on March 31, 2023, April 12, 2022 and for the years ended March 31, 2022 and March 31, 2021 together with the annexure and notes thereto.
RoC/ Registrar of Companies	Registrar of Companies, Kolkata.
Shareholders	Shareholders of our Company
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited
Subscriber to MOA/Initial Promoters	Initial Subscriber to MOA & AOA being Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra, Mr. Mahesh Kumar Mundhra, Mr. Jagdish Prasad Mundhra, Mrs. Saroj Mundhra, Mrs. Poonam Mundhra, Mrs. Priyanka Mundhra and Mrs. Kirti Mundhra
Stakeholders Relationship Committee	The Stakeholder's Relationship Committee of our Board constituted in accordance with section 178(5) of the Companies Act, 2013.

ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Allotment/Allot/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been issued.
Applicant/ Investor	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Prospectus.
Application Form	The form in terms of which the Applicant shall make an Application, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of this Prospectus.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)/ Applicant	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form including through UPI mode (as applicable).
ASBA Form	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.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being HDFC Bank Limited.
Banker to the Issue Agreement	Agreement dated September 20, 2023 entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in "Issue Procedure" on page 216 of this Prospectus.
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.

Terms	Description
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of this Prospectus.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated Intermediaries/Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depositary Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	Spread X Securities Private Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated Stock Exchange	National Stock Exchange of India Limited (SME Platform) ("NSE EMERGE")
DP	Depository Participant
DP ID	Depository Participant's Identity Number
Draft Prospectus	Draft prospectus dated June 30, 2023 issued in accordance with Section 23, 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation.
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs. 10.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depositary participants.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to purchase the equity shares.
Escrow Account	Accounts opened with the Banker to the Issue
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular

Terms	Description
	(CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI.
GIR Number	General Index Registry Number.
IPO/ Issue/ Issue Size/ Public Issue	Initial Public Offering
Issue Closing Date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being October 04, 2023
Issue Opening Date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being September 29, 2023
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 76/- per equity share.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Size	The Public Issue of 32,99,200 Equity shares of Rs. 10/- each at issue price of Rs. 76/- per Equity share, including a premium of Rs. 66/- per equity share aggregating to Rs. 2507.39 Lakhs
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled "Objects of the Issue" page 70 of this Prospectus
LM/Lead Manager	Beeline Capital Advisors Private Limited
Market Making Agreement	The Market Making Agreement dated September 20, 2023 between our Company, Lead Manager and Market Maker.
Market Maker Reservation Portion	The reserved portion of 1,66,400 Equity Shares of Rs. 10 each at an Issue price of Rs. 76/- each aggregating to Rs. 126.46 Lakhs to be subscribed by Market Maker in this issue.
Memorandum of Understanding / MOU	The Memorandum of Understanding dated May 25, 2023 between our Company and LM.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 31,32,800 equity Shares of Rs. 10 each at a price of Rs. 76/- per Equity Share (the "Issue Price"), including a share premium of Rs. 66/- per equity share aggregating to Rs. 2380.93.
Non-Institutional Investors / Applicant	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹ 2,00,000/-
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
NSE	National Stock Exchange of India Limited
NSE EMERGE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI ICDR Regulations.
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Prospectus	The prospectus, filed with the RoC in accordance with the provisions of Section 23, 26 and 32 of the Companies Act, 2013.

Terms	Description
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the ASBA Applicant, on the Designated Date.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs. 25.00 Crore; a pension fund with minimum corpus of Rs 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the 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 and insurance funds set up and managed by the Department of Posts, India.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Skyline Financial Services Private Limited
Registrar Agreement	The agreement dated May 25, 2023 entered into between our Company, and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members"(except Syndicate/ Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges ,through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.nseindia.com/membership/content/cat_of_mem.htm
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s)
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Self-Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available http://www.sebi.gov.in/pmd/scsb.pdf
SME Exchange	SME Platform of the NSE i.e. NSE EMERGE
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application
Underwriters	The LM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated September 20, 2023 entered between the Underwriters, LM and our Company.
Unified Payments Interface (UPI)	UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI

Terms	Description
	allows instant transfer of money between any two person's bank accounts using a payment address which uniquely identifies a person's bank Account.
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
UPI mechanism	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Day	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the city as specified in the Prospectus are open for business: 1. However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Prospectus are open for business. 2. In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.

COMPANY AND INDUSTRY RELATED TERMS

Technical and Industry Related Terms

Term	Full Form
B.H.P.	Break Horse Power
CMP	Cut/Make/Pach
DG Sets	Diesel Generator Set
DD	Duty Drawback
DGFT	Director General of Foreign Trade
EOU	Export Oriented Unit
EI	Export Incentives
EM	Entrepreneurship Memorandum
EPCG	Export Promotion Capital Goods
FFF	From Fibre to Fashions
FOB	Free on Board
HP	HP
IEC	IEC
MMF	Manmade Fibers
Mtrs.	Meters
MW	Megawatt
Pcs	Pieces
POY	Partially Oriented Yarn
PT	Per Tonne
R&D	Research & Development
SEZ	Special Economic Zone
SME	Small and Medium Enterprise
SSI	Small Scale Industries
Sq. Mtrs.	Square Meters
TPD	Tonnes per Day
TPM/tpm	Tonnes per Month

ABBREVIATIONS

Abbreviation	Full Form
AS / Accounting Standard	Accounting Standards as issued by the Ministry of Corporate Affairs
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
BBA	Bachelor of Business Administration
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
BSE SENSEX	Sensex in an index; market indicator of the position of stock that is listed in the BSE
Banking Regulation Act	The Banking Regulation Act, 1949
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Category I Alternate Investment Fund / Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I Foreign Portfolio Investor(s) / Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II Alternate Investment Fund / Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II Foreign Portfolio Investor(s) / Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III Alternate Investment Fund / Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CA	Chartered Accountant
CB	Controlling Branch
CDSL	Central Depository Services (India) Limited
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CSR	Corporate social responsibility.
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CENVAT	Central Value Added Tax
CIBIL	Credit Information Bureau (India) Limited
CST	Central Sales Tax
COVID – 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020

Abbreviation	Full Form
CWA/ICWA/CMA	Cost and Works Accountant
CMD	Chairman and Managing Director
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification
Depository or Depositories	NSDL and CDSL.
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act as amended from time to time, and the regulations framed there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations.
FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICAI/ICMAI (Previously known as ICWAI)	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / ₹/ Rupees/Rs.	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
i.e	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities

Abbreviation	Full Form
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MoF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
MRP	Maximum Retail Price
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and medium Enterprises
MoA	Memorandum of Association
NA	Not Applicable
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time

Abbreviation	Full Form
SCSB	Self Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI (PFUTP) Regulations/ PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America
UPI	Unified Payments Interface as a payment mechanism through National Payments Corporation of India with Application Supported by Block Amount for applications in public issues by retail individual investors through SCSBs
USD/ US$/ $	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds as defined under the SEBI AIF Regulations
VAT	Value Added Tax
w.e.f.	With effect from
WIP	Work in process
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(lll) of the SEBI ICDR Regulations
YoY	Year over Year

The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the "SEBI Act"), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "Description of Equity Shares and Terms of the Articles of Association", "Statement of Possible Tax Benefits", "Industry Overview", "Key Regulations and Policies", "Financial Information of our Company", "Outstanding Litigations and Material Developments" and "Issue Procedure", will have the meaning ascribed to such terms in these respective sections.

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in the Prospectus to "India" are to the Republic of India. All references in the Prospectus to the "U.S.", "USA" or "United States" are to the United States of America.

In this Prospectus, the terms "we", "us", "our", the "Company", "our Company", "Karnika Industries Limited", "Karnika", and, unless the context otherwise indicates or implies, refers Karnika Industries Limited. In this Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lac / Lakh" means "one hundred thousand", the word "million (mn)" means "Ten Lac / Lakh", the word "Crore" means "ten million" and the word "billion (bn)" means "one hundred crore". In this Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Use of Financial Data

Unless stated otherwise, throughout this Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Prospectus is derived from our financial statements prepared and restated for the stub period ended on March 31, 2023, April 12, 2022 (being the date up to which the financial data of erstwhile Partnership firm after that as on April 13, 2023 the erstwhile firm was converted into Company) and financial years ended on March 31, 2022 and March 31, 2021 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled "Financial Information of our Company" beginning on page 142 of this Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

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

Any percentage amounts, as set forth in "Risk Factors", "Business Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in the Prospectus unless otherwise indicated, have been calculated on the basis of the Company's restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled "Financial Information of our Company" beginning on page 142 of this Prospectus.

For additional definitions used in this Prospectus, see the section "Definitions and Abbreviations" on page 01 of this Prospectus. In the section titled "Description of Equity Shares and Terms of the Articles of Association", on page 260 of the Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

Currency and Units of Presentation

All references to:

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

Our Company has presented certain numerical information in this Prospectus in "Lakhs" units. One Lakh represents 1,00,000. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal place.

Use of Industry & Market Data

Unless stated otherwise, industry and market data and forecast used throughout the prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data

and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

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

In accordance with the SEBI (ICDR) Regulations, the section titled "Basis for Issue Price" on page 75 of the Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

FORWARD LOOKING STATEMENTS

All statements contained in this Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Prospectus regarding matters that are not historical facts. We have included statements in the Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

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

1. Disruption in our manufacturing facility.
2. Our ability to successfully implement our strategy, our growth and expansion.
3. Fail to attract, retain and manage the transition of our management team and other skilled & unskilled employees;
4. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
5. Ability to respond to technological changes;
6. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
7. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
8. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
9. Recession in the market;
10. Changes in laws and regulations relating to the industries in which we operate;
11. Effect of lack of infrastructure facilities on our business;
12. Our ability to meet our capital expenditure requirements;
13. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
14. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
15. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
16. Conflicts of interest with affiliated companies, the promoter group and other related parties;
17. The performance of the financial markets in India and globally;
18. Any adverse outcome in the legal proceedings in which we are involved;
19. Our ability to expand our geographical area of operation;
20. Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled "Risk Factors"; “Business Overview” & and "Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 22, 95 & 177 respectively of the Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

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

SECTION II: OFFER DOCUMENT SUMMARY

A. PRIMARY DETAIL OF BUSINESS AND INDUSTRY

Summary of Business

Our Company is an ISO 14001:2015 certified manufacturer through job work, trader and exporter of garments. We basically manufacture through job work all types of kids wear. We have constructed well-established manufacturing units for designing, preparation of sample, quality inspection, ironing and packing of Garments that is equipped with all the necessary hi-tech machines and tools that are required for a modern manufacturing unit. We are manufacturing majority of our products through job work, we are capable of undertaking bulk requirements of our clients and deliver within stipulated time schedule.

For further details, please refer chapter titled "Business Overview" beginning on Page no. 95 of this Prospectus.

Summary of Industry

The kid's wear market in India is emerging as a high growth potential market. International players are showing interest and it is becoming more organized. Nowadays, parents have started spending more on kids and want their kids to wear latest fashion branded apparel. Furthermore, increasing retail expansion and internet retailing is also contributing to the growth of Kids Wear market in the country. People are now more aware of international brands due to ads on television or internet, and consequently, are purchasing kids apparel offering latest fashion trends and designs.

For further details, please refer chapter titled "Industry Overview" beginning on Page no. 84 of this Prospectus.

B. OUR PROMOTERS

Our company is promoted by Mr. Niranjan Mudhra, Mr. Shiv Shankar Mudhra and Mr. Mahesh Kumar Mundhra.

C. SIZE OF THE ISSUE

Public Issue of 32,99,200 Equity Shares of Face Value of ₹10/- each of Karnika Industries Limited ("Karnika" or "Our Company") for Cash at a Price of ₹76/- Per Equity Share (Including a Share Premium of ₹66/- per Equity Share) ("Issue Price") aggregating to ₹2507.39 Lakhs, of which 1,66,400 Equity Shares of Face Value of ₹ 10/- each at a price of ₹76/- aggregating to ₹126.46 Lakhs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion") and Net Issue to Public of 31,32,800 Equity Shares of Face Value of ₹10/- each at a price of ₹76/- aggregating to ₹2380.93 Lakhs (hereinafter referred to as the "Net Issue") The Issue and the Net Issue will constitute 26.61% and 25.27% respectively of the Post Issue paid up Equity Share Capital of Our Company.

D. OBJECT OF THE ISSUE

The fund requirements for each of the Object of the Issue are stated as below:

S. No	Particulars	Amt. (₹ in Lakhs)	% of Total Issue Size
1.	To Meet Working Capital Requirement	2000.00	79.76
2.	General Corporate Expenses	457.39	18.24
3.	Public Issue Expenses	50.00	1.99
Gross Issue Proceeds		**2507.39**	**100.00**
Less: Issue Expenses		**50.00**	
Net Issue Proceeds		**2457.39**	

E. PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

S. No	Names	Pre-Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	Promoters				
1.	Mr. Niranjan Mundhra	30,33,000	33.33	30,33,000	24.46
2.	Mr. Shiv Shankar Mundhra	30,33,000	33.33	30,33,000	24.46

3.	Mr. Mahesh Kumar Mundhra	30,33,000	33.33	30,33,000	24.46
	TOTAL (A)	**90,99,000**	**99.99**	**90,99,000**	**73.38**
	Promoter Group				
4.	Mr. Jagdish Prasad Mundhra	260	0.00	260	0.00
5.	Mrs. Saroj Mundhra	260	0.00	260	0.00
6.	Mrs. Poonam Mundhra	260	0.00	260	0.00
7.	Mrs. Priyanka Mundhra	260	0.00	260	0.00
8.	Mrs. Kirti Mundhra	260	0.01	260	0.01
	TOTAL (B)	**1,300**	**0.01**	**1,300**	**0.01**
	GRAND TOTAL (A+B)	**91,00,300**	**100.00**	**91,00,300**	**73.39**

For further details, refer chapter titled "Capital Structure" beginning on page no. 55 of this Prospectus.

F. SUMMARY OF RESTATED FINANCIAL STATEMENT

Restated Financials

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the period April 12, 2022	For the year ended March 31,	
			2022	2021
Share Capital	910.03	1,868.30	1,860.88	378.14
Net Worth	1806.83	1,868.30	1,860.88	378.14
Total Revenue	12605.62	638.31	9892.52	4779.31
Profit after Tax	826.74	25.67	454.01	81.61
Earnings Per Share	9.66	0.37	6.49	1.17
Net Asset Value Per Share (₹)	19.85	53.38	53.17	10.80
Total Borrowings	5245.53	2493.58	2224.13	1570.94

G. There are no material Auditor's Qualifications in any of the Financial Statements of the Company.

H. SUMMARY OF OUTSTANDING LITIGATION ARE AS FOLLOWS:

Cases filed by our Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	1	6.78

Cases against our Group Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	2	0.45
Other Litigation	--	--

Cases filed our Group Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	1	1.80

For further information, please refer chapter titled "Outstanding Litigations and Material Developments" on page no. 186 of this Prospectus.

I. Investors should read chapter titled "Risk Factors" beginning on page no. 22 of this Prospectus to get a more informed view before making any investment decisions.

J. SUMMARY OF CONTINGENT LIABILITIES

Particulars	As at			
	31.03.2023	12.02.2022	31.03.2022	31.03.2021
Contingent liabilities	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

For further information, please refer "Annexure VIII - Contingent Liability" under chapter titled "Financial Information of our Company" on page no. 142 of this Prospectus.

K. 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.

List of Related Parties and Nature of Relationship

Relationship with Related party	Name of related parties
Key Managerial Personnel	Niranjan Mundhra
	Shiv Shankar Mundhra
	Mahesh Kumar Mundhra
	Saroj Mundhra
	Jagdish Prasad Mundhra
	Priyanka Mundhra
	Kirti Mundhra
	Poonam Mundhra
	Sitaram Karnani
	Deepak Karnani
	Krishan Kumar Karnani HUF
	Deepak Karnani HUF
	Kanta Devi Ladha
	Neeraj Ladha
	Krishan Kumar Karnani
Associate Concerns	Niranjan Mundhra HUF
	Q Bazaar India LLP
	Sri Karni Apparels Private Limited
	Shree Garments
	Shree International

Transactions carried out with related parties

(Amount in Lakhs)

Nature of Transactions	Name of Related Parties	As at 31st March 2023	As at 12th April	As at March 31	
			2022	2022	2021
1. Partners/Directors Remuneration	Niranjan Mundhra	92.80	-	36.00	25.00
	Shiv Shankar Mundhra	92.80	-	36.00	25.00
	Mahesh Kumar Mundhra	92.80	-	36.00	25.00
Total		**278.40**	**-**	**108.00**	**75.00**
2. Interest Expenses	Niranjan Mundhra	**16.62**	**-**	15.40	**7.85**
	Shiv Shankar Mundhra	34.97	-	16.39	7.79
	Mahesh Kumar Mundhra	24.31	-	13.42	6.45
	Saroj Mundhra	1.45			

	Jagdish Prasad Mundhra	0.02			
	Priyanka Mundhra	1.98			
	Kirti Mundhra	0.02			
	Q Bazaar India LLP	-	-	-	0.90
	Poonam Mundhra	0.02	-	3.79	-
	Sitaram Karnani	-	-		0.19
Total		**79.38**	**-**	**49.00**	**23.18**
3. Rent Expenses	Niranjan Mundhra HUF	21.71	0.80	18.00	12.00
	Niranjan Mundhra	38.46	1.39	12.00	-
	Shiv Shankar Mundhra	60.16	2.19	30.00	12.00
	Mahesh Kumar Mundhra	60.16	2.19	30.00	12.00
4. Commission Expneses	Deepak Karnani			-	4.80
	Krishan Kumar Karnani HUF			4.53	4.08
	Deepak Karnani HUF			5.07	-
	Kanta Devi Ladha			4.11	-
	Neeraj Ladha			4.12	-
5. Professional Fees	Krishan Kumar Karnani	19.00	-	12.00	12.00
6. Designing Charges	Kirti Mundhra			4.89	4.82
	Poonam Mundhra			-	5.01
	Kanta Devi Ladha	4.97	-	-	-
7. Purchases	Sri Karni Apparels Private Limited	24.29	0.19	38.82	75.09
	Q Bazaar India LLP	182.09	-	52.98	66.18
	Shree Garments	0.37	-	0.46	0.18
	Shree International	0.17			
8. Sales	Q Bazaar India LLP	179.68	8.81	54.25	63.55
	Shree Garments	1,802.18	97.75	2,524.74	1,196.94
	Shree International	524.60	25.88	114.29	17.50
9. Salary	Kirti Mundhra	0.50	-	1.50	-
10. Interest Received	Q Bazaar India LLP		-	3.45	-
11. Director Sitting Fees	Kirti Mundhra	1.00	-	-	-
4. Unsecured Loans/(Advances)	**Saroj Mundhra**				
	Opening Balance	-	-	-	(0.50)
	Add: Loan Received during the year	-	-	-	0.50
	Less : Loan Repaid during the year	-	-	-	-
	Closing Balance	-	-	-	-
	Sitaram Karnani				
	Opening Balance	-	-	-	3.06
	Add: Loan Received during the year	-	-	-	1.99
	Less : Loan Repaid during the year	-	-	-	5.04
	Closing Balance	-	-	-	-
	Q Bazaar India LLP				
	Opening Balance	46.89	(3.11)	0.83	-

	Add: Loan Received during the year	0.06	50.00	658.51	1,198.90
	Less : Loan Repaid during the year	46.95	-	662.45	1,198.07
	Closing Balance	-	46.89	(3.11)	0.83
	Shree Garments				
	Opening Balance		-	-	-
	Add: Loan Received during the year		-	159.00	100.00
	Less : Loan Repaid during the year		-	159.00	100.00
	Closing Balance		-	-	-
	Kirti Mundhra				
	Opening Balance	-	-	-	-
	Add: Loan Received during the year	0.17	-	-	-
	Less : Loan Repaid during the year	0.17	-	-	-
	Closing Balance	-	-	-	-
	Priyanak Mundhra				
	Opening Balance	-	-	-	-
	Add: Loan Received during the year	19.64	-	-	-
	Less : Loan Repaid during the year	19.64	-	-	-
	Closing Balance	-	-	-	-
	Jagdish Prasad Mundhra				
	Opening Balance	-	-	-	-
	Add: Loan Received during the year	0.17	-	-	-
	Less : Loan Repaid during the year	0.17	-	-	-
	Closing Balance	-	-	-	-
	Saroj Mundhra				
	Opening Balance	-	-	-	-
	Add: Loan Received during the year	14.35	-	-	-
	Less : Loan Repaid during the year	14.35	-	-	-
	Closing Balance	-	-	-	-
	Mahesh Kumar Mundhra				
	Opening Balance	-	-	-	-
	Add: Loan Received during the year	682.01	-	-	-
	Less : Loan Repaid during the year	682.01	-	-	-
	Closing Balance	-	-	-	-

	Shiv Shankar Mundhra				
	Opening Balance	-	-	-	-
	Add: Loan Received during the year	760.46	-	-	-
	Less : Loan Repaid during the year	760.46	-	-	-
	Closing Balance	-	-	-	-
	Niranjan Mundhra Loan				
	Opening Balance	-	-	-	-
	Add: Loan Received during the year	497.41	-	-	-
	Less : Loan Repaid during the year	497.41	-	-	-
	Closing Balance	-	-	-	-
	Poonam Mundhra				
	Opening Balance	-	17.45	0.60	(2.25)
	Add: Loan Received during the year	0.17	18.00	52.79	3.30
	Less : Loan Repaid during the year	0.17	35.45	35.94	0.45
	Closing Balance	-	-	17.45	0.60

Outstanding Balance as at the end of the year

(Rs. In Lakhs)

Name of Related Party		31.03.2023	12.04.2022	31.03.2022	31.03.2021
Payables/(Receivable)	Niranjan Mundhra	6.98	541.51	570.75	163.88
	Shiv Shankar Mundhra	22.86	692.07	647.69	136.16
	Mahesh Kumar Mundhra	20.78	604.92	637.04	92.44
	Q Bazaar India LLP	(0.03)	57.44	16.69	0.83
	Sitaram Karnani	-	-	-	-
	Niranjan Mundhra HUF	0.12	2.02	1.80	-
	Deepak Karnani	-	-	-	4.62
	Deepak Karnani HUF	-	4.82	4.82	-
	Krishan Kumar Karnani	8.10	0.40	0.40	-
	Krishan Kumar karnani HUF	-	4.31	4.31	3.92
	Neeraj Ladha	-	3.92	3.92	
	Kanta Devi Ladha	0.81	3.90	3.90	-
	Kirti Mundhra	0.90	-	0.50	4.78
	Sri Karni Apparels Private Limited	-	1.78	1.59	3.04
	Shree International	(0.89)	(117.14)	(89.97)	(1.17)
	Saroj Mundhra	-	-	-	-
	Shree Garments	-	(361.36)	(258.72)	(8.37)
	Poonam Mundhra	-	-	17.45	5.61
Total		**59.63**	**1,438.60**	**1,562.16**	**405.74**

For details of Restated related party transaction, please refer "Annexure X – Related Party Transaction" under chapter titled "Restated Financial Statements" beginning on page no. 142 of this Prospectus.

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

M. The weighted average price of acquisition of Equity Shares by our Promoters in last one year is:

Name of the Promoters	No. of Shares acquired in last one year	Weighted Average Cost of Acquisition per Share (In Rs.)*
Mr. Niranjan Mundhra	30,33,000	6.92
Mr. Shiv Shankar Mundhra	30,33,000	6.92
Mr. Mahesh Kumar Mundhra	30,33,000	6.92

*The weighted average cost of acquisition of Equity Shares for last one year by our Promoters has been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e., net of sale consideration is divided by net quantity of shares acquired.

For further details, refer chapter titled "Capital Structure" beginning on page no. 55 of this Prospectus.

N. The average cost of acquisition of Equity Shares by our Promoters is:

Name of the Promoters	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Mr. Niranjan Mundhra	30,33,000	10.77
Mr. Shiv Shankar Mundhra	30,33,000	10.77
Mr. Mahesh Kumar Mundhra	30,33,000	10.77

*The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e. net of sale consideration is divided by net quantity of shares acquired.

The Average Cost of Acquisition as Certified by Statutory Auditor of Company vide certificate date June 27, 2023 having UDIN 23061132BGVAAX1019.

O. 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.

P. Except as disclosed in this Prospectus, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Prospectus

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

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

SECTION III - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with "Business Overview*" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 95 and 177, respectively, as well as the other financial and statistical information contained in this Prospectus. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.*

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Before making an investment decision, investors must rely on their own examination of the Issue and us.

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 Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

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 22 and "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 177 respectively of this Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Financial Information of our Company" prepared in accordance with the Indian Accounting Standards.

Materiality

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

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

INTERNAL RISK FACTORS

1. The loss, shutdown or slowdown of operations of our facility or the under-utilization of any such facility may have a material effect on our results of operations and financial condition.

Our business and results of operations are dependent on our ability to effectively plan our manufacturing processes through job work and on our ability to optimally utilize our processing capacities for the various products we manufacture through job work. Any disruption to our manufacturing process or the operation of our production facilities may result from various factors beyond our control, including, among others, the following:

- Utility supply disturbances, particularly power supply;
- Forced close down or suspension of our manufacturing facilities due to factors such as breakdown or failure of equipment, performance below expected levels of output or efficiency, facility obsolescence or disrepair, labour disputes such as strikes and work stoppages, natural disasters and industrial accidents;

- Severe weather condition;
- Interruption of our information technology systems that facilitate the management of our manufacturing facilities; and
- Other production or distribution problems, including limitations to production capacity due to regulatory requirements, changes
- in the types of products produced or physical limitations that could impact continuous supply.
- Disturbance at our job work process.

Although our production facilities and our job work process have not experienced any material disruption in the past, there can be no assurance that there will not be any material disruption to our operations in the future. If we fail to take adequate steps to mitigate the likelihood or potential impact of these events, or to effectively respond to these events if they occur, our business, results of operations and financial condition could be materially affected, further we will not able to achieve our sales as compared to previous years due to any disruption in our facilities and process.

In addition, our customer in India and outside India rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Any disruption of operations of our manufacturing facilities through Job work could result in delayed delivery of our products or defects in the garments delivered to our customers, which in turn may lead to disputes and legal proceedings with them on account of any losses suffered by them or any interruption of their business operations due to such delay or defect. Although we have not experience any dispute in past but in case any matter arises in future, our business and financial results may be adversely affected by any disruption of operations of our manufacturing facilities, on account of factors including any or all of the factors mentioned above.

For Further details, please refer to chapter titled "Business Overview" beginning on Page 95 of this Prospectus.

2. We have significant power requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.

Our factory has significant electricity requirements and any interruption in power supply may disrupt our operations. Our business and financial results may be affected by any disruption of operations. We depend on third parties for all of our power requirements. Further, we have limited options in relation to maintenance of power back-ups such as diesel generator sets and any increase in diesel prices will increase our operating expenses which may impact our business margins.

Since we have significant power consumption, any unexpected or significant increase in its tariff can increase the operating cost of factories and production cost which we may not be able to pass on to our customers. There are limited number of electricity providers in area from where we operate due to which in case of a price hike we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition and results of operations.

For Further details, please refer to chapter titled "Business Overview" beginning on Page 95 of this Prospectus.

3. We are dependent on Job work for manufacturing of our Products, any disruption to our operations on account of Job work may have an effect on our business, results of operations and financial condition.

We are fully depended on Job work for manufacturing of our products. Initially the product is designed and sample is prepared at our facility after approval of design and make of our products, the raw material is purchase and sent to job work for preparation of bulk order pieces. After job work, the finished product is ironed & packed at our facility and sent for dispatch. Hence our preparation of bulk order is dependent on job worker and their availability. If there will be any interruption in job work process, we will be unable to complete our order and our financial conditions and business operations will be significantly affected.

Further if there is hike in prices of job worker and difficulty in finding suitable job worker for manufacturing of our products, our cost of product will rise which ultimately affect our profitability of our Company. For Further details of our business processes, please refer to chapter titled "Business Overview" beginning on Page 95 of this Prospectus.

4. Our business is manpower intensive and any unavailability of our employees or shortage of labour or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing hiring of labour may have an adverse impact on our cash flows and results of operations.

Our business is manpower intensive and we are dependent on the availability of our permanent employees and the supply of a sufficient pool of labourers at our factories. Unavailability or shortage of such a pool of workmen or any strikes, work

stoppages, increased wage demands by workmen or changes in regulations governing hiring of labour may have an adverse impact on our cash flows and results of operations.

We are subject to laws and regulations relating to employee welfare and benefits such as minimum wage, working conditions, employee insurance, and other such employee benefits and any changes to existing labour legislations, including upward revision of wages required by such state governments to be paid to such labourers, limitations on the number of hours of work or provision of improved facilities, such as food or safety equipment, may adversely affect our business and results of our operations.

Further, there can be no assurance that disruptions in our business will not be experienced if there are strikes, work stoppages, disputes or other problems with labourers at our manufacturing units. This may adversely affect our business and cash flows and results of operations.

For Further details, please refer to chapter titled "Business Overview" beginning on Page 95 of this Prospectus.

5. There are outstanding legal proceedings involving our Company and Group Company. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.

We are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities.

We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition. A summary of the pending civil and other proceedings involving the Company is provided below:

Cases filed by our Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	1	6.78

Cases against our Group Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	2	0.45
Other Litigation	--	--

Cases filed by our Group Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	1	1.80

For further details of legal proceedings involving the Company and Group Company, please see "Outstanding Litigations and Material Developments" beginning on page 186 of this Prospectus

6. The restated financial statements have been provided by peer reviewed chartered accountants who is not statutory auditor of our Company.

The Restated Financial Information of our Company as disclosed in section titled "Restated Financial statements" beginning on Page no. 142 of this Prospectus for the period ended March 31, 2023, April 12, 2022 and for the year ended on March 31, 2022 and March 31, 2021 are provided by peer reviewed chartered accountants who is not the statutory Auditor of our

Company. If our company will unable to appoint statutory auditor who hold valid peer review certificate after listing, it will impact our financial statement representation in future.

7. The property used by the Company for the purpose of its operations is not owned by us. Any termination of the relevant rent agreement in connection with such property or our failure to renew the same could adversely affect our operations.

Our registered office and Manufacturing Unit - I is located at 6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah, West Bengal-711106, India and Holding No.2, Hazarimall Shah Road in Ward No.1, 7, Gurgola Ghat Road, Salkia, Howrah 711 106, West Bengal, India and the same are not owned by us. We have obtained these properties from our promoters Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra & Mr. Mahesh Kumar Mundhra through Leave and License Agreement dated June 26, 2023. Further the Manufacturing Unit -II situated at Block B(III) Satyen Bose Road, Near N.C Pal Bridge, Hatgacha Banipur, Howrah – 711304, West Bengal, India is taken on lease for period of nine years vide lease agreement dated March 14, 2023. Any termination of the lease in connection with these properties or our failure to renew the same, in a timely manner or at all could adversely affect our operations. Also we share registered office with our Group Company i.e. Q Bazaar India LLP.

If we are required to vacate the current premises, we would be required to make alternative arrangements for our business activities and we cannot assure that the new arrangements will be on commercially acceptable/favourable 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 higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

For details regarding properties taken on lease refer the Section titled ―Properties – "Business Overview" beginning on page no. 95 of this Prospectus.

8. Our top ten customers contribute majority of our revenues from operations. Any loss of business from one or more of them may adversely affect our revenues and profitability.

Our top ten customers have contributed 54.49%, 61.66%, 61.49% and 62.40% of our revenues for the period ended March 31, 2023, April 12, 2022, March 31, 2022 and March 31, 2021 based on Restated Financial Statements. However, our top customers may vary from period to period depending on the demand and thus the composition and revenue generated from these customers might change as we continue to add new customers in normal course of business. Since our business is concentrated among relatively few significant customers, also we have our promoter group entities as our customers. we could experience a reduction in our results of operations, cash flows and liquidity if we lose one or more of these customers or the amount of business we obtain from them is reduced for any reason, including but not limited on account of any dispute or disqualification.

Accordingly, we cannot assure you that the customers which contribute to the major part of our revenue stream will pay us the amounts due to us on time, or at all. In the event any of our significant customers fail to fulfil their respective obligations, our business, financial condition and results of operations would be adversely affected. While we believe we have maintained good and long term relationships with our customers, there can be no assurance that we will continue to have such long term relationship with 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.

9. Our top ten suppliers contribute majority of our purchases. Any loss of business with one or more of them may adversely affect our business operations and profitability.

Our top ten suppliers contributed approximately 45.09%, 65.93%, 55.93% and 46.99% of our total purchases for the period ended March 31, 2023, April 12, 2022, March 31, 2022 and March 31, 2021 based on Restated Financial Statements. However, our top suppliers may vary from period to period depending on the demand-supply mechanism and thus the supply process from these suppliers might change as we continue to seek more cost effective suppliers in normal course of business. Since our business is concentrated among relatively few significant suppliers, we could experience a reduction in our purchases and business operations if we lose one or more of these suppliers, including but not limited on account of any dispute or disqualification.

While we believe we have maintained good and long term relationships with our other suppliers too, there can be no assurance that we will continue to have such long term relationship with them. We cannot assure that we shall do the same quantum of business, or any business at all, with these customers, and loss of business with one or more of them may adversely affect our purchases and business operations.

10. We may not be able to adapt to changing market trends and customer requirements in the fashion market in a timely manner, or at all.

The market for garment fashion in the country is highly competitive with several players present in various segments including through third party e-commerce platforms. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to modify our products and their prices on a timely basis, we may lose customers to our competitors, or may be forced to reduce our sales realization on products by having to offer them at a discount, thereby reducing our margins. For instance, manufacturing for a season begins well in advance of the season and we may not be able to incorporate the prevalent trends, or accommodate any sudden emergence of a new trend that may be relevant to that season in the collection being released. If our competitors are able to cater to these markets, or if we are not able to anticipate the demand, or misjudge the quantity, inter alia, this could lead to lower sales, higher inventories and higher discounts, each of which could have a material effect on our results of operations and financial condition.

For Further details, please refer to chapter titled "Business Overview" beginning on Page 95 of this Prospectus.

11. We require certain approvals and licenses in the ordinary course of business and the failure to successfully obtain such registrations would adversely affect our operations, results of operations and financial condition.

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at state and central government levels for doing our business. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or need to update pursuant to conversion of company from Partnership firm to public Company. Also we are yet to apply for contract labour license for Manufacturing Unit – I and Factory License for Manufacturing Unit - II.

While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities. There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could result in cost and time overrun or which could affect our related operations. Furthermore, under such circumstances, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavor to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty. For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending renewal, see "Government and Other Approvals" on page 192 of this Prospectus.

Furthermore, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations.

12. Any change in our consumer's likes, preferences or a change in their perception regarding the quality of our products may negatively affect the image and our reputation and in turn affect our revenues and profitability.

We are a manufacturer of Kids wear for kids and our business is characterized by rapidly changing customer preferences. This industry is highly competitive, where goodwill and reputation has a huge significance, any change in consumer's likes, preferences or a change in their demands regarding the quality and authenticity of our products, may negatively affect the image and reputation of our products and consequently that our Company. Further, such incidences may expose our Company to liabilities and claims, adversely affect our reputation, growth and profitability**.**

For Further details, please refer to chapter titled "Business Overview" beginning on Page 95 of this Prospectus.

13. We have entered into and may enter into related party transactions in the future also.

Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may affect our competitive edge. Our Company had entered into various transactions with our Promoter, Promoter Group, Directors and their Relatives and Group Companies & entities. These transactions, inter-alia includes salary, remuneration, loans and advances, commission, interest and purchase and sales etc. The Quantum of revenue earned from related parties in % of total

revenue of our Company in FY 2023, FY2022 and FY2021 is 20.15%, 27.26% & 26.93% respectively. Our Company entered into such transactions at arm length price due to easy proximity and quick execution. Also the transactions are in compliance with Companies Act, 2013 and other applicable provisions.

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

14. We have a substantial amount of outstanding indebtedness, which requires significant cash flows to service and are subject to certain conditions and restrictions in terms of our financing arrangements, which restricts our ability to conduct our business and operations in the manner we desire.

As of March 31, 2023, our long-term borrowings were ₹ 4.33 Lakhs & short-term borrowings were ₹5241.20 Lakhs and we will continue to incur additional indebtedness in the future. Our level of indebtedness has important consequences to us, such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our ability to borrow additional amounts in the future;
- affecting our capital adequacy requirements; and
- Increasing our finance costs.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, our Company may be unable to pay its debts when they fall due. For further details of our Company's borrowings, see "Financial Information of our Company" on page 142 of this Prospectus.

15. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an effect on our business, results of operations and financial condition.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy involves focusing on Optimal Utilization of Resources and to developed relationships with customer. For further details, see the section titled "Business Overview" on page 95 of this Prospectus. Our success in implementing our growth strategies may be affected by:

- Our ability to identify new markets to expand;
- Our ability to maintain the quality of our product;
- Changes in the Indian regulatory environment in field of Textile & apparel industry

There can be no assurance that we will be able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could impact our results of operations. We cannot assure you that we will not face any time or cost overruns in respect of implementation of our strategies in the future. Further, we expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and implement our growth strategy could have effect on our business, financial condition and profitability.

16. The unsecured loan availed by our Company from Director, Promoter group other parties may be recalled at any given point of time.

Our Company has been availing unsecured loans from Directors, Promoter group and other parties from time to time. The total outstanding payable to them as on March 31, 2023 amounts to Rs. 1426.94 Lakhs. Although there are no terms and condition prescribed for repayment of unsecured loan which can be recalled at any given point of time during ordinary course of business and thus may affect the business operations and financial performance of our Company.

For further details regarding loans availed by our Company, please refer "Financial Information of our Company" on page 142 of this Prospectus.

17. Any deficiency in our products could make our Company liable for client claims, which in turn could affect our Company's results of operations.

Our Company is bound by the terms and conditions as placed before its clients. There are no specific regulations governing the supply of the same, other than the general law of contracts. Any claims made by these clients for deficiency in our products, would be subject to these terms and conditions, which are in the nature of normal contractual obligations in India. Any violation of these obligations could impact our Company's results of operations.

18. We have been recently converted into public limited company and any non-compliance with the provisions of Companies Act, 2013 may attract penalties against our Company which could impact our financial and operational performance and reputation.

Our Company has been incorporated pursuant to the conversion of the Erstwhile Partnership firm under Part I Chapter XXI of the Companies Act, 2013 on April 12, 2022. Prior to conversion, the provisions of the Companies Act were not applicable to us. However, consequent to the aforesaid conversion, our Company is compliance with various provisions of the Companies Act. Though our Company will endeavour to take all possible steps comply with the provisions of the Companies Act, but in case of our inability to do so or in case of any delay, we may be subject to penal action from the appropriate authorities which may have an adverse effect on our financial and operational performance and reputation.

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

Our Company is engaged in the business of manufacturing of readymade cloths, and fabric is used as the primary raw material during our manufacturing process. Therefore, we are highly dependent on fabric, and it forms the most important and primary component of our manufacturing process.

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

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

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

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

21. We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.

We receive in foreign currencies during the normal course of business for selling products to our global customers at mutually agreed prices. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect our Company to the extent of cost of goods and sales in foreign currency terms. Although we generally hedge our foreign exposure, any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

22. There have been some instances of delays in the past with certain statutory authorities and non-compliances with certain provision of statutory regulations applicable to us. If the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

In the past, there have been some instances of delays in filing statutory forms with the RoC with additional fees and penalty. In addition to above, our Company has inadvertently filed incorrect Authorized Capital in MOA while filing conversion of Partnership into Company, although the correct authorised capital is updated on MCA portal as on date.

In Addition to that, our Company has taken loan from Promoter Group Companies and Entities was taken under the erstwhile partnership firm and afterwards the loan was repaid after conversion of partnership to Company. Also we have delayed in depositing the EPF with the concerned offices of the departments on several instances and have accordingly been subjected to penalty and charged with interest for delayed deposit of tax on few instances. While no legal proceedings or regulatory action has been initiated against our Company in relation to such non-compliance and instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC as of the date of this Prospectus.

We cannot assure you that legal proceedings or regulatory actions will not be initiated against our Company in future and we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

23. We may not be able to prevent unauthorised use of trademarks obtained/ applied for by third parties, which may lead to the dilution of our goodwill.

We have obtained trademark registrations of our brands, including "KARNIKA" under class 25 & 35 under the Trade Marks Act, 1999 ("Trade Marks Act"), any unauthorized use of our trademarks, by unrelated third parties may damage our reputation and brand. Preventing trademark infringement, particularly in India, is difficult, costly and time-consuming. Also we have entered in assignment agreement with our promoter for use of one trademark under class 25 which is registered on name of Mr. Niranjan Mundhra. The measures we take to protect our trademarks may not be adequate to prevent unauthorized use by third parties, which may affect our brand and in turn adversely affect our business, financial condition, results of operations and prospects.

Further, we cannot assure you that any application for registration of our trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

For further details please refer to chapter titled "Government and Other Approvals" beginning on page 192 of the Prospectus.

24. Our inability to manage inventory in an effective manner could affect our business.

Our business model requires us to maintain a certain level of inventory of our raw material, to meet the present and future orders. If we underestimate the orders that we may receive we may experience inventory shortages and a loss of opportunity. Similarly, an over estimation of orders may result in over stocking leading to increased holding costs. Additionally, any over run in holding of such goods may lead to their decay. Therefore, any mismanagement on our part to determine the optimum inventory levels may impact our operations and cause us to incur losses**.**

25. Our director and Promoters have provided personal guarantees and Personal Property for loans availed by our Company. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the invocation of all or any personal guarantees and personal property.

Our director and promoters have provided personal guarantees and personal property to secure our existing borrowings, and may post listing continue to provide such guarantees and other security. In case of a default under our loan agreements, any of the personal guarantees provided by our director and their relative may be invoked, which could negatively impact the reputation of our Company. 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. Also if our Directors and promoters revoke their personal guarantees and property & we may not be successful in procuring alternate guarantees and property 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 Information of our Company" on page no. 142 of this Prospectus.

26. Any failure to comply with financial and other restrictive covenants imposed on us under our financing agreements may affect our operational flexibility, business, results of operations and prospects.

As on March 31, 2023, our total secured borrowings amounted to Rs. 3818.58 Lakhs from Banks. Our leverage has several important consequences, including the following:

- A portion of our cash flow will be used towards repayment of debt, which will reduce the availability of cash to fund working capital requirements, capital expenditures and other general corporate purposes;

- Our borrowing cost and the existence of encumbrances on a significant portion of our immovable properties may constrain. In the event of enforcement of an event of default in connection with such secured borrowings (which is not waived or cured), our ability to continue to operate our business at such locations may be restricted;

- Fluctuations in interest rates may affect our cost of borrowing, as all or a substantial part of our borrowings is at floating rates of interest; and

- Our financing agreements require us to obtain the consent of, or to intimate, our lenders for certain actions including change in shareholding or directorship of our Company, remuneration to Directors, drawdown of further loans, issuance of guarantees, and for certain corporate actions, including alterations to our Memorandum and Articles of Association, Payment of Dividend and balance of unsecured loan of Director. Our failure to comply with financial or restrictive covenants or periodic reporting requirements or to obtain our lenders' consent to take certain actions in a timely manner or at all may result in declaration of an event of default by any current or future lenders, which may accelerate repayment or increase applicable interest rates or trigger cross-default or cross-acceleration under other financing agreements.

Although we have not experience any disruption in our loan facility in past, but termination of, or declaration or enforcement of default under, any current or future financing agreement (if not waived or cured) may affect our ability to raise additional funds or renew maturing borrowings to finance our existing operations and pursue our growth initiatives and, therefore, have an effect on our business, results of operations and prospects.

For further details of our loans, please refer chapter titled "Financial Information of our Company" beginning on Page 142 of this Prospectus.

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

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

28. Our operating results could be adversely affected by weakening of economic conditions due to lock-down in all parts of India and other parts of world & other situation due to pandemic Covid-19.

Our overall performance depends on the economic conditions of India in relation to garments industry. Certain economies have experienced periods of downturn due to the situation prevailed in India and outside India due to pandemic disease of Covid-19 which impacts financial markets, concerns regarding the stability and viability of major financial institutions, declines in gross domestic product, increases in unemployment, volatility in commodity prices and worldwide stock markets, and excessive government debt. The pandemic disease has adversely affected our business.

Moreover, the instability in the global economy affects countries in different ways, at different times and with varying severity, which makes the impact to our business unforeseeable and indeterminate. Any of these events, as well as a general weakening of, or declining corporate confidence in the global economy have a material adverse effect on our business, operating results and financial condition.

29. We depend on third parties for a major portion of our transportation needs. Any disruptions may affect our operations, business and financial condition.

We rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of raw material from our suppliers, sending & receiving back the product from job work and for transportation from our finish products to our customers. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any transport service providers and engage them on a need basis. Additionally, availability of transport solutions in the market we operate in is typically fragmented. We do not enter into written documentation in relation to the transportation services we hire which poses various additional risks including our inability to claim insurance. 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 operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost effective 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 wheather related problems, strikes, lock-outs, accidents, inadequacies in road infrastructure or other events.

Although we have not experienced any disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may be cost inefficient, thereby affecting our operations and profitability.

30. Our marketing and advertising campaigns may not be successful in increasing the popularity of our products and offerings. If our marketing initiatives are not effective, this may adversely affect our business and results of operations.

Our revenues are influenced by our marketing plans including advertising and fashion shows. If we adopt unsuccessful marketing and advertising campaigns, we may fail to attract new customers or retain existing customers. If our marketing and advertising strategies are unsuccessful, our business and results of operations could be materially adversely affected. In addition, the support of our employees is also critical for the success of our marketing programmes, such as local marketing and any new strategic initiatives we seek to undertake. While we can mandate certain strategic initiatives, we need the active support of our employees if the implementation of these initiatives is to be successful. The failure of our employees to support our marketing programmes and strategic initiatives could adversely affect our ability to implement our business strategy and harm our business, financial condition, results of operations and prospects.

In addition, increased spending by our competitors on advertising and promotion or an increase in the cost of advertising in the markets in which we operate, could adversely affect our results of operations and financial condition. Moreover, a material decrease in our funds earmarked for marketing and advertising or an ineffective advertising campaign relative to that of our competitors, could also adversely affect our business and results of operations.

31. There may be potential conflicts of interest if our Promoters or Directors are involved in any business activities that compete with or are in the same line of activity as our business operations.

Our Group Company and Promoter Group Entities Sri Karni Apparels Private Limited, Q Baazar India LLP, Shree Garments and Shri International are involved in business of garment manufacturing. Also our Company has entered into various transaction such as purchase and sale in past with our Group Company and Promoter Group Entities and will continue to do in

future. For detailed information for our transaction with Promoter Group Entity please refer to Annexure X of Restated Financial Statement under chapter titled "Financial Information of our Company" beginning on page 142 of this Prospectus.

Further, we have not entered into any non-compete agreement with the said entities. We cannot assure you that our Promoters who has common interest in said entities will not favour the interest of the said entities as a result; conflicts of interests may arise in allocating business opportunities amongst our Company and our Promoter Group Entity in circumstances where our respective interests diverge. There can be no assurance that our Promoters or our Promoter Group Entity or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, please refer to "Common Pursuits" under chapter titled "Our Promoter and Promoter Group" on Page of 136 this Prospectus.

32. Our Estimates has not been appraised by any Bank or Financial Institution/third party. Any significant deviation in the Object could adversely impact our operations and sustainability in absence of any independent monitoring agency.

Our company intends to utilise proceeds from issue for working capital requirements, General Corporate Purpose and to fund Public Issue Expenses. We have estimated fund raising to the extent as mentioned in the chapter titled 'Objects of the Issue'. The proposed objects for which the funds are being raised have not been appraised by any Bank or Financial Institution and the fund requirements are based primarily on management estimates and quotations received from various vendors. There is no guarantee that our estimates will prove to be accurate and any significant deviation in the project cost could adversely impact our operations and sustainability in the absence of any independent monitoring agency. For details of the "Object of the Issue", please refer Page no.70 of this Prospectus.

33. Our success is dependent on our Promoter, management team and skilled manpower. Our inability to attract and retain key personnel or the loss of services of our Promoter or Managing Director and Whole Time Director may have an adverse effect on our business prospects.

Our Promoter, Managing Director, Whole Time Director and management team have significantly contributed to the growth of our business, and our future success is dependent on the continued services of our management team. Our Managing Director Mr. Niranjan Mundhra and whole-time Directors Mr. Shiv Shankar Mundhra & Mr. Mahesh Kumar Mundhra are having experience of 07 years each in textile Industry which turn out beneficial for the Company. An inability to retain any key managerial personnel may have an adverse effect on our operations. Our ability to execute contracts and to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We might face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In the future, we may also not be unable to compete with other larger companies for suitably skilled personnel due to their ability to offer more competitive compensation and benefits. The loss of any of the members of our senior management team, our directors or other key personnel or an inability on our part to manage the attrition levels; may materially and adversely impact our business, results of operations, financial condition and growth prospects.

For further details of our Promoters and Management, please refer chapter titled "Our Promoters and Promoter Group" and "Our Management" beginning on Page 136 & 123 of this Prospectus.

34. Our failure to adapt to technological developments or industry trends could affect the performance and features of our products, and reduce our attractiveness to our customers.

As our operations grow in scope and size, whether through offering of new products or expansion into new markets, we must continuously improve, upgrade, adapt and expand our systems and infrastructure to offer our customers enhanced products, features and functionality ahead of rapidly evolving customer demands, while maintaining the reliability and integrity of our systems and infrastructure in a cost-efficient and competitive manner. The systems, infrastructure and technologies we currently employ may become obsolete or be unable to support our increased size and scale. Even if we are able to maintain, upgrade or replace our existing systems or innovate or customize and develop new technologies and systems, we may not be as quick or efficient as our competitors in upgrading or replacing our systems. We may be unable to devote adequate financial resources or obtain sufficient financing on commercially acceptable terms in time, or at all, which may have a material adverse effect on our business, prospects, results of operation and financial condition.

For further details regarding our business, please refer to chapter titled "Business Overview" beginning on Page 95 of this Prospectus.

35. The present promoters of the Company are first generation entrepreneurs.

Our present Promoters are first generation entrepreneur. Their experience in managing and being instrumental in the growth of our Company is limited to the extent of their knowledge and experience and we cannot assure that this will not affect our business growth. Although Our Promoter Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra have experience of around 7 years each.

For further details of our Promoters, refer chapter titled "Our Pormoter and Promoter Group" beginning on Page 136 of Prospectus.

36. We have significant ongoing funding requirements and may not be able to raise additional capital in the future. As a result, we may not be able to respond to business opportunities, challenges or unforeseen circumstances.

Our major fund based financial assistance has been sanctioned by the bank, i.e., the HDFC Bank Limited, Axis Bank Limited, Kotak Mahindra Bank Limited and SIDBI on the security of assets. The Company is dependent on these banks for its Working Capital requirement and capital expenditure and any default under such arrangement with such lender may create problem for operation of the Company, which may affect the financial stability of the Company. At the same time this may result into difficulty in arranging for funds for re-payment and may also affect the financial position of the Company. If we are unable in the future to generate sufficient cash flow from operations or borrow the necessary capital to fund our future capital expenditures, we will be forced to limit our growth. In addition, we may not be able to service our existing customers or to acquire new customers. The inability to raise additional capital on acceptable terms could have a effect on our business, results of operations and financial condition.

For further details of our loans, please refer chapter titled "Financial Information of the Company" beginning on Page 142 of this Prospectus.

37. If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.

We benefit from certain general tax regulations and incentives that accord favourable treatment to certain of our operations as well as for our activities. These tax benefits include income tax deductions and other taxes. For details regarding income tax deductions, please refer to the chapter "Statement of Possible Tax Benefits" on page 80 of this Prospectus.

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by the relevant authorities may significantly affect our results of operations. We cannot assure you that we would continue to be eligible for such lower tax rates or any other benefits. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and affect our business, prospects, results of operations and financial condition.

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

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has not declared dividends in the past, and there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled "Dividend Policy" on page 141 of this Prospectus.

39. We have experienced negative cash flows in the past. Any such negative cash flows in the future could affect our business, results of operations and prospects.

Our Company had reported certain negative cash flows in the previous years as per the Restated Financial Statements and the same are summarized as under:

(Rs. in Lakhs)

Particulars	For the Period from 13th April 2022 to March 31, 2023	For the Period from 01 April 2022 to 12th April 2022	For the year ended March 31,	
			2022	2021
Cash flow from Operating Activities	(1,070.52)	(249.15)	(1,531.32)	(559.95)
Cash flow from Investing Activities	(136.89)	(5.26)	(45.33)	(36.62)
Cash flow from Financing Activities	1,359.82	250.61	1,504.68	671.96

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 our Company is not able to generate sufficient cash flows, it may affect our business and financial operations. For further please refer chapter titled "Financial Information of our company" beginning on Page 142 of this Prospectus.

40. Any customer dispute regarding our performance or workmanship may amount in delay or withholding of payment to us.

Our Company believes to provide the product to our customer according to their requirement. In case our products do not fulfill the requirements of our customer which may leads to dissatisfaction and further consequence including customer dispute regarding our performance or workmanship and the customer may delay or withhold payment to us, which may result in affecting our business.

41. Our Promoter and Executive Directors hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.

Our Promoter and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders. For further information on the interest of our Promoter and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "Our Management" and "Our Promoter and Promoter Group" on pages 123 and 136 respectively of this Prospectus.

42. We are subject to the risk of failure of, or a material weakness in, our internal control systems.

We are exposed to risks arising from the inadequacy or failure of internal systems or processes, and any actions we may take to mitigate these risks may not be sufficient to ensure an effective internal control environment. Given our high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. Our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Where internal control weaknesses are identified, our actions may not be sufficient to fully correct such weaknesses. In addition, several of our collection related processes are yet to be fully automated, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may result in a material effect on our business, financial condition and results of operations.

43. Major fraud, lapses of internal control or system failures could adversely impact the company's business.

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

44. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.

While we maintain insurance coverage, in amounts which we believe are commercially appropriate, including related to our registered office, factory, our movable property, provide appropriate coverage in relation to fire, explosions, floods, inundations, earthquakes, landslides we may not have sufficient insurance coverage to cover all possible economic losses, including when the loss suffered is not easily quantifiable and in the event of severe damage to our business. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an effect on our business, results of operations, financial condition and cash flows.

In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently

insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an effect on our business, results of operations, financial condition and cash flows.

45. The future operating results are difficult to predict and may fluctuate or adversely vary from the past performance.

The company's operating results may fluctuate or adversely vary from past performances in the future due to a number of factors, many of which are beyond the company's control. The results of operations during any financial year or from period to period may differ from one another or from the expected results operation. Its business, results of operations and financial condition may be adversely affected by, inter alia, a decrease in the growth and demand for the products offered by the us or any strategic alliances which may subsequently become a liability or non-profitable. Due to various reasons including the above, the future performance may fluctuate or adversely vary from our past performances and may not be predictable. For further details of our operating results, section titled "Financial Information of our Company" beginning on Page 142 of this Prospectus.

46. We have not independently verified certain data in this Prospectus.

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

47. We are susceptible to risks relating to unionization of our workers employed by us.

None of our workers are currently represented by a recognized collective bargaining agreement. We cannot assure you that our workers will not unionize, or attempt to unionize in the future, that they will not otherwise seek higher wages and enhanced employee benefits. We also cannot assure you that we will not experience disruptions in our work due to disputes or other problems with our workforce. If not resolved in a timely manner, these risks could limit our ability to provide our products to our clients, cause clients to limit their use of our products or result in an increase in our cost of employee benefits and other expenses. If any of these risks materialize, our business, results of operations and financial condition could be affected.

48. Any Penalty or demand raise by statutory authorities in future will affect our financial position of the Company.

Our Company is mainly engaged in business of Manufacturer and distributor of readymade garments of kids which attracts tax liability such as Income tax & Goods and Service Tax and other applicable provision of the Acts. However, the Company has been depositing the return under above applicable acts but any demand or penalty raise by concerned authority in future for any previous year and current year will affect the financial position of the Company. For detail, please refer "Outstanding Litigations and Material Development" beginning on page 186 of this Prospectus. Any such penalty arising in future may lead to financial loss to our Company.

49. We have not identified any alternate source of raising the working capital mentioned as our 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

Our Company has not identified any alternate source of funding for our working capital requirement and for general corporate purposes and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may require our Company to borrow funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the Company.

For further details of our Object for the Issue, please refer chapter titled "Object for the Issue" beginning on Page 70 of this Prospectus.

50. Our Company's management will have flexibility in utilizing the Net Proceeds from the Issue. The deployment of the Net Proceeds from the Issue is not subject to any monitoring by any independent agency.

Our Company intends to primarily use the Net Proceeds towards working capital requirement and for general corporate purposes as described in "Objects of the Issue" on page 70 of this Prospectus. In terms of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹100 crores. But the Audit Committee will review the monitor the use of Issue Proceeds. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders of our Company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in future by the SEBI.

Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

51. Any variation in the utilization of the Net Proceeds as disclosed in this Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.

We propose to utilize the Net Proceeds for raising funds for working capital Requirement. For further details of the proposed objects of the Issue, please refer the chapter titled "Objects of the Issue" beginning on Page No. 70 of this Prospectus. At this juncture, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

Further, our Promoter or controlling shareholders would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoter or controlling shareholders to provide an exit opportunity to such dissenting shareholders of our Company may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity.

In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

52. Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute 18.24% of the Issue Proceed. As on date we have not identified the use of such funds.

Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute 18.24% of the Issue Proceed. We have not identified the general corporate purposes for which these funds may be utilized. The deployment of such funds is entirely at the discretion of our management in accordance with policies established by our Board of Directors from time to time and subject to compliance with the necessary provisions of the Companies Act. For details please refer the chapter titled **"**Objects of the Issue" beginning on Page No. 70 of this Prospectus.

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

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

- Bonus issue in the ratio of 1:1 dated December 21, 2022 issuing 45,50,150 Equity shares face value ₹10/- per Equity Share for consideration other than cash.

- Right Issue of 10,50,150 Equity shares of face value ₹10/- per Equity Share dated October 12, 2022 for cash at a price of ₹60/- each.

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

For Further details of equity shares issued, please refer to the chapter titled "Capital Structure" beginning on page 55 of the Prospectus.

54. The average cost of acquisition of Equity Shares by our Promoter could be lower than the Issue Price.

Our Promoter average cost of acquisition of Equity Shares in our Company is lower than the Issue Price decided by the Company in consultation with the Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoter in our Company, please refer to the chapters "Capital Structure" beginning on pages 55 of this Prospectus.

55. We will continue to be controlled by our Promoter and Promoter Group after the completion of the Issue, which will allow them to influence the outcome of matters submitted for approval of our shareholders.

As on the date of this Prospectus, our Promoter and Promoter Group hold 100% of the issued and outstanding paid-up share capital of our Company. Following the completion of the Issue, our Promoter and Promoter Group will continue to hold together 73.39% of our post-Issue Equity Share capital. As a result, they will have the ability to influence matters requiring shareholders' approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association, and any other business decisions. We cannot assure you that our Promoters and Promoter Group will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

For further details regarding our shareholding, please refer to chapter titled "Capital Structure" beginning on Page 55 of this Prospectus.

56. Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Issue, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Issue Price or at all.

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is determined considering various financials factors of the Company 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. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Issue could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Prospectus. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities may differ from those that would apply to a company in another jurisdiction. Investors may have more difficulty in asserting their rights as shareholders in an Indian company than as shareholder of a corporation in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other jurisdictions. Under the Companies Act, prior to issuance of any new equity shares, a public limited company incorporated under Indian law must offer its equity shareholders pre-emptive rights to subscribe to a proportionate number of equity shares to maintain existing ownership, unless such pre-emptive rights are waived by a special resolution by a three-fourths majority of the equity shareholders voting on such resolution. If you are a foreign investor and the law of the foreign jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such foreign jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the

extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interest in our Company would decline.

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

The Issue Price of our Equity Shares has been determined on the basis of the Fixed Price Issue. This price is based on numerous factors. For further information, see "Basis for Issue Price" beginning on page 75 of this Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

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

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

60. The requirements of being a listed company may strain our resources and distract management.

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur additional legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges and compliances of SEBI Listing Regulation, 2015 which would require us to file audited annual and unaudited semi-annual and limited review reports with respect to our business and financial condition. If we delay making such filings, 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 timely as other listed companies.

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

EXTERNAL RISK FACTORS

61. Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.

Our Company is incorporated in India, and our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters
- prevailing regional or global economic conditions, including in India's principal export markets; and
- Other significant regulatory or economic developments in or affecting India or our industry.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

62. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

63. Our business and activities may be further regulated by the Competition Act and any adverse application or interpretation of the Competition Act could materially and adversely affect our business, financial condition and results of operations.

The Competition Act seeks to prevent business practices that have or are likely to have an appreciable adverse effect on competition in India and has established the Competition Commission of India (the "**CCI**"). Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which has or is likely to have an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls the production, supply or distribution of goods and services, or shares the market or source of production or providing of services by way of allocation of geographical area or type of goods or services or number of customers in the relevant market or in any other similar way, is presumed to have an appreciable adverse effect on competition and shall be void.

Further, the Competition Act prohibits the abuse of a dominant position by any enterprise. If it is proven that a breach of the Competition Act committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the breach themselves and may be punished as an individual. If we, or any of our employees are penalized under the Competition Act, our business may be adversely affected. Further, the Competition Act also regulates combinations and requires approval of the CCI for effecting any acquisition of shares, voting rights, assets or control or mergers or amalgamations above the prescribed asset and turnover based thresholds.

On March 4, 2011, the Government of India notified and brought into force new provisions under the Competition Act in relation to combined entities (the "Combination Regulation Provisions"), which came into effect from June 1, 2011. The Combination Regulation Provisions require that any acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, must be notified to and preapproved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (as amended). These regulations, as amended, set out the mechanism for the implementation of the Combination Regulation Provisions under the Competition Act.

64. The Indian tax regime is currently undergoing substantial changes which could adversely affect our business.

The goods and service tax ("GST") that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the GoI and state governments.

As regards the General Anti-Avoidance Rules ("GAAR"), The general anti avoidance rules ("GAAR") provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

65. You may be restricted in your ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of your ownership position.

Under the Companies Act, a company incorporated in India must offer its shareholders pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the shares who have voted on the resolution, or unless the company has obtained approval from the Government of India to issue without such special resolution, subject to votes being cast in favour of the proposal exceeding the votes cast against such proposal. However, if the law of the jurisdiction you are in does not permit you to exercise your pre-emptive rights without our Company filing an offering document or a registration statement with the applicable authority in the jurisdiction you are in, you will be unable to exercise your pre-emptive rights unless our Company makes such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interest in our Company would be reduced.

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

We currently operate only in India and are dependent on domestic, regional and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent on the Textile industry of the Indian economy. There have been periods of slowdown in the economic growth of India. For instance, the present situation of lock-down is prevailing in India due to pandemic Covid-19 spread in India and all other parts of world. If such condition prevail for longer time the Demand for our products & services may be adversely affected by an economic downturn in domestic, regional and global economies. India's economic growth is also affected by various other factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

67. Companies in India are required to prepare financial statements under the new Indian Accounting Standards. In addition, all income-tax assessee in India will be required to follow the Income Computation and Disclosure Standards.

The Ministry of Corporate Affairs ("MCA"), Government of India, has through notification dated February 16, 2015 issued the Indian Accounting Standards Rules, 2015 ("Ind AS") which have come into effect from April 1, 2015 and are applicable to companies which fulfill certain conditions. Further, there can be no assurance that the adoption of Ind AS will not affect our reported results of operations or financial condition. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations.

Further, the Ministry of Finance, Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for computation of taxable income. The ICDS shall apply from the assessment year 2017-2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

68. Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.

Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- Any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its ER&D sector;
  international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;

69. Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging Asian market countries. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. In recent times, the Indian financial markets had been negatively affected by the volatility in global financial market, including on account of certain European nations' debt troubles and move to break away by the United Kingdom from the European Union. Although, economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Currencies of a few Asian countries have in the past suffered depreciation against the U.S. Dollar owing to, amongst other, the announcements by the U.S. government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Liquidity and credit concerns and volatility in the global credit and financial markets have increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major U.S. and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

70. A significant change in the Government of India's economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.

The Government of India has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Unfavorable government policies including those relating to the internet and e-commerce, consumer protection and data-privacy, could adversely affect business and economic conditions in India, and could also affect our ability to implement our strategy and our future financial performance. Since 1991, successive governments, including coalition governments, have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector and encouraging the development of the Indian financial sector. However, the members of the Government of India and the composition of the coalition in power are subject to change. As a result, it is difficult to predict the economic policies that will be pursued by the Government of India. For example, there may be an increasing number of laws and regulations pertaining to the internet and ecommerce, which may relate to liability for information retrieved from or transmitted over the internet or mobile networks, user privacy, content restrictions and the quality of services and products sold or provided through the internet. The rate of economic liberalization could change and specific laws and policies affecting the financial services industry, foreign investment, currency exchange and other matters affecting investment in our securities could change as well.

Any significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

SECTION IV – INTRODUCTION

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS PROSPECTUS	
Equity Shares Issued: Public Issue of Equity Shares by our Company	32,99,200 Equity Shares of ₹ 10/- each for cash at a price of ₹76/- per share aggregating to ₹2507.39
of which	
Issue Reserved for the Market Makers	1,66,400 Equity Shares of ₹ 10/- each for cash at a price of ₹76/- per share aggregating ₹126.46
Net Issue to the Public*	31,32,800 Equity Shares of ₹ 10/- each for cash at a price of ₹76/- per share aggregating ₹ 2380.93
	of which
	15,66,400 Equity Shares of ₹ 10/- each for cash at a price of ₹76/- per share (including a premium of ₹66/- per Equity Share) will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lakhs
	15,66,400 Equity Shares of ₹ 10/- each for cash at a price of ₹76/- per share (including a premium of ₹66/- per Equity Share) will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lakhs
Equity Shares outstanding prior to the Issue	91,00,300 Equity Shares of face value of ₹10 each
Equity Shares outstanding after the Issue	1,23,99,500 Equity Shares of face value of ₹10 each
Objects of the Issue/ Use of Issue Proceeds	Please see the chapter titled "Objects of the Issue" on page 70 of this Prospectus

Fresh Issue of Equity Shares in terms of Prospectus has been authorized pursuant to a resolution passed by our Board of Directors dated January 20, 2023. and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of the members held on March 31, 2023.

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please see the section titled "Issue Related Information" beginning on page 209 of this Prospectus

*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, the present issue is a fixed price issue 'the allocation' is the net issue to the public category shall be made as follows:

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

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

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

For further details, please refer to the chapter titled "Issue Structure" beginning on page 214 of this prospectus.

Karnika®

SUMMARY OF FINANCIAL INFORMATION

RESTATED STATEMENT OF ASSETS AND LIABILITIES

Sr. No.	Particulars	As At 31st March 2023	As at April 12, 2022	As at 31st March	
				2022	2021
A.	**Equity and Liabilities**				
1	**Shareholders' Funds**				
	Share Capital	910.03	1,868.30	1,860.88	378.14
	Reserves & Surplus	896.80	-	-	-
	Share application money pending allotment	-		-	-
2	**Non-Current Liabilities**				
	Long-Term Borrowings	4.33	8.33	8.33	79.83
	Long Term Provisions	11.92	5.36	5.36	3.06
	Deferred Tax Liabilities	-	-	-	-
3	**Current Liabilities**				
	Short Term Borrowings	5,241.20	2,485.25	2,215.80	1,491.11
	Trade Payables				
	- Micro and Small Enterprises	-	-	-	-
	-Other Than Micro and Small Enterprises	2,564.29	1,619.35	1,542.65	1,059.74
	Other Current Liabilities	181.91	31.96	65.08	38.75
	Short Term Provisions	260.55	235.03	223.33	5.24
	Total	**10,071.04**	**6,253.58**	**5,921.42**	**3,055.87**
B.	**Assets**				
1	**Non-Current Assets**				
	Property, Plant & Equipments				
	Tangible Assets	140.27	79.29	74.72	54.41
	Intangible Assets	3.13	3.57	3.60	4.50
	Capital Work In Progress	-	-	-	-
	Long Term Loans & Advances	39.66	10.00	10.00	10.00
	Deferred Tax Assets	8.53	5.04	4.99	3.09
	Other Non-Current Assets	20.67	8.16	8.16	0.61
2	**Current Assets**				
	Investments	0.00	0.00	0.00	0.00
	Inventories	4853.66	2670.04	2762.48	1129.09
	Trade Receivables	4,021.51	3098.43	2700.68	1,677.23
	Cash and Cash Equivalents	155.19	2.78	6.59	78.56
	Short-Term Loans and Advances	71.26	98.79	70.75	8.24
	Other Current Assets	757.14	277.49	279.46	90.14
	Total	**10,071.04**	**6253.58**	**5921.42**	**3055.87**

RESTATED STATEMENT OF PROFIT AND LOSS

Sr. No	Particulars	For the Period from 13th April 2022 to March 31, 2023	For the Period from 01 April 2022 to 12th April 2022	For The Year Ended 31st March	
				2022	2021
A.	**Revenue:**				
	Revenue from Operations	12459.24	636.71	9880.93	4746.41
	Other income	146.38	1.60	11.60	32.90
	Total revenue	**12605.62**	**638.31**	**9892.52**	**4779.31**
B.	**Expenses:**				
	Cost of Material Consumed	9,408.91	214.38	8,590.66	3,966.42
	Purchase of Stock in Trade	1646.43	125.18	1093.53	476.58
	Changes in Inventories of Finished Goods	(1,439.19)	233.32	(1,459.10)	(287.90)
	Employees Benefit Expenses	610.70	9.04	299.32	173.37
	Finance costs	516.63	0.60	233.41	103.87
	Depreciation and Amortization	34.23	0.71	21.83	13.53
	Other expenses	714.35	17.76	395.87	208.15
	Total Expenses	**11492.07**	**600.98**	**9175.51**	**4654.03**
	Profit/(Loss) before exceptional items and tax	**1113.55**	**37.33**	**717.01**	**125.29**
	Exceptional Items	-	-	-	-
	Profit before tax	**1113.55**	**37.33**	**717.01**	**125.29**
	Tax expense :				
	Current tax	290.31	11.71	264.90	46.77
	Deferred Tax	(3.49)	(0.05)	(1.90)	(3.09)
	Profit/(Loss) for the period/ year	**826.74**	**25.67**	**454.01**	**81.61**
	Earning per equity share in Rs.:				
	(1) Basic	9.66	0.37	6.49	1.17
	(2) Diluted	9.66	0.37	6.49	1.17

RESTATED STATEMENT OF CASH FLOWS

(Rs. in Lakhs)

Particulars	For the Period from 13th April 2022 to March 31, 2023	For the Period from 01 April 2022 to 12th April 2022	For The Year Ended 31st March	
			2022	2021
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/ (Loss) before tax	**1113.55**	**37.33**	**717.01**	**125.29**
Adjustments for:				
Depreciation	34.23	0.71	21.83	13.53
Provision for Gratuity	6.71	-	2.26	1.89
Interest Received	(0.06)	-	(3.45)	-
Interest Expense	503.91	0.59	177.24	80.86
Operating profit before working capital changes	**1,658.34**	**38.64**	**914.89**	**221.57**
Movements in working capital :	(2,463.93)	(287.79)	(2,399.44)	(739.91)
(Increase)/Decrease in Trade Receivables	(923.08)	(397.75)	(1,023.44)	(681.68)
(Increase)/Decrease in Inventories	(2,183.62)	92.44	(1,633.39)	(449.86)
(Increase)/Decrease in Other Current Assets	(479.65)	1.97	(189.32)	(1.54)
(Increase)/Decrease in Short Term Loans & Advances	27.53	(28.03)	(62.51)	(44.98)
Increase/(Decrease) in Trade Payables	944.94	76.70	482.90	416.84
Increase/(Decrease) in Other Current Liabilities	149.95	(33.12)	26.32	21.31
Cash generated from operations	**(805.59)**	**(249.15)**	**(1,484.55)**	**(518.34)**
Income tax paid during the year /period	264.93	-	46.77	41.61
Net cash from operating activities (A)	**(1,070.52)**	**(249.15)**	**(1,531.32)**	**(559.95)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(94.77)	(5.26)	(41.23)	(26.62)
Interest Received	0.06	-	3.45	-
(Increase)/Decrease in Other Non-Current Assets	(12.51)	-	(7.55)	-
(Increase)/Decrease in Long Term Loans & Advances	(29.66)	-	-	(10.00)
Net cash from investing activities (B)	**(136.89)**	**(5.26)**	**(45.33)**	**(36.62)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid on borrowings	(503.91)	(0.59)	(177.24)	(80.86)
Proceeds/(Repayment) of Borrowings	2,751.95	269.45	653.19	690.04
Proceeds/Repayment of Share Capital/Partners Capital	(888.21)	(18.25)	1,028.73	62.78
Net cash from financing activities (C)	**1,359.82**	**250.61**	**1,504.68**	**671.96**
Net increase in cash and cash equivalents (A+B+C)	**152.41**	**(3.81)**	**(71.98)**	**75.40**
Cash and cash equivalents at the beginning of the year	**2.78**	**6.59**	**78.56**	**3.17**
Cash and cash equivalents at the end of the year	**155.19**	**2.78**	**6.59**	**78.56**
Cash and cash equivalents Comprises of:				
Cash in Hand	7.09	2.78	6.59	5.52
Cash at Bank	148.10	-	-	73.05

Note: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities & profits and losses appearing in Annexure IV, I, II.

SECTION – V - GENERAL INFORMATION

Our Company was originally formed as a Partnership Firm under the Partnership Act, 1932 ("Partnership Act") in the name and style of "Karni International" pursuant to Deed of Partnership dated July 21, 2017. Karni International was thereafter converted from Partnership Firm to a Public Limited Company under Part I chapter XXI of the Companies Act, 2013 with the name and style of "Karnika Industries Limited" and received a Certificate of Incorporation from the Registrar of Companies, Kolkata dated April 13, 2022. The Corporate Identity Number of our Company is U17299WB2022PLC253035.

For further details, please refer to chapter titled "History and Corporate Structure" beginning on page 119 of this Prospectus.

Registered Office of our Company

Karnika Industries Limited
6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah,
Howrah, West Bengal - 711106, India.
Tel. No.: 033-26558101
E-mail: info@karnikaindustries.com
Website: www.karnikaindustries.com
Corporate Identification Number: U17299WB2022PLC253035
Reg. No.: 253035

For details relating to changes to the address of our Registered Office, please see "History and Corporate Structure - Changes to the address of the Registered Office of our Company" on page 119 of this Prospectus.

Address of Registrar of Companies

Registrar of Companies, Kolkata
Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road,
Kolkata-700020, West Bengal, India
Tel No. +91-033-2287 7390
Fax No.: +91- 033-22903795
Email: roc.kolkata@mca.gov.in
Website: http://www.mca.gov.in

Designated Stock Exchange

National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra – Kurla Complex, Bandra (E)
Mumbai - 400051, Maharashtra, India
Website – www.nseindia.com

Board of Directors of our Company

The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Niranjan Mundhra	Chairman cum Managing Director	Vivek Vihar, Phase-V, Block-III, Flat No. 2C, 493C/A, G.T. Road, Near Shibpur Thana, Howrah, West Bengal-711102, India.	05254448
Mr. Shiv Shankar Mundhra	Whole-Time Director	493/C/A, GT Road, Vivek Vihar, Phase-5, Block-3, Flat No.-2C, Haora (M.Cop) Howrah, Shibpur, West Bengal-711102, India.	02926873
Mr. Mahesh Kumar Mundhra	Whole-Time Director	Vivek Vihar, Phase-V, Block-3, 2C, 493C/A, G.T. Road South, Haora Corporation, Sibpur Howrah, West Bengal-711102, India	08577538
Ms. Kirti Mundhra	Non Executive Director	Vivek Vihar, Phase-V, Block-3, 2C, 493C/A, G.T. Road South, Haora Corporation, Sibpur Howrah, West Bengal-711102, India	09549207

Mrs. Kirti Taparia	Independent Director	5 Dr. Abani Dutta Road, Haora Corporation, Salkia, Haora, West Bengal-711106, India.	10083439
Mr. Parmeshwar Lal Sharma	Independent Director	Bigga Bass, Ward no-13, Dungargarh, Bikaner-331803, Rajasthan, India.	09798016

For further details of the Directors of our Company, please refer to the chapter titled "Our Management" on page 123 of this Prospectus.

Company Secretary and Compliance Officer

Ms. Muskan Mundhra
6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah,
Howrah, West Bengal-711106, India.
Tel. No.: 033-26558101
E-mail: cs@karnikaindustries.com
Website: www.karnikaindustries.com

Chief Financial Officer

Mr. Krishan Kumar Karnani
6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah,
Howrah, West Bengal-711106, India.
Tel. No.: 033-26558101
E-mail: cfo@karnikaindustries.com
Website: www.karnikaindustries.com

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue and/ or the Lead Manager, in case of any pre-Issue or post-Issue related problems such as non-receipt of Intimation for Allotment, credit of allotted Equity Shares in the respective beneficiary account.

All grievances relating to the ASBA process including UPI may be addressed to the Registrar to the Issue, with a copy to the Designated Intermediary with whom the ASBA Form was submitted, giving full name of the sole or First Applicant, ASBA Form number, Applicant's DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of Application Form, address of Applicant, the name and address of the relevant Designated Intermediary, where the Application Form was submitted by the Applicant, ASBA Account number (for Applicants other than RIIs bidding through the UPI mechanism) in which the amount equivalent to the Application Amount was blocked or UPI ID in case of RIIs bidding through the UPI mechanism. Further, the Applicant shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Issue related queries, and for Redressal of complaints, applicant may also write to the Lead Manager and Company. All complaints, queries or comments received by Stock Exchange shall be forwarded to the Lead Manager, who shall respond to the same

Details of Key Intermediaries pertaining to this Issue and Our Company:

LEAD MANAGER OF THE ISSUE

BEELINE CAPITAL ADVISORS PRIVATE LIMITED
B/1311-1314, Shilp Corporate Park Near Rajpath Club,
Rajpath Rangoli Road, Sarkhej - Gandhinagar Hwy,
Ahmedabad, Gujarat 380054
Tel. No.: +91-79-48407357
Email: mb@beelinemb.com
Website: www.beelinemb.com
Investor Grievance Email: ig@beelinemb.com
Contact Person: Mr. Nikhil Shah
SEBI Registration No.: INM000012917

LEGAL ADVISOR TO THE ISSUE

ANA ADVISORS
118 Shila Vihar, Gokulpura, Kalwar Road
Jhotwara, Jaipur-302012
Email Id: anaadvisors22@gmail.com
Tel No.: +91-9887906529
Contact Person: Kamlesh Kumar Goyal

REGISTRAR TO THE ISSUE

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
D-153A, 1st Floor, Okhla Industrial Area
Phase-I, New Delhi – 110020, India
Tel. No.: 011-40450193-197
Fax No.: 011-26812683
Email: ipo@skylinerta.com
Website: www.skylinerta.com
Investor Grievance Email: grievances@skylinerta.com
Contact Person: Mr. Anuj Kumar
SEBI Registration No.: INR000003241

BANKERS TO THE COMPANY

HDFC Bank Limited
Jardine House, 4 Clive Row,
Kolkata, West Bengal – 700001
Tel. No.: +91-7028599643
Email: arvindk.gupta@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Arvind Gupta
Designation: Relationship Manager

AXIS Bank Limited
Corporate Baning Branch, AC Market Building
3rd Floor, Shakespeare Sarani, Kolkata - 700071
Tel. No.: +91-033-670144000
Email Id – debapriyo.bhattacharyya@axisbank.com
Website – www.axisbank.com
Contact Details – Debapriyo Bhattacharyya
Designation – Assistance Vice President

Kotak Mahindra Bank Limited
5th Floor, Block C, 22 Camac Street,
Kolkata – 700016
Tel. No. - +91-9709183899
Email Id – rohit.singh4@kotak.com
Website – www.kotak.com
Contact Details – Rohit Singh
Designation – Associate Vice President

STATUTORY AUDITOR OF THE COMPANY

M/s. A A A J & Associates, Chartered Accountants
(Formerly known as Uttam Agarwal & Associates)
115, Cotton Street, 1st Floor,
Kolkata- 700007, West Bengal, India
Mobile No.: +91 93310000711
Email: deepakagarwal20002001@yahoo.com
Contact Person: Deepak Agarwal

Membership No.: 061132
Firm Registration No.: 322455E

PEER REVIEW AUDITOR OF THE COMPANY

M/S. A Y & CO., Chartered Accountants
505, Fifth Floor, ARG Corporate Park
Ajmer Road, Gopal Bari, Jaipur – 302006,
Rajasthan, India
Tel No.: +91 0141-4037257; +91-9649687300
Email: info@aycompany.co.in
Contact Person: Mr. Arpit Gupta
Membership No.: 421544
Firm Registration No.: 020829C
Peer Review Registration No. – 011177

M/s A Y & CO., Chartered Accountants hold a peer review certificate dated July 15, 2021 issued by the Institute of Chartered Accountants of India

BANKERS TO THE ISSUE AND REFUND BANKER/SPONSOR BANK

HDFC Bank Limited
SEBI Registeration Number – INBI00000063
FIG-OPS Department – Lodha, I Think Techno Campus O-3 Level,
Next to Kanjurmarg Railway Station, Kanjurmarg (East)
Mumbai, Maharashtra-400042, India
Tel: +91 22 30752927/28/2914
E-mail: Siddharth.jadhav@hdfcbank.com, eric.bacha@hdfcbank.com, sachin.gawade@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Siddharth Jadhav, Eric Bacha, Sachin Gawade

STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since Beeline Capital Advisors Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not required.

SELF CERTIFIED SYNDICATE BANKS ("SCSBS") AND SYNDICATE SCSB BRANCHES

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on www.sebi.gov.in/pmd/scsb.pdf For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time

INVESTORS BANKS OR ISSUER BANKS FOR UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yesandintmId=40. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above-mentioned SEBI link.

REGISTERED BROKERS

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the NSE at www.nseindia.com, as updated from time to time.

REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at www.nseindia.com, as updated from time to time and on SEBI website at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at www.nseindia.com, as updated from time to time and SEBI website at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18; https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=4

BROKERS TO THE ISSUE

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

CREDIT RATING

This being an Issue of Equity Shares, credit rating is not required.

IPO GRADING

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

DEBENTURE TRUSTEES

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

TRUSTEES

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

MONITORING AGENCY

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10000.00 Lakhs.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Prospectus.

APPRAISING ENTITY

No appraising entity has been appointed in respect of any objects of this Issue

FILING OF OFFER DOCUMENT

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

The Draft Prospectus/ Prospectus are being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata-700020, West Bengal, India.

EXPERTS OPINION

Except for the reports in the section "Financial Information of our Company" and "Statement of Possible Tax Benefits" on page 142 and page 80 of this Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditor for inclusion of their name. However, the term "expert" shall not be construed to mean an "expert"" as defined under the U.S. Securities Act 1933.

WITHDRAWAL OF THE ISSUE

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

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

If our Company withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

UNDERWRITING

The Company and the Lead Manager to the issue hereby confirm that the issue is 100% Underwritten by Beeline Capital Advisors Private Limited in the capacity of Underwriter to the issue.

Pursuant to the terms of the Underwriting Agreement dated September 20, 2023 entered into by Company and Underwriter – Beeline Capital Advisors Private Limited, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakh)	% of Total Issue Size Underwritten
BEELINE CAPITAL ADVISORS PRIVATE LIMITED **SEBI Registration Number:** INM000012917 **Address:** B 1311-1314, Thirteenth Floor, Shilp Corporate Park, Rajpath Rangoli Road, Thaltej, Ahmedabad- 380054, Gujarat, India. **Telephone Number:** +91 7948407357 **Email Id:** mb@beelinemb.com	32,99,200 Equity Shares of ₹ 10/- being Issued at ₹76/- each	₹2507.39	100.00%

Investors Grievance Id: ig@beelinemb.com **Website:** www.beelinemb.com **Contact Person:** Mr. Nikhil Shah **CIN:** U67190GJ2020PTC114322			

**Includes 1,66,400 Equity shares of Rs.10.00 each for cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.*

As per Regulation 260(2) of SEBI (ICDR) Regulations, the Lead Manager has agreed to underwrite to a minimum extent of Issue out of its own account.

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

CHANGES IN AUDITORS DURING LAST THREE YEARS

Our Company has appointed M/s A A A J & Associates (formerly known as Uttam Agarwal & Associates), Chartered Accountants as its first statutory auditors on April 20, 2022. Further we have appointed A Y & Company as Peer Review Auditor for Restatement of Financial Statement on June 17, 2023.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated September 20, 2023 with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

Name	Spread X Securities Private Limited
Correspondence Address:	B-1309, Shilp Corpoarte Park, Nr. Rajpath Club, Rajpath Rangoli Road, S.G. Highway, Ahmedabad – 380054, Gujarat, India
Tel No.:	079-69072020
E-mail:	info@spreadx.in
Website:	www.spreadx.in
Contact Person:	Mr. Nikhil Shah
SEBI Registration No.:	IN2000310930

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of NSE (NSE EMERGE) and SEBI from time to time
3. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is 1,600 equity shares; however, the same may be changed by the SME Platform of NSE from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
6. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE from time to time.
7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.

8. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
9. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
10. 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.
11. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
12. 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.
13. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.
    In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.
14. Risk containment measures and monitoring for Market Makers: NSE SME Exchange will have all margins, which are applicable on the NSE 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.
15. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by exchange from time to time.
16. **Punitive Action in case of default by Market Makers:** NSE SME Exchange 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.
17. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

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

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.

SECTION VI – CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of the Prospectus and after giving effect to this Issue, is set forth below:

Amount (Rs. in Lakhs, except share data)

Sr. No.	Particulars	Aggregate nominal Value	Aggregate Value at Issue Price
A	**Authorized Share Capital** 2,50,00,000 Equity Shares having Face Value of Rs 10/- each	2500.00	-
B	**Issued, Subscribed & Paid-up Share Capital before the Issue** 91,00,300 Equity Shares having Face Value of Rs.10/- each fully paid up before the Issue.	910.03	-
C	**Present Issue in terms of the Prospectus** Issue of 32,99,200 Equity Shares having Face Value of Rs.10/- each at a price of Rs. 76/- per Equity Share.	329.92	2507.39
	Which Comprises		
I.	**Reservation for Market Maker portion** 1,66,400 Equity Shares of Rs. 10/- each at a price of Rs. 76/- per Equity Share reserved as Market Maker Portion	16.64	126.46
II.	**Net Issue to the Public** Net Issue to Public of 31,32,800 Equity Shares of Rs. 10/- each at a price of Rs. 76/- per Equity Share to the Public	313.28	2380.93
	of which[(2)]		
	15,66,400 Equity Shares of Rs. 10/- each at a price of Rs.76/- per Equity Share will be available for allocation for Investors of up to Rs. 2.00 lakhs	156.64	1190.46
	15,66,400 Equity Shares of Rs. 10/- each at a price of Rs.76/-per Equity Share will be available for allocation for Investors of above Rs. 2.00 lakhs	156.64	1190.46
D	**Issued, Subscribed and Paid-up Equity Share capital after the Issue** 1,23,99,500 Equity Shares of Rs. 10/- each	1239.95	-
E	**Securities Premium Account** Before the Issue After the Issue	NIL 2177.47*	

(1) The Present Issue of Equity Shares in terms of Prospectus has been authorized pursuant to a resolution of our Board of Directors dated January 20, 2023 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of the members held on March 31, 2023.

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

**The amount disclosed is prior to deduction of Issue expenses.*

Class of Shares

As on the date of Prospectus Our Company has only one class of share capital i.e. Equity Shares of Rs.10/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Prospectus.

Details of changes in Authorized Share Capital of our Company:

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

a) The initial Authorized share capital of our Company was ₹2500.00 Lakh (Twenty-Five Crores) divided into 2,50,00,000 (Two Crore Fifty Lakhs) Equity Shares of ₹10/- each at the time of Incorporation of Company.

Notes to Capital Structure

1. Equity Share Capital History of our Company:

(a) The history of the equity share capital and the securities premium account of our company are set out in the following table:-

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Share Capital (Rs.)	Cumulative Securities Premium (Rs.)
On Incorporation *	35,00,000	10	10	Cash	Subscription to MOA(i)	35,00,000	3,50,00,000	Nil
October 12, 2022^	10,50,150	10	60	Cash	Right Issue (ii)	45,50,150	4,55,01,500	5,25,07,500
December 21, 2022#	45,50,150	10	-	Other than Cash	Bonus Issue(iii)	91,00,300	9,10,03,000	70,06,000

*Shares were subscribed to Initial Subscriber to Memorandum of Association on April 13, 2022.
^ Conversion of Unsecured loan of Shareholders (Erstwhile Partners) generated on conversion of Firm into Company.
#Bonus issue of 45,50,150 equity shares in the ratio of 1:1 dated December 21, 2022 has been issued by Capitalization of Reserve & Surplus of the Company.

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

Notes:

(i) Initial Subscribers to the Memorandum of Association subscribed 3500000 Equity Shares of Face Value of Rs. 10/- each, details of which are given below:

S. No.	Names of Person	Number of Shares Allotted
1.	Niranjan Mundhra	11,66,500
2.	Shiv Shankar Mundhra	11,66,500
3.	Mahesh Kumar Mundhra	11,66,500
4.	Jagdish Prasad Mundhra	100
5.	Saroj Mundhra	100
6.	Poonam Mundhra	100
7.	Priyanka Mundhra	100
8.	Kirti Mundhra	100
	Total	**35,00,000**

(ii) Right Issue of 10,50,150 Equity Shares of Face Value of Rs. 10/- each fully paid at Issue Price of Rs.60/- per equity share. The details of which is as under:

S. No.	Names of Person	Number of Shares Allotted
1.	Niranjan Mundhra	3,50,000
2.	Shiv Shankar Mundhra	3,50,000
3.	Mahesh Kumar Mundhra	3,50,000
4.	Jagdish Prasad Mundhra	30
5.	Saroj Mundhra	30
6.	Poonam Mundhra	30
7.	Priyanka Mundhra	30
8.	Kirti Mundhra	30
	Total	**10,50,150**

(iii) Bonus allotment of 45,50,150 Equity Shares of Face Value of Rs. 10/- each fully paid in the ratio of 1:1 i.e., 1Bonus Equity Shares for each equity share held:

S. No.	Names of Person	Number of Shares Allotted
1.	Niranjan Mundhra	15,16,500
2.	Shiv Shankar Mundhra	15,16,500
3.	Mahesh Kumar Mundhra	15,16,500
4.	Jagdish Prasad Mundhra	130
5.	Saroj Mundhra	130
6.	Poonam Mundhra	130
7.	Priyanka Mundhra	130
8.	Kirti Mundhra	130
	Total	**45,50,150**

b) As on the date of the Prospectus, our Company does not have any preference share capital.

2. Issue of Equity Shares for consideration other than cash

Except as disclosed below, we have not issued any Equity Shares for consideration other than cash.

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
December 21, 2022	45,50,150	10.00	--	Other than Cash – Bonus Issue	Capitalization of Reserves	Mr. Niranjan Mundhra	1516500
						Mr. Shiv Shankar Mundhra	1516500
						Mr. Mahesh Kumar Mundhra	1516500
						Mr. Jagdish Prasad Mundhra	130
						Mrs. Saroj Mundhra	130
						Mrs. Poonam Mundhra	130
						Mrs. Priyanka Mundhra	130
						Mrs. Kirti Mundhra	130

3. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

4. No Equity Shares have been allotted pursuant to any scheme approved under section of 230-234 of Companies Act 2013.

5. As on the date of the Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.

6. The Issue Price shall be decided by our Company in consultation with the Lead Manager, except as disclosed below, we have not issued any Equity Shares at price below issue price within last one year from the date of this Prospectus.

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Whether part of Promoter Group	Allottees	No. of Shares Allotted
December 21, 2022	45,50,150	10.00	--	Bonus Issue	Yes	Mr. Niranjan Mundhra	1516500
					Yes	Mr. Shiv Shankar Mundhra	1516500
					Yes	Mr. Mahesh Kumar Mundhra	1516500
					Yes	Mr. Jagdish Prasad Mundhra	130
					Yes	Mrs. Saroj Mundhra	130
					Yes	Mrs. Poonam Mundhra	130
					Yes	Mrs. Priyanka Mundhra	130
					Yes	Mrs. Kirti Mundhra	130

7. Our Shareholding Pattern

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

I – Summary of Shareholding Pattern:-

Category	Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in 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 Share s held (b)	
								Class Equity Share	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX			X	XI=VII+X	XII		XIII		XIV
(A)	Promoter & Promoter Group	8	91,00,300	-	-	91,00,300	100.00	91,00,300	91,00,300	100.00	-	100.00	91,00,300	100.00	-		91,00,300
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
I	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
	Total	**8**	**91,00300**	**-**	**-**	**91,00,300**	**100.00**	**91,00,300**	**91,00,300**	**100.00**	**-**	**100.00**	**91,00,300**	**100.00**	**-**		**91,00,300**

**As on date of this Prospectus 1 Equity share holds 1 vote.*

^ We have only one class of Equity Shares of face value of Rs. 10/- each.

Table II - Statement showing shareholding pattern of the Promoters and Promoters' Group

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting (XIV) Rights			Total as a % of (A+B+C)							
								Class eg: X	Class eg: y	Total				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
	Indian																	
(a)	Individuals/Hindu undivided Family																	
1.	Mr. Niranjan Mundhra	1	30,33,000	-	-	30,33,000	33.33	30,33,000	-	30,33,000	33.33	-	33.33	30,33,000	33.33	-	-	30,33,000
2.	Mr. Shiv Shankar Mundhra	1	30,33,000	-	-	30,33,000	33.33	30,33,000	-	30,33,000	33.33	-	33.33	30,33,000	33.33	-	-	30,33,000
3.	Mr. Mahesh Kumar Mundhra	1	30,33,000	-	-	30,33,000	33.33	30,33,000	-	30,33,000	33.33	-	33.33	30,33,000	33.33	-	-	30,33,000
4.	Mr. Jagdish Prasad Mundhra	1	260	-	-	260	0.00	260	-	260	0.00	-	0.00	260	0.00	-	-	260
5.	Mrs. Saroj Mundhra	1	260	-	-	260	0.00	260	-	260	0.00	-	0.00	260	0.00	-	-	260
6.	Mrs. Poonam Mundhra	1	260	-	-	260	0.00	260	-	260	0.00	-	0.00	260	0.00	-	-	260
7.	Mrs. Priyanka Mundhra	1	260	-	-	260	0.00	260	-	260	0.00	-	0.00	260	0.00	-	-	260
8.	Mrs. Kirti Mundhra	1	260	-	-	260	0.01	260	-	260	0.01	-	0.01	260	0.01	-	-	260
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other – Body Corporate M/s Reliable Data Services Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	8	91,00,300	-	-	91,00,300	100.00	91,00,300	-	91,00,300	100.00	-	100.00	91,00,300	100.00	-	-	91,00,300
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoters and Promoters' Group (A)=(A)(1)+(A)(2)	8	91,00,300	-	-	91,00,300	100.00	91,00,300	-	91,00,300	100.00	-	100.00	91,00,300	100.00	-	-	91,00,300
	Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A																	

Table III - Statement showing shareholding pattern of the Public shareholder

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting (XIV) Rights			Total as a % of (A+B+C)							
								Class eg: X	Class eg: y	Total				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(1)	**Institutions**																	
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	**Non-institutions**																	

(a(i))	Individuals - i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a(ii))	Individuals - ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): - N.A																	
	Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A.																	

Table IV - Statement showing shareholding pattern of the Non-Promoter- Non Public shareholder

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting (XIV) 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 eg: X	Class eg: y	Total								
(1)	Custodian/DR Holder - Name of DR Holders (If Available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

8. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Prospectus are:

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Niranjan Mundhra	30,33,000	33.33
2.	Mr. Shiv Shankar Mundhra	30,33,000	33.33
3.	Mr. Mahesh Kumar Mundhra	30,33,000	33.33
	Total	**90,99,000**	**99.99**

9. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two year prior as on the date of this Prospectus are:

Not Applicable as our company was incorporated on April 13, 2022**.**

10. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company one year prior as on the date of this Prospectus are:

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Niranjan Mundhra	11,66,500	33.33
2.	Mr. Shiv Shankar Mundhra	11,66,500	33.33
3.	Mr. Mahesh Kumar Mundhra	11,66,500	33.33
	Total	**34,99,500**	**99.99**

11. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company ten days prior as on the date of this Prospectus are:

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Niranjan Mundhra	30,33,000	33.33
2.	Mr. Shiv Shankar Mundhra	30,33,000	33.33
3.	Mr. Mahesh Kumar Mundhra	30,33,000	33.33
	Total	**90,99,000**	**99.99**

12. Except as disclosed below, no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of the Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre- issue share capital of our Company.

S. No.	Name of Shareholders	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
1.	Mr. Niranjan Mundhra	On incorporation	Promoter & Managing Director	11,66,500	--	Subscription to MOA
2.	Mr. Shiv Shankar Mundhra		Promoter & Whole-time Director	11,66,500	--	Subscription to MOA
3.	Mr. Mahesh Kumar Mundhra		Promoter & Whole-time Director	11,66,500	--	Subscription to MOA
4.	Mr. Niranjan Mundhra	12.10.2022	Promoter & Managing Director	3,50,000	--	Right Issue
5.	Mr. Shiv Shankar Mundhra		Promoter & Whole-time Director	3,50,000	--	Right Issue
6.	Mr. Mahesh Kumar Mundhra		Promoter & Whole-time Director	3,50,000	--	Right Issue
7.	Mr. Niranjan Mundhra	21.12.2022	Promoter & Managing Director	15,16,500	--	Bonus Issue
8.	Mr. Shiv Shankar Mundhra		Promoter & Whole-time Director	15,16,500	--	Bonus Issue

9.	Mr. Mahesh Kumar Mundhra		Promoter & Whole-time Director	15,16,500	--	Bonus Issue

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

Name	Designation	No. of Equity Shares held
Mr. Niranjan Mundhra	Chairman cum Managing Director	30,33,000
Mr. Shiv Shankar Mundhra	Whole-time Director	30,33,000
Mr. Mahesh Kumar Mundhra	Whole-time Director	30,33,000
Mrs. Kirti Mundhra	Non-Executive Director	260

14. Capital Build up in respect of shareholding of our Promoter:

As on date of the Prospectus, our promoters Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Mundhra holds 90,99,000 Equity Shares constituting 99.99% of the issued, subscribed and paid-up Equity Share capital of our Company. None of the Equity Shares held by our Promoter are subject to any pledge.

Date of Allotment and made fully paid up /transfer	Nature of Issue	No. of Equity Shares	Face Value Per Share (₹)	Issue /Acquisition / Transfer Price per Equity Share (₹)*	Pre-Issue Shareholding %	Post-Issue Shareholding %	Source of Funds
Mr. Niranjan Mundhra							
April 13, 2022	On Incorporation	11,66,500	10	10.00	12.82	9.41	Own fund
October 12, 2022	Right Issue	3,50,000	10	60.00	3.85	2.82	Own fund
December 21, 2022	Bonus Issue	15,16,500	10	--	16.66	12.23	--
Total (A)		**30,33,000**			**33.33**	**24.46**	
Mr. Shiv Shankar Mundhra							
April 13, 2022	On Incorporation	11,66,500	10	10.00	12.82	9.41	Own fund
October 12, 2022	Right Issue	3,50,000	10	60.00	3.85	2.82	Own fund
December 21, 2022	Bonus Issue	15,16,500	10	--	16.66	12.23	--
Total (B)		**30,33,000**			**33.33**	**24.46**	
Mr. Mahesh Kumar Mundhra							
April 13, 2022	On Incorporation	11,66,500	10	10.00	12.82	9.41	Own fund
October 12, 2022	Right Issue	3,50,000	10	60.00	3.85	2.82	Own fund
December 21, 2022	Bonus Issue	15,16,500	10	--	16.66	12.23	--
Total (C)		**30,33,000**			**33.33**	**24.46**	
Total (A+B+C)		**90,99,000**			**99.99**	**73.38**	

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

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Mr. Niranjan Mundhra	30,33,000	10.77
Mr. Shiv Shankar Mundhra	30,33,000	10.77
Mr. Mahesh Kumar Mundhra	30,33,000	10.77

*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 10/- each.

16. There are no Equity Shares purchased/acquired or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within six months immediately preceding the date of filing of the Prospectus.

17. Details of the Pre and Post Issue Shareholding of our Promoter and Promoter Group as on the date of the Prospectus is as below: -

S. No	Names	Pre-Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	Promoter				
1.	Mr. Niranjan Mundhra	30,33,000	33.33	30,33,000	24.46
2.	Mr. Shiv Shankar Mundhra	30,33,000	33.33	30,33,000	24.46
3.	Mr. Mahesh Kumar Mundhra	30,33,000	33.33	30,33,000	24.46
	TOTAL (A)	**90,99,000**	**99.99**	**90,99,000**	**73.38**
	Promoter Group				
1.	Mr. Jagdish Prasad Mundhra	260	0.00	260	0.00
2.	Mrs. Saroj Mundhra	260	0.00	260	0.00
3.	Mrs. Poonam Mundhra	260	0.00	260	0.00
4.	Mrs. Priyanka Mundhra	260	0.00	260	0.00
5.	Mrs. Kirti Mundhra	260	0.01	260	0.01
	TOTAL (B)	**1,300**	**0.01**	**1,300**	**0.01**
	GRAND TOTAL (A+B)	**91,00,300**	**100.00**	**91,00,300**	**73.39**

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

Date of Allotment / transfer of fully paid up Shares	Date when made Fully paid up	Nature of Allotment/ Acquired/Transfer	No. of shares Allotted/ Acquired Transferred	Face Value (Rs.)	Issue Price/ Transfer Price (Rs.)	% of Pre Issue Shareholding	% of Post Issue Shareholding	Lock in Period
Mr. Niranjan Mundhra								
December 21, 2022	December 21, 2022	Bonus Issue	8,50,000	10.00	--	9.34	6.86	3 Years
Mr. Shiv Shankar Mundhra								
December 21, 2022	December 21, 2022	Bonus Issue	8,50,000	10.00	--	9.34	6.86	3 Years
Mr. Mahesh Kumar Mundhra								
December 21, 2022	December 21, 2022	Bonus Issue	8,50,000	10.00	--	9.34	6.86	3 Years
		Total	**25,50,000**			**28.02**	**20.57**	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 236 of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

No Equity Shares proposed to be locked-in as Minimum Promoter Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

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

Our Promoters, Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Mundhra have, by a written undertaking, consented to have 25,50,000 Equity Shares held by him to be locked in as Minimum Promoter Contribution for a period of three years from the date of allotment in this Issue and will not be disposed/sold/transferred by the promoter during the period starting from the date of filing this Prospectus with SME Platform of NSE till the date of commencement of lock-in period as stated in this Prospectus. The Equity Shares under the Promoters contribution will constitute 20.57 % of our post-Issue paid up share capital.

Our Promoter has also consented that the Promoters contribution under Regulation 236 of the SEBI ICDR Regulations will not be less than 20% of the post Issue paid up capital of our Company.

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

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237 (1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter's contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. **Hence Eligible**
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. **Hence Eligible**
237 (1) (b)	Specified securities acquired by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer.	The minimum Promoter's contribution does not consist of such Equity Shares. **Hence Eligible.**
237 (1) (c)	Specified securities allotted to the promoters and alternative investment funds during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management	The minimum Promoter's contribution does not consist of such Equity Shares. **Hence Eligible.**
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoter's has not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. **Hence Eligible.**

Details of Share Capital Locked in For One Year

In terms of Regulation 236 and 237 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for 3 (three) years, as specified above, the entire pre-issue equity share capital held by promoters and entire pre-issue capital held by persons other than promoters of our Company i.e. Promoter Group members 65,50,300 Equity Shares shall be locked in for a period of 1 (one) year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription **'non-transferable'** along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

Other requirements in respect of lock-in:

a) In terms of Regulation 242 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.

b) In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

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

20. Neither, we nor our Promoter, Directors and the Lead Manager to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.

21. As on the date of filing of the Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person, any option to acquire our Equity Shares after this Initial Public Offer.

22. As on the date of the Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.

23. Our Company has not raised any bridge loan against the proceeds of the Issue.

24. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.

25. As on the date of the Prospectus, none of the shares held by our Promoter / Promoters Group are subject to any pledge.

26. The Lead Manager i.e. Beeline Capital Advisors Private Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of the Prospectus.

27. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares Issued have been listed or application moneys refunded on account of failure of Issue.

28. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments

29. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.

30. An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue. In such an event, the Equity Shares held by the Promoter is used for allotment and lock- in for three years shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

31. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

32. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.

33. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.

34. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.

35. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

36. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.

37. As on the date of the Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.

38. There are no Equity Shares against which depository receipts have been issued.

39. Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of the Prospectus.

40. We have 8 (eight) Shareholders as on the date of filing of the Prospectus.

41. There are no safety net arrangements for this Public Issue.

42. Our Promoter and Promoter Group will not participate in this Issue.

43. This Issue is being made through Fixed Price method.

44. Except as disclosed in the Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of the Prospectus.

45. No person connected with the Issue shall issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

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

SECTION VII - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue includes a public Issue of 32,99,200 Equity Shares of our Company at an Issue Price of ₹76/- per Equity Share

The Fresh Issue

The Net Proceeds from the Fresh Issue will be utilized towards the following objects:

1. To Meet Working Capital Requirement
2. General Corporate Purpose
3. To Meet the Issue Expenses

*(Collectively referred as the **"objects")***

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

The main objects clause of our Memorandum of Association (MOA) enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association (MOA).

Requirement of Funds: -

The details of the proceeds from the Fresh Issue are provided in the following table:

Particulars	Amt. (₹ in Lakhs)
Gross Issue Proceeds	2507.39
Less: Public Issue Related Expenses	50.00
Net Issue Proceeds*	**2457.39**

Utilisation of Funds: -

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

S. No	Particulars	Amt. (₹ in Lakhs)*	% of Total Size*
1.	To Meet Working Capital Requirement	2000.00	79.76
2.	General Corporate Expenses#	457.39	18.24
Net Issue Proceeds		**2457.39**	**98.01**

 # the amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Issue.

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

Particulars	Amt. (₹ in Lakhs)
Net Proceeds	2457.39
Total	**2457.39**

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

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 the light of changes in external circumstances or costs or other financial conditions and other external factors.

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

We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Prospectus.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 22 of the Prospectus.

Details of Use of Issue Proceeds:

1. To Meet Working Capital Requirement

The Business of the Company is working capital intensive; hence it will meet the requirement to the extent of Rs.2000 Lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirements of the business. Details of Estimation of Working Capital requirement are as follows:

(₹ In Lakhs)

S. No.	Particulars	(Restated) 31.03.2021	(Restated) 31.03.2022	(Restated) 01-04-2022 to 12-04-2022	(Restated) 31.03.2023	Provisional 31.03.2024	Projected 31.03.2025
I	**Current Assets**						
	Trade receivables	1677.23	2700.68	3098.43	4021.51	4966.02	5747.98
	Inventories	1129.09	2762.48	2670.04	4853.66	5410.73	6066.21
	Cash and cash equivalents	78.58	6.59	2.77	155.20	120.51	144.49
	Short term loan & Advances	8.24	70.75	98.79	71.26	66.10	71.23
	Other Current Assets	90.14	279.46	277.49	757.14	809.65	495.25
	Total(A)	**2983.26**	**5819.96**	**6147.42**	**9858.76**	**11373.01**	**12525.16**
II	**Current Liabilities**						
	Trade payables	1059.74	1542.65	1619.35	2564.29	3350.62	3350.62
	Short Term Provisions	5.24	223.33	235.03	260.55	460.85	635.55
	Other Current Liabilities	38.75	65.08	31.96	181.91	154.62	154.32
	Total (B)	**1103.73**	**1831.05**	**1886.34**	**3006.75**	**3966.09**	**4140.49**
III	**Total Working Capital Gap (A-B)**	**1879.53**	**3988.91**	**4261.18**	**6852.01**	**7406.92**	**8384.67**
IV	Funding Pattern						
	Short term borrowing & Internal Accruals	**1879.53**	**3988.91**	**4261.18**	**6852.01**	**5406.92**	**7384.67**
	IPO Proceeds					**2000.00**	

Key assumptions for working capital projections made by the Company:

Holding Period:

Particulars	31.03.2021 (Restated)	31.03.2022 (Restated)	31.03.2023 (Restated)	31.03.2024 (Provisional)	31.03.2025 (Projected)
Inventories (in days)	64	85	102	81	67
Trade Receivables (in days)	129	100	118	106	99
Trade Payable (in days)	156	90	122	97	107

Justification/assumptions for the working capital requirement is as follows:

Particulars	Justification for 31.03.2024 & 31.03.2025
Inventories (in days)	Inventories is estimated to be 81 and 67 days. This estimation is based on Inventory holding period cycle of previous financial year FY 2022-23 and to streamline Inventory

	holding period. Further the Company will follow the better inventory management policy to avoid wastage and to sustain the fashion trend as per industry practice.
Trade Receivables (in days)	Trade receivables are amount owed to Company by customers following sale of goods on credit. Our Company has estimated average trade receivable cycle to be 106 and 99 days to meet expected turnover for FY 2023-24 and 2024- 25. Further going forward the Company Expects the trade receivables days to stay in the current range considering the scale of operations and in line with the industry practice
Trade Payable (in days)	Trade payables are amount to be paid to suppliers by company following purchase of raw material on credit. Our Company has estimated average trade payable cycle to be 97 and 107 days for FY 2023-24 and FY 2024-25, respectively. We assume going forward, the payables to be in the range 97-107 considering the expected collections from customer will improve and have a corresponding impact on the trade payables as per the industry practice in which the Company operates.

Justification of increase in working capital requirement:

The Increase in working capital requirement for FY 2023 as compared to FY 2022 was due to following reasons:

- The Turnover was increased from ₹9880.93 Lakhs in FY 2022 to ₹13095.95 Lakhs in FY 2023 which is primary factor for increase in working capital requirement.
- Secondly, increase in Cash and Cash equivalents to maintain liquidity in business for purchasing raw material at reasonable prices.
- Balance with Revenue Authority under other current assets increases substantially with regard to increase in sales and scale of operations. The increase is due to increase in export sales and inventory holding period, the GST Credit, Duty Drawback and ROSCTL (Rebate of State and Central Taxes and Levies) Receivables has been increased for the FY 2022-23. Further the company has increased profit in the year 2022-23, for the reason the company has deposited advance tax with income tax department as per the provision of the Income Tax Act, 1961.
- Increase in Trade Receivables from ₹2700.68 Lakhs in FY 2022 to ₹4021.51 Lakhs in FY 2023 effect the requirement of working capital.
- Substantial increase in Inventory from ₹2762.48 Lakhs in FY 2022 to ₹4853.66 Lakhs in FY 2023 due to ongoing orders in hand. Also the inventory holding period increased from FY 2022 to FY 2023.
- The Debtor holding period increases from 100 days to 118 days which leads to delay in realisation from debtors and increase in requirement of working capital.

We are currently engaged in the business of Kids Wear & Garments. Our clients mostly consist of B2B segment due to which we require additional working capital to retain them. Further to increase the revenue we need higher working capital as our expected trade receivable cycle will be 106 & 99 days for the F.Y. ending on 2024 & 2025 respectively & this will required addition working capital to keep running our operations regularly. We also purchase from original manufacturer on advance payment in order to avail discount which generates cash outflow requiring higher working capital requirement.

2. General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating Rs. 457.39 Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

3. Public Issue Expenses: -

The estimated Issue related expenses include Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. 50.00 Lakhs which is 1.99 % of the Issue Size. All the Issue related expenses shall be proportionately met out from proceeds of the Issue as per applicable laws. The break-up of the same is as follows:

Particulars	Estimated expenses (Rs. In Lakhs) *	As a % of total estimated Issue related expenses*	As a % of the total Issue size*
Lead Manager Fees including underwriting commission	25.00	50.00	1.00
Brokerage, selling, commission and upload fees	1.00	2.00	0.04
Registrar to the issue	1.00	2.00	0.04
Legal Advisors	3.00	6.00	0.12
Advertising and Marketing expenses	2.50	5.00	0.10
Regulators including stock exchanges	5.00	10.00	0.20
Printing and distribution of issue stationery	1.50	3.00	0.06
Others, if any (market making, depositories, marketing fees, secretarial, peer review auditors, etc.)	11.00	22.00	0.44
Total Estimated Issue Expenses	**50.00**	**100.00**	**1.99**

Notes:

1. *Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:*
   Portion for RIIs 0.01% ^ or ₹ 100/- whichever is less ^ (exclusive of GST)
   Portion for NIIs 0.01% ^ or ₹ 100/- whichever is less ^ (exclusive of GST)
   ^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).
2. *The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.*
3. *Registered Brokers, will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.*
4. *SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs*
5. *Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.*
6. *Notwithstanding anything contained above the total processing / uploading / bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers, Sponsor Bank will not exceed ₹ 25,000/- (plus applicable taxes) and in case if the total uploading / bidding charges exceeds₹ 25,000/- (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.*

Proposed Schedule of Implementation:

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

S. No.	Particulars	Amount to be deployed and utilized in F.Y. 2023-24 (₹ In Lakhs)
1.	To Meet Working Capital Requirement	2000.00
2.	General Corporate Purpose	457.39
	Total	1457.39

* 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 Issue Proceeds in the subsequent Financial Years towards the Object.

Funds Deployed and Source of Funds Deployed:

Our Statutory Auditors **M/s. A A A J & Associates,** Chartered Accountants vide their certificate dated June 27, 2023 vide UDIN 23061132BGVABF8382 have confirmed that as on June 26, 2023 the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt. (₹ in Lakhs)*
Issue Expenses	6.03
Total	**6.03**

** Amount inclusive of applicable taxes.*

Sources of Financing for the Funds Deployed:

Our Statutory Auditors **M/s. A A A J & Associates**, Chartered Accountants vide their certificate dated June 27, 2023 UDIN 23061132BGVABF8382 have confirmed that as on June 26, 2023 the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt. (₹ in Lakhs)*
Internal Accruals	6.03
Total	**6.03**

** Amount inclusive of applicable taxes.*

Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based 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.

Shortfall of Funds

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

Bridge Financing Facilities

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

Monitoring Utilization of Funds

The Audit Committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

Interim Use of Proceeds

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.
Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

Variation in Objects

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

Other confirmations

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled "Risk Factors", the details about our Company under the section titled "Business Overview" and its financial statements under the section titled "Financial Information of our Company" beginning on page 22, page 95 and page 142 respectively of this Prospectus. The trading price of the EquityShares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company in consultation with the LM on the basis of the key business strengths of our Company. The face value of the Equity Shares is Rs. 10 and Issue Price is Rs.76.00 which is 7.60 times of the face value.

QUALITATIVE FACTORS

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled "Business Overview" beginning on page 95 of this Prospectus.

QUANTITATIVE FACTORS

Information presented below is derived from our Company's Restated Financial Statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic & Diluted Earnings per share (EPS), as restated:

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding after adjusting adjusted for the effects of all dilutive potential equity shares}}$$

S. No	Period	Basic & Diluted (₹)	Weights
1.	FY 2020-21	1.17	1
2.	FY 2021-22	6.49	2
	Weighted Average	**4.72**	**3**
	For the Period Ended on April 12, 2022	**0.37**	
	For the Period Ended on March 31, 2023	**9.66**	

Notes:

i. The figures disclosed above are based on the restated financial statements of the Company.

ii. The face value of each Equity Share is ₹10.00.

iii. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV of respective Consolidated and Standalone financials.

2. Price Earning (P/E) Ratio in relation to the Issue Price of ₹76/- per share:

$$\text{Price to Earnings Ratio(P/E)} = \frac{\text{Issue Price}}{\text{Restated Standalone /Consolidated Earnings Per Share}}$$

S. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23	7.57
2	P/E ratio based on the Weighted Average EPS	16.10

Industry PE

Particulars	P/E*
Highest	11.67
Lowest	8.91
Average	10.29

** Based on Peer Group Companies as presented in Point 5 below.*

3. Return on Net worth (RoNW)

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Standalone Profit After Tax attributable to Equity Shareholders}}{\text{Net Worth}} * 100$$

S. No	Period	RONW (%)	Weights
1	FY 2020-21	21.58	1
2	FY 2021-22	24.40	2
	Weighted Average	**23.46**	**3**
	For the Period Ended on April 12, 2022	**1.37**	
	For the Period Ended on March 31, 2023	**45.76**	

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

$$\text{Restated Net Asset Value per equity share (₹)} = \frac{\text{Restated Standalone Net Worth as at the end of the year}}{\text{Number of Equity Shares outstanding}}$$

Sr. No.	As at	NAV
1.	March 31, 2021	10.80
2.	March 31, 2022	53.17
3.	April 12, 2023	53.38
4.	March 31, 2023	19.85
5.	NAV after Issue	34.39
	Issue Price	76.00

5. Comparison of Accounting Ratios with Industry Peers

S. No.	Name of Company	Results Type	Face Value (₹)	EPS(₹)[3]	PE[4]	RoNW(%)	NAV per Share(₹)
1.	Karnika Industries Limited[1]	Standalone	10.00	9.66	7.57	45.76%	19.85
2.	S.P. Apparels Limited[2]	Standalone	10.00	36.02	8.91	12.62%	269.03
3.	Veekayem Fashion and Apparels Limited[2]	Standalone	10.00	3.44	11.67	4.68%	63.34

[1] Based on March 31, 2023 restated financial statements
2 Source: Based on Financial Results of Peer Group Companies for year ended March 31, 2023
3 Basic & Diluted Earnings per share (EPS) is calculated on weighted average number of shares after considering Bonus Issue of Shares.
4Price Earning (P/E) Ratio in relation to the Issue Price of ₹76/- per share.

6. The face value of our shares is ₹10.00 per share and the Issue Price is of ₹76/- per share which is 7.60 times of the face value.

7. The Issue Price has been determined by our Company in consultation with the Lead Manager and justified by our Company in consultation with the Lead Manager on the basis of above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment.

8. Key performance indicators:

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers. The KPIs disclosed below have been approved , by a resolution of our Audit Committee dated June 26, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Prospectus. Further, the KPIs herein have been certified by M/S. A Y & Company, Chartered Accountants, by their certificate dated June 26, 2023 having UDIN 23421544BGSQDE9361

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made

in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Key Performance Indicators of our Company.

(Rs in lakhs)

Key Financial Performance	March 31, 2023	April 12, 2022	March 31, 2022	March 31, 2021
Revenue from Operations (1)	12459.24	636.71	9880.93	4746.41
EBITDA (2)	1664.41	38.64	972.25	242.69
EBITDA Margin (3)	13.36	6.07	9.84	5.11
PAT	826.74	25.67	454.01	81.61
PAT Margin (4)	6.64	4.03	4.59	1.72

Notes:

(1) Revenue from operation means revenue from sales.
(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses
(3) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
(4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations

Explanation for KPI metrics

Key Financial Performance	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our Business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.

Operational KPI's of the Company:

Key Financial Performance	March 31, 2023	April 12, 2022	March 31, 2022	March 31, 2021
Revenue split between domestic and exports				
Domestic Market (in Lakhs)	10393.82	636.71	9870.49	4,746.41
Export Market (in Lakhs)	2,065.42	-	10.44	-
Domestic Market (%)	83.42%	100.00%	99.89%	100.00%
Export Market (%)	16.58%	-	0.11%	-
Contribution to revenue from operations of top 1 / 3 / 5/ 10 customers (Amount in Lakhs)				
Top 1	2197.22	103.07	2717.46	1278.72
Top 3	3748.75	213.85	4100.15	1961.59
Top 5	4782.35	275.19	4766.74	2308.66
Top 10	6788.67	392.59	6075.52	2961.94

Set forth below are the details of comparison of key performance of indicators with our listed industry peers:

We have listed peer Companies such as S.P. Apparels Limited and Veekayem Fashion and Apparels Limited, listed on the Indian Stock Exchanges, of which comparison of Key Performance Indicators as below:

(Amount in Lakhs)

Particulars	Karnika Industries Limited				S.P. Apparels Limited			Veekayem Fashion and Apparels Limited		
	March 31, 2023	April 12, 2022	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from	12459.24	636.71	9880.93	4746.41	93952.20	73508.70	53601.20	23509.53	14900.64	7655.73

Operation										
EBITDA	1664.41	38.64	972.25	242.69	17164.20	16378.30	10685.10	1358.31	1032.71	965.76
EBITDA Margin	13.36	6.07	9.84	5.11	18.27	22.28	19.93	5.78	6.93	12.61
PAT	826.74	25.67	454.01	81.61	9181.30	9143.50	4815.50	180.99	188.54	31.44
PAT Margin	6.64	4.03	4.59	1.72	9.77	12.44	8.98	0.77	1.27	0.41

Notes: (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements/ Annual Reports of the respected
(2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
(3) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income
(4) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
(5) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.
(6) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account

Weighted average cost of acquisition

a. **The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities):** There has been issuance of Equity Shares during the 18 months preceding the date of this Prospectus (Except Bonus Issue of Shares), where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

S.No.	Name of Allottees	Nature of Allotment	Number of Equity Shares Allotted	Face Value per Share	Issue Price per (in ₹)
1.	Niranjan Mundhra	On Incorporation	11,66,500	10.00	10.00
2.	Shiv Shankar Mundhra	On Incorporation	11,66,500	10.00	10.00
3.	Mahesh Kumar Mundhra	On Incorporation	11,66,500	10.00	10.00
4.	Niranjan Mundhra	Right Issue	3,50,000	10.00	60.00
5.	Shiv Shankar Mundhra	Right Issue	3,50,000	10.00	60.00
6.	Mahesh Kumar Mundhra	Right Issue	3,50,000	10.00	60.00

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

c. Since there are transactions to report to under (a) therefore, information based on last 5 secondary transactions (primary transactions where Promoter / Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this Red Herring Prospectus irrespective of the size of transactions is not required.

Weighted average cost of acquisition on issue price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Issue Price
Weighted average cost of acquisition of primary / new issue as per paragraph a above.	21.54	76.00

Weighted average cost of acquisition for secondary sale / acquisition as per paragraph b above.	NA	NA
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above	NA	NA

Investors should read the above-mentioned information along with section titled "Business Overview", "Risk Factors" and "Financial Information of our Company" beginning on page 95, 22 and 142 respectively including important profitability and return ratios, as set out in chapter titled "Other Financial Information" on page 176 of this Prospectus to have a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors,
Karnika Industries Limited
6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah,
Howrah, West Bengal-711106, India.

Dear Sir,

Subject - Statement of possible tax benefits ("the statement") available to Karnika Industries 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 (Issue of Capital Disclosure Requirements) Regulations, 2018.

REFERENCE - PROPOSED INITIAL PUBLIC OFFER OF KARNIKA INDUSTRIES LIMITED ("ISSUER")

We hereby confirm that the enclosed Annexure 1 and 2 (together "the Annexures"), prepared by Karnika Industries 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 2023, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), as amended by the Finance Act 2023, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, 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.

1. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are 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.

2. We do not express any opinion or provide any assurance as to whether:
   i) the Company or its shareholders will continue to obtain these benefits in future;
   ii) the conditions prescribed for availing the benefits have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

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

4. No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.

5. 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.

6. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

FOR, A Y & COMPANY
(CHARTERED ACCOUNTANTS)

CA ARPIT GUPTA
(PARTNER)
M.NO.:421544
FRN NO.:020829C
UDIN: 23421544BGSQDF1811

PLACE: KOLKATA
DATE: 26.06.2023

ANNEXURE 1 TO THE STATEMENT OF 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 Act.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER - The Shareholders of the Company are not entitled to any special tax benefits under the Act

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

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.

ANNEXURE 2 TO THE STATEMENT OF TAX BENEFITS

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

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER - The Shareholders of the Company are not entitled to any special tax benefits under the GST Act

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant indirect tax law benefits and does not cover any direct tax law benefits or benefit under any other law.

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.

SECTION VIII – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from 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, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

GLOBAL OUTLOOK

A Rocky Recovery

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks−most notably, the COVID-19 pandemic and Russia's invasion of Ukraine−manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multidecade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

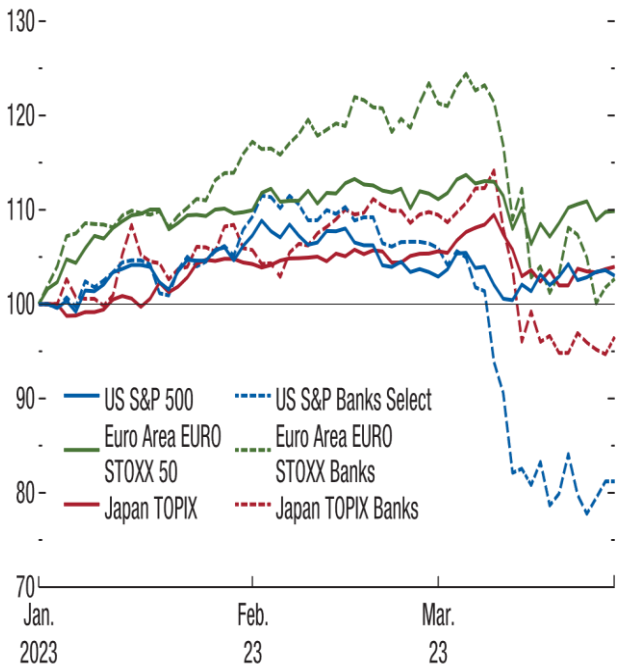
Although telegraphed by central banks, the rapid rise in interest rates and anticipated slowing of economic activity to put inflation on a downward path have, together with supervisory and regulatory gaps and the materialization of bank-specific risks, contributed to stresses in parts of the financial system, raising financial stability concerns. Banks' generally strong liquidity and capital positions suggested that they would be able to absorb the effects of monetary policy tightening and adapt smoothly. However, some financial institutions with business models that relied heavily on a continuation of the extremely low nominal interest rates of the past years have come under acute stress, as they have proved either unprepared or unable to adjust to the fast pace of rate rises.

The unexpected failures of two specialized regional banks in the United States in mid-March 2023 and the collapse of confidence in Credit Suisse−a globally significant bank−have roiled financial markets, with bank depositors and investors reevaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable. The loss of confidence in Credit Suisse resulted in a brokered takeover. Broad equity indices across major markets have fallen below their levels prior to the turmoil, but bank equities have come under extreme pressure (Figure 1.1). Despite strong policy actions to support the banking sector and reassure markets, some depositors and investors have become highly sensitive to any news, as they struggle to discern the breadth of vulnerabilities across banks and nonbank financial institutions and their implications for the likely near-term path of the economy. Financial conditions have tightened, which is likely to entail lower lending and activity if they persist.

Prior to recent financial sector ructions, activity in the world economy had shown nascent signs of stabilizing in early 2023 after the adverse shocks of last year (Figure 1.2, panels 1 and 2). Russia's invasion of Ukraine and the ongoing war caused severe commodity and energy price shocks and trade disruptions, provoking the beginning of a significant reorientation and adjustment across many economies. More contagious COVID-19 strains emerged and spread widely. Outbreaks particularly affected activity in economies in which populations had lower levels of immunity and in which strict lockdowns were implemented, such as in China. Although these developments imperiled the recovery, activity in many economies turned out better than expected in the second half of 2022, typically reflecting stronger-than-anticipated domestic conditions. Labor markets in advanced economies−most notably, the United States−have stayed very strong, with unemployment rates historically low. Even so, confidence remains depressed across all regions compared with where it was at the beginning of 2022, before Russia invaded Ukraine and the resurgence of COVID-19 in the second quarter (Figure 1.2, panel 3).

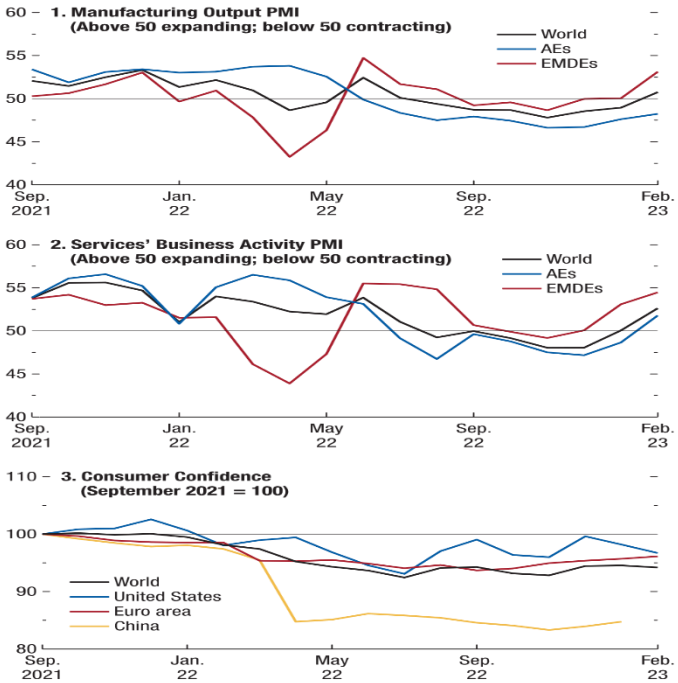
With the recent increase in financial market volatility and multiple indicators pointing in different directions, the fog around the world economic outlook has thickened. Uncertainty is high, and the balance of risks has shifted firmly to the downside so long as the financial sector remains unsettled. The major forces that affected the world in 2022−central bank's tight monetary stances to allay inflation, limited fiscal buffers to absorb shocks amid historically high debt levels, commodity price spikes and geoeconomic fragmentation with Russia's war in Ukraine, and China's economic reopening−seem likely to continue into 2023. But these forces are now overlaid by and interacting with new financial stability concerns. A hard landing− particularly for advanced economies− has become a much larger risk. Policymakers may face difficult trade-offs to bring sticky inflation down and maintain growth while also preserving financial stability.

Figure 1.1. Broad Equity and Bank Equity Indices for Selected Major Economies
(Index; January 1, 2023 = 100)



Sources: Bloomberg Finance L.P.; and IMF staff calculations.
Note: Latest data available are for March 28, 2023.

Figure 1.2. Early 2023 Activity Indicators Strengthened but Confidence Remained Depressed
(Indices)



Sources: Haver Analytics; IHS Markit; and IMF staff calculations.
Note: For AEs in panel 1, sample comprises AUS, AUT, CAN, CHE, DEU, DNK, ESP, FRA, GBR, GRC, ITA, IRL, JPN, NLD, NZL, and USA. Contribution to AE manufacturing GVA is used as weights. For EMDEs in panel 1, sample comprises ARE, BRA, CHN, CZE, COL, EGY, GHA, IND, IDN, KEN, LBN, MYS, MEX, NGA, PHL, POL, RUS, SAU, THA, TUR, VNM, and ZAF. For AEs in panel 2, sample comprises AUS, DEU, ESP, FRA, GBR, ITA, IRL, JPN, NZL, and USA. Contribution to AE services GVA is used as weights. For EMDEs in panel 2, sample comprises BRA, CHN, CZE, COL, EGY, GHA, IND, IDN, KEN, LBN, MYS, MEX, NGA, PHL, POL, RUS, SAU, THA, TUR, VNM, and ZAF. Economy list uses International Organization for Standardization (ISO) country codes. AEs = advanced economies; EMDEs = emerging market and developing economies; GVA = gross value added. PMI = purchasing managers' index.

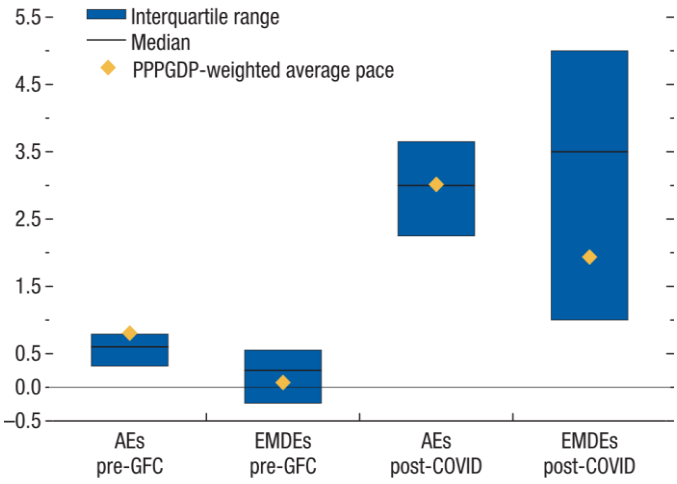
Inflation Is Declining with Rapid Rate Rises but Remains Elevated amid Financial Sector Stress

Global headline inflation has been declining since mid-2022 at a three-month seasonally adjusted annualized rate (Figure 1.3). A fall in fuel and energy commodity prices, particularly for the United States, euro area, and Latin America, has contributed to this decline (see Figure 1. SF.1). To dampen demand and reduce underlying (core) inflation, the lion's share of central banks around the world have been raising interest rates since 2021, both at a faster pace and in a more synchronous manner than in the previous global monetary tightening episode just before the global financial crisis (Figure 1.4). This more restrictive monetary policy has started to show up in a slowdown in new home construction in many countries (see Box 1.1). Inflation excluding volatile food and energy prices has been declining at a three-month rate–although at a slower pace than headline inflation–in most (though not all) major economies since mid-2022.

Even so, both headline and core inflation rates remain at about double their pre-2021 levels on average and far above target among almost all inflation-targeting countries. Moreover, differences across economies reflect their varying exposure to underlying shocks. For example, headline inflation is running at nearly 7 percent (year over year) in the euro area–with some member states seeing rates near 15 percent–and above 10 percent in the United Kingdom, leaving household budgets stretched.

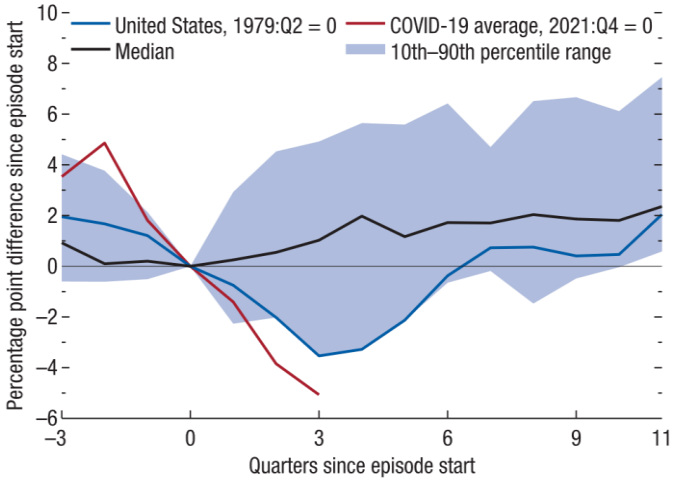
The effects of earlier cost shocks and historically tight labor markets are also translating into more persistent underlying price pressures and stickier inflation. The labor market tightness in part reflects a slow post-pandemic recovery in labor supply, with, in particular, fewer older workers participating in the labor force (Duval and others 2022). The ratios of job openings to the number of people unemployed in the United States and the euro area at the end of 2022 were at their highest levels in decades (Figure 1.5). At the same time, the cost pressures from wages have so far remained contained despite the tightness of labor markets, with no signs of a wage-price spiral dynamic–in which both wages and prices accelerate in tandem for a sustained period– taking hold. In fact, real wage growth in advanced economies has been lower than it was at the end of 2021, unlike what took place in most of the earlier historical episodes with circumstances similar to those prevailing in 2021, when prices were accelerating and real wage growth was declining, on average

Figure 1.4. Monetary Policy Tightening Rapidly across Many Economies
(Percentage point change a year by episode, distribution by economy group)



Sources: Haver Analytics; and IMF staff calculations.
Note: The figure shows the distribution (25th to 75th percentiles, median, and weighted average) of the annualized average percentage point change in policy rates by economy group over two episodes: May 2004 to July 2007 (pre-GFC) and Jan. 2022 to Jan. 2023 (post-COVID). AEs = advanced economies; EMDEs = emerging market and developing economies; GFC = global financial crisis; PPPGDP = nominal gross domestic product in purchasing-power-parity international dollars.

Figure 1.6. Wage-Price Spiral Risks Appear Contained So Far
(Distribution of real wage growth across historical episodes similar to today)



Sources: International Labour Organization; Organisation for Economic Co-operation and Development; US Bureau of Economic Analysis; and IMF staff calculations.
Note: The figure shows the evolution over time of historical episodes similar to 2021 in which three of the preceding four quarters had (1) rising price inflation, (2) falling real wages, and (3) stable or falling unemployment. Twenty-two such episodes are identified for a sample of 30 advanced economies from 1960 to 2021. See Chapter 2 of the October 2022 *World Economic Outlook* for more details. The COVID-19 line shows the average behavior for economies in the sample starting in 2021:Q4.

A Challenging Outlook

A return of the world economy to the pace of economic growth that prevailed before the bevy of shocks in 2022 and the recent financial sector turmoil is increasingly elusive. More than a year after Russia's invasion of Ukraine and the outbreak of more contagious COVID-19 variants, many economies are still absorbing the shocks. The recent tightening in global financial conditions is also hampering the recovery. As a result, many economies are likely to experience slower growth in incomes in 2023, amid rising joblessness. Moreover, even with central banks having driven up interest rates to reduce inflation, the road back to price stability could be long. Over the medium term, the prospects for growth now seem dimmer than in decades.

This section first describes the baseline projections for the global economy and the assumptions on which they are predicated. The baseline scenario assumes that the recent financial sector turmoil is contained and does not generate material disruptions to global economic activity with widespread recession (a broad-based contraction in economic activity that usually lasts more than a few months). Fuel and nonfuel commodity prices are generally expected to decline in 2023, amid slowing global demand (see the Commodity Special Feature). Crude oil prices are projected to fall by about 24 percent in 2023 and a further 5.8 percent in 2024, while nonfuel commodity prices are expected to remain broadly unchanged. The forecasts are also based on the assumption that global interest rates will stay elevated for longer than expected at the time the October 2022 WEO was published, as central banks remain focused on returning inflation to targets while deploying tools to maintain financial stability as needed (Figure 1.12). Governments are on average expected to gradually withdraw fiscal policy support, including, as commodity prices decline, by scaling back packages designed to shield households and firms from the effects of the fuel and energy price spikes in 2022.

At the same time, in consideration of the elevated risks and uncertainties stemming from the recent global financial market turmoil, this section also places strong emphasis on a plausible alternative scenario that illustrates the impact of downside risks materializing.

Feeble and Uneven Growth
Baseline Scenario

The baseline forecast is for global output growth, estimated at 3.4 percent in 2022, to fall to 2.8 percent in 2023, 0.1 percentage point lower than predicted in the January 2023 WEO Update (Table 1.1), before rising to 3.0 percent in 2024. This forecast for the coming years is well below what was expected before the onset of the adverse shocks since early 2022. Compared with the January 2022 WEO Update forecast, global growth in 2023 is 1.0 percentage point lower, and this growth gap is expected to close only gradually in the coming two years (Figure 1.13). The baseline prognosis is also weak by historical standards. During the two pre-pandemic decades (2000−09 and 2010−19), world growth averaged 3.9 and 3.7 percent a year, respectively.

For **advanced economies**, growth is projected to decline by half in 2023 to 1.3 percent, before rising to 1.4 percent in 2024. Although the forecast for 2023 is modestly higher (by 0.1 percentage point) than in the January 2023 WEO Update, it is well below the 2.6 percent forecast of January 2022. About 90 percent of advanced economies are projected to see a decline in growth in 2023. With the sharp slowdown, advanced economies are expected to see higher unemployment: a rise of 0.5 percentage point on average from 2022 to 2024 (Figure 1.14).

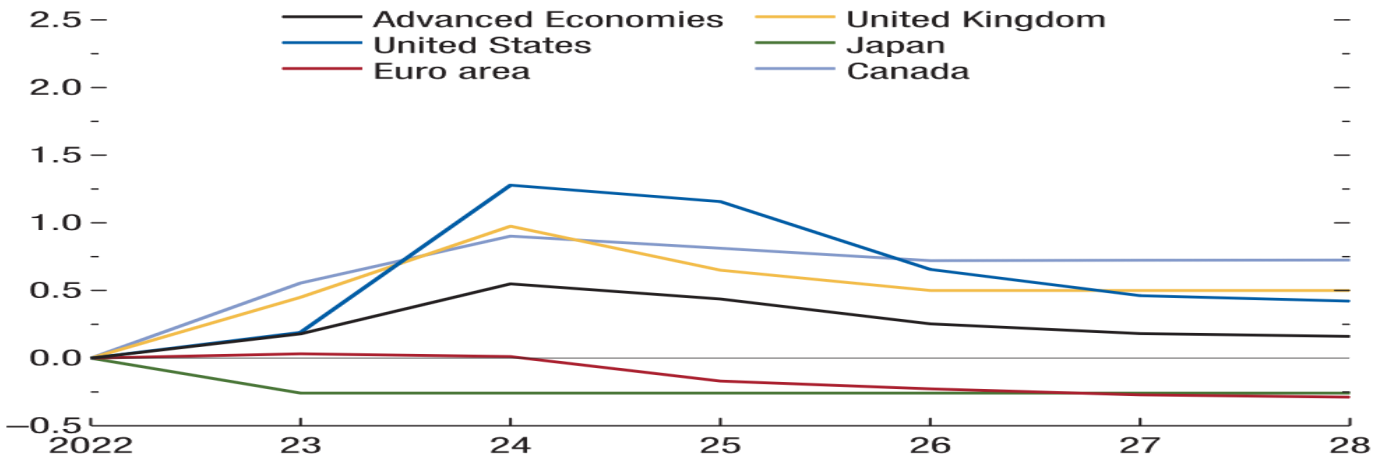
For **emerging market and developing economies**, economic prospects are on average stronger than for advanced economies, but these prospects vary more widely across regions. On average, growth is expected to be 3.9 percent in 2023 and to rise to 4.2 percent in 2024. The forecast for 2023 is modestly lower (by 0.1 percentage point) than in the January 2023 WEO Update and significantly below the 4.7 percent forecast of January 2022. In low-income developing countries, GDP is expected to grow by 5.1 percent, on average, over 2023−24, but projected per capita income growth averages only 2.8 percent during 2023−24, below the average for middle-income economies (3.2 percent) and so below the path needed for standards of living to converge with those in middle-income economies.

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

		Projections		Difference from January 2023 WEO *Update*[1]		Difference from October 2022 WEO[1]	
	2022	2023	2024	2023	2024	2023	2024
World Output	**3.4**	**2.8**	**3.0**	**–0.1**	**–0.1**	**0.1**	**–0.2**
Advanced Economies	**2.7**	**1.3**	**1.4**	**0.1**	**0.0**	**0.2**	**–0.2**
United States	2.1	1.6	1.1	0.2	0.1	0.6	–0.1
Euro Area	3.5	0.8	1.4	0.1	–0.2	0.3	–0.4
Germany	1.8	–0.1	1.1	–0.2	–0.3	0.2	–0.4
France	2.6	0.7	1.3	0.0	–0.3	0.0	–0.3
Italy	3.7	0.7	0.8	0.1	–0.1	0.9	–0.5
Spain	5.5	1.5	2.0	0.4	–0.4	0.3	–0.6
Japan	1.1	1.3	1.0	–0.5	0.1	–0.3	–0.3
United Kingdom	4.0	–0.3	1.0	0.3	0.1	–0.6	0.4
Canada	3.4	1.5	1.5	0.0	0.0	0.0	–0.1
Other Advanced Economies[2]	2.6	1.8	2.2	–0.2	–0.2	–0.5	–0.4
Emerging Market and Developing Economies	**4.0**	**3.9**	**4.2**	**–0.1**	**0.0**	**0.2**	**–0.1**
Emerging and Developing Asia	4.4	5.3	5.1	0.0	–0.1	0.4	–0.1
China	3.0	5.2	4.5	0.0	0.0	0.8	0.0
India[3]	6.8	5.9	6.3	–0.2	–0.5	–0.2	–0.5
Emerging and Developing Europe	0.8	1.2	2.5	–0.3	–0.1	0.6	0.0
Russia	–2.1	0.7	1.3	0.4	–0.8	3.0	–0.2
Latin America and the Caribbean	4.0	1.6	2.2	–0.2	0.1	–0.1	–0.2
Brazil	2.9	0.9	1.5	–0.3	0.0	–0.1	–0.4
Mexico	3.1	1.8	1.6	0.1	0.0	0.6	–0.2
Middle East and Central Asia	5.3	2.9	3.5	–0.3	–0.2	–0.7	0.0
Saudi Arabia	8.7	3.1	3.1	0.5	–0.3	–0.6	0.2
Sub-Saharan Africa	3.9	3.6	4.2	–0.2	0.1	–0.1	0.1
Nigeria	3.3	3.2	3.0	0.0	0.1	0.2	0.1
South Africa	2.0	0.1	1.8	–1.1	0.5	–1.0	0.5
Memorandum							
World Growth Based on Market Exchange Rates	3.0	2.4	2.4	0.0	–0.1	0.3	–0.2
European Union	3.7	0.7	1.6	0.0	–0.2	0.0	–0.5
ASEAN-5[4]	5.5	4.5	4.6	0.2	–0.1	0.0	–0.3
Middle East and North Africa	5.3	3.1	3.4	–0.1	–0.1	–0.5	0.1
Emerging Market and Middle-Income Economies	3.9	3.9	4.0	–0.1	–0.1	0.3	–0.1
Low-Income Developing Countries	5.0	4.7	5.4	–0.2	–0.2	–0.2	–0.1
World Trade Volume (goods and services)	**5.1**	**2.4**	**3.5**	**0.0**	**0.1**	**–0.1**	**–0.2**
Imports							
Advanced Economies	6.6	1.8	2.7	–0.1	0.2	–0.2	–0.1
Emerging Market and Developing Economies	3.5	3.3	5.1	0.2	0.7	0.3	0.4
Exports							
Advanced Economies	5.2	3.0	3.1	0.4	0.2	0.5	–0.3
Emerging Market and Developing Economies	4.1	1.6	4.3	–0.6	–0.4	–1.3	–0.2
Commodity Prices (US dollars)							
Oil[5]	39.2	–24.1	–5.8	–7.9	1.3	–11.2	0.4
Nonfuel (average based on world commodity import weights)	7.4	–2.8	–1.0	3.5	–0.6	3.4	–0.3
World Consumer Prices[6]	**8.7**	**7.0**	**4.9**	**0.4**	**0.6**	**0.5**	**0.8**
Advanced Economies[7]	7.3	4.7	2.6	0.1	0.0	0.3	0.2
Emerging Market and Developing Economies[6]	9.8	8.6	6.5	0.5	1.0	0.5	1.2

Source: IMF staff estimates.
Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during February 15, 2023–March 15, 2023. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = *World Economic Outlook*.
[1]Difference based on rounded figures for the current, January 2023 WEO *Update*, and October 2022 WEO forecasts.
[2]Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.
[3]For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year. Quarterly data are non-seasonally adjusted and differences from the January 2023 WEO *Update* and October 2022 WEO are not available.
[4]Indonesia, Malaysia, Philippines, Singapore, Thailand.

Figure 1.14. Projected Unemployment Rate Rises in Advanced Economies
(Percentage point difference from 2022 level)



Source: IMF staff calculations.

(*Source-https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-update-april-2023)*

INDIAN ECONOMY OVERVIEW

Introduction

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

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

Market size

- India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US$ 3.12 trillion) in FY2021-22,
- India is the third-largest unicorn base in the world with more than 100 unicorns valued at US$ 332.7 billion, as per the Economic Survey.
- The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.
- India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.
- According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US$ 1 trillion by 2030.

Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- As of September 21, 2022, India's foreign exchange reserves stood at US$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US$ 2 billion in September 2022.
- Merchandise exports in September 2022 stood at US$ 32.62 billion. PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 147,686 crore (US$ 17.92 billion).
- Between April 2000-June 2022, cumulative FDI equity inflows to India stood at US$ 604,996 million.
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crore (US$ 7.13 billion).
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US$ 31.74 billion) to their accounts.

Government Initiatives

The Government of India has taken several initiatives to improve the economic condition of the country. Some of these are:

- Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.
- India and Namibia entered into a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.

- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed artificial intelligence (AI) products and technologies during the first-ever "AI in Defence" (AIDef) symposium and exhibition, organised by the Ministry of Defence in New Delhi on July 11, 2022.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of biocapsule, an encapsulation technology for bio-fertilization on 30 June, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan the National Highway Network will develop 25,000 km of new highways network which will be worth Rs. 20,000 crore (US$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- On February 2022, Ms. Nirmala Sitharaman Minster for Finance & Corporate Affairs said that productivity linked incentive (PLI) schemes to be extended to 14 sectors for achieving the mission of AtmaNirbhar Bharat and create 60 lakh (6 million) and an additional production of Rs. 30 lakh crore (US$ 401.49 billion) in the next 5 years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US$ 334.60 million).
- In the Union Budget of 2022 Finance Minister Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G will be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which is expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement to spectrum sharing.
- In the Union Budget of 2022-23 the government has allocated Rs. 44,720 crore (US$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Ms. Nirmala Sitharaman allocated Rs. 650 crore (US$ 86.69 million) for Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US$ 6.07 billion).
- Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that Reserve Bank of India (RBI) will issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness Budget 2022 has announced to reform the 16-year-old Special Economic Zone (SEZ) act to enhance competitiveness this will be done to make it compatible with the World Trade Organisation (WTO).
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- To boost the overall audit quality, transparency and add value to businesses, in April 2021, the RBI issued a notice on new norms to appoint statutory and central auditors for commercial banks, large urban co-operatives and large non-banks and housing finance firms.
- In May 2021, the Government of India has allocated Rs. 2,250 crore (US$ 306.80 million) for the development of the horticulture sector in 2021-22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer,

which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally and increasing digital literacy.

- On January 29 2022 the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian Economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23, it is expected to raise Rs. 4 lakh crore (US$ 53.58 billion) in the next 3 years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, NITI Aayog and Cisco collaborated to encourage women's entrepreneurship in India.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In June 2021, RBI Governor, Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced various measures including Rs. 15,000 crore (US$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.
- In June 2021, Finance Ministers of G-7 countries, including the US, the UK, Japan, Italy, Germany, France and Canada, attained a historic contract on taxing multinational firms as per which the minimum global tax rate would be at least 15%. The move is expected to benefit India to increase foreign direct investments in the country.
- In June 2021, the Indian government signed a US$ 32 million loan with World Bank for improving healthcare services in Mizoram.
- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for second tranche of EUR 150 million (US$ 182.30 million) for Pune Metro Rail project.
- According to an official source, as of September 15, 2021, 52 companies have filed applications under the Rs. 5,866 crore (US$ 796.19 million) production-linked incentive scheme for the white goods (air conditioners and LED lights) sector.
- In May 2021, Union Cabinet has approved the signing of memorandum of understanding (MoU) on migration and mobility partnership between the Government of India, the United Kingdom of Great Britain and Northern Ireland.
- In April 2021, Minister for Railways and Commerce & Industry and Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, launched 'DGFT Trade Facilitation' app to provide instant access to exporters/importers anytime and anywhere.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US$ 110 billion by 2030.
- India is expected to attract investment of around US$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.

Road Ahead

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

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

Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from

15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

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

TEXTILE INDUSTRY IN INDIA

Introduction

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. 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. 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.

The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

In order to attract private equity 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.

Market Size

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparel.

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 season is estimated to be at 338 lakh bales. 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.

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparel.

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 season is estimated to be at 338 lakh bales. 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.

Investments/ Developments

The industry (including dyed and printed) attracted foreign direct investment (FDI) worth US$ 4.03 billion from April 2000-June 2022. The textiles sector has witnessed a spurt in investment during the last five years.

- Arvind Limited, the largest textile to technology conglomerate in India, and PurFi Global LLC, a sustainable technology firm that specialises in rejuvenating textile waste into virgin grade products, have formed a joint venture to reduce the quantity of textile waste dumped in landfills.
- In November 2022, local weavers in Tuensang in Nagaland were provided 45 days of skill-upgrading training, which would equal 315 hours under the SAMARTH programme.
- In 2022-23, the Sardar Vallabhbhai Patel International School of Textiles and Management (SVPISTM) is planning to offer B.Sc. and MBA courses in technical textiles.
- In November 2021, Federico Salas, the Mexican Ambassador to India, visited the Khadi India Pavilion at the India International Trade Fair 2021 and suggested that India and Mexico should come together to promote Khadi globally.
- Companies in home textile are using technology to optimise the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0—an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.
- Home textile companies in India are also leveraging strategic partnerships to strengthen their business operations and foothold in the country.

- In October 2021, Welspun India collaborated with DuPont Biomaterials to introduce a home textile range and strengthen the company's sustainable textiles business.
- In May 2021, Indo Count Industries Ltd. (ICIL) announced an investment of Rs. 200 crore (US$ 26.9 million) to expand its production capacity.
- In April 2021, RSWM Limited, flagship company of the US$ 1.2 billion LNJ Bhilwara Group, was recognised for achieving the highest textile export turnover in 2020 by the Ministry of Industries & CSR, Government of Rajasthan.
- In April 2021, Bella Casa Fashion & Retail Ltd. (BCFRL) announced that it is expanding its two existing plants and adding one new facility to offer employment opportunities to 1,000 people. The expansion would involve a total investment of Rs. 65 crore (US$ 8.63 million).

Government Initiatives

The Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route.

Other initiatives taken by the Government of India are:

- In November 2022, Tamil Nadu Chief Minister Mr. M. K. Stalin announced the establishment of a "Textile City" in Chennai as part of Tamil Nadu's strategy to become a major participant in the global textile industry. Additionally, the state will build a 1,500-acre textile park in the Virudhunagar district, for which SIPCOT will buy land.
- In June 2022, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated that the Indian government wants to establish 75 textile hubs, similar to Tiruppur, which will greatly increase employment opportunities while promoting the export of textile products and ensuring the use of sustainable technology.
- In June 2022, Amazon India signed a MoU with the Manipur Handloom & Handicrafts Development Corporation Limited (MHHDCL), a Government of Manipur entity, to encourage the development of weavers and artisans throughout the state.
- In June 2022, the Kerala government announced that it would provide free training to 1,975 candidates under the SAMARTH scheme of the textile industry.
- The Sustainable Textiles for Sustainable Development (SusTex) project by the United Nations Climate Change entity enhances the employment and working circumstances of textile artisans while promoting the sustainable production and use of environmentally friendly textiles.
- In May 2022, Minister of Micro, Small and Medium Enterprises, Mr. Narayan Rane, inaugurated the Center of Excellence for Khadi (CoEK) at NIFT, Delhi. In order to produce innovative fabrics and apparel that will meet the needs of both domestic and foreign consumers, the CoEK will seek to introduce the newest designs and adopt procedures that adhere to international standards.
- In April 2022, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Mr. Piyush Goyal, said that new Economic Cooperation and Trade Agreements with Australia and the UAE would open infinite opportunities for textiles and handloom. Indian textile exports to Australia and the UAE would now face zero duties, and he expressed confidence that soon Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.
- In March 2022, the Ministry of Textiles, in collaboration with the Confederation of Indian Industries (CII), organized a day-long International Conference on Technical Textiles with the theme: Creating the Winning Leap in Technical Textiles.
- The Khadi and Village Industries Commission (KVIC) achieved turnover of Rs. 1.15 lakh crore (US$ 14.68 billion) in FY22, a growth of 20.54% YoY, and more than any Indian FMCG company managed in FY22.
- The Government of India has earmarked a corpus of Rs. 1,000 crore (US$ 127.72 million) dedicated for research and development of the technical textiles sector.
- In March 2022, the Bihar government submitted a proposal to the Ministry of Textiles to set up a mega hub under the PM Mitra Mega Textile Park.
- In March 2022, Tamil Nadu Chief Minister Mr. MK Stalin announced that the State Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT) will set up a mega textile park in the Virudhunagar district.
- Under the Union Budget 2022-23, the total allocation for the textile sector was Rs. 12,382 crore (US$ 1.62 billion). Out of this, Rs.133.83 crore (US$ 17.5 million) is for the Textile Cluster Development Scheme, Rs. 100 crore (US$ 13.07 million) for the National Technical Textiles Mission, and Rs. 15 crore (US$ 1.96 million) each for PM Mega Integrated Textile Region and Apparel parks scheme and the PLI Scheme.
- For export of handloom products globally, the Handloom Export Promotion Council (HEPC) is participating in various international fairs/events with handloom exporters/weavers to sell their handloom products in the international markets under NHDP.

- The Ministry of Textiles has also been implementing the Handloom Marketing Assistance (HMA), a component of National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.
- In November 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated the desire to target a 3-5x time increase in the export of technical textiles worth US$ 10 billion over the next three years.
- The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns, MMF fabrics and apparel, which came into effect from January 1, 2022.
- Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, announced a mega handloom cluster in Manipur and a handloom and handicraft village at Moirang in Bishnupur. The mega cluster will be set up at an estimated cost of Rs. 30 crore (US$ 4.03 million) under the National Handloom Development Programme (NHDP).

Road Ahead

The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring.

Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The growth in textiles will be driven by growing household income, increasing population and increasing demand by sectors like housing, hospitality, healthcare, etc.

The technical textiles market for automotive textiles is projected to increase to US$ 3.7 billion by 2027, from US$ 2.4 billion in 2020. Similarly, the industrial textiles market is likely to increase at an 8% CAGR from US$ 2 billion in 2020 to US$ 3.3 billion in 2027. The overall Indian textiles market is expected to be worth more than US$ 209 billion by 2029.

(Source- Textile Industry in India, Leading Yarn Manufacturers in India - IBEF)

BUSINESS OVERVIEW

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

In this section, a reference to the "Company" or "we", "us" or "our" means Karnika Industries Limited. All financial information included herein is based on our "Financial information of our company" included on page 142 of this Prospectus.

Overview

Our Company was originally formed as a Partnership Firm under the Partnership Act, 1932 ("Partnership Act") in the name and style of "Karni International" pursuant to Deed of Partnership dated July 21, 2017. Karni International was thereafter converted from Partnership Firm to a Public Limited Company under Part I chapter XXI of the Companies Act, 2013 with the name and style of "Karnika Industries Limited" and received a Certificate of Incorporation from the Registrar of Companies, Kolkata.

Our Company is an ISO 14001:2015 certified manufacturer through job work, trader and exporter of garments. We basically manufacture through job work all types of kids wear i.e., shorts, joggers, capri, tees, rompers, sleep suits, pyjamas, winter wear, infant wear etc. We have constructed well-established manufacturing units for designing, preparation of sample, quality inspection, ironing and packing of Garments that is equipped with all the necessary hi-tech machines and tools that are required for a modern manufacturing unit. Machinery that is equipped in our infrastructure is operated by our highly experienced team of professionals. We are manufacturing majority of our products through job work, we are capable of undertaking bulk requirements of our clients and deliver within stipulated time schedule.

Our Registered Office of the company is situated at 6 & 6/1, Gurgola Ghat Road P.O. Salkia Howrah, West Bengal- 711106, India. Further below are details of our Manufacturing Unit:

Unit I - 6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah, West Bengal- 711106, India and Holding No.2, Hazarimall Shah Road in Ward No.1, 7, Gurgola Ghat Road, Salkia, Howrah 711 106, West Bengal, India

Unit II - Block B(III) Satyen Bose Road, Near N.C Pal Bridge, Hatgacha Banipur, Howrah – 711304, West Bengal, India

Our company majorly focuses in high quality of fabrics and garments, delivering quality textiles and maintaining long term association with our clients. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company. Our technical team is equipped with modern technology and processing techniques by virtue of which we are able to ensure quality output.

We sell our products under brand of KARNIKA and sub category as KARNIKA Care, KARNIKA Cool, KARNIKA Cube, KARNIKA Life, KARNIKA Key, KARNIKA Club.

Karnika has reputed client base which includes various reputed Commission Agents and retail sectors clients. Karnika is growing with rapid pace and making its presence in market with quality and professional work.

Our Business Process includes use of yarn and fabrics during the manufacturing process. Besides, we are also able to offer our customers fabric alternatives for their existing collections thus, create important added values in terms of pricing, quality and delivery terms. We endeavour to satisfy customers by continuous improvement through process innovation 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 have enabled us to maintain continuing customer relations, ensuring repeat order flows.

Karnika has been organising trade shows and exhibitions on a pan India basis from time to time. Through these exhibitions, we have not only magnified our brand visibility but also created opportunities for others to network and collaborate with us.

Karnika is not just one of the leading manufacturers in kids clothing but we have been organizing successful fashion shows as well. In the past, we have mesmerized audiences with our unique collections and imaginative themes. Every event has been a testament to our commitment to provide the best in KIDS fashion and has been a showcase of our creativity, quality and attention to detail.

We have been developing a marketing strategy for our products. Our Company's proficiency lies in understanding the prevailing trends in all the products which we market in addition to the buying preferences of our consumers and accordingly manufacture quality fabrics to assure them of product quality, comfort and fit uniformity. Further, our experience also lies in identifying the gaps and foraying into the untapped market of garment segments with distinct products.

Our Promoter and key managerial personnel have been instrumental in the growth of our business and actively advise us on corporate strategy and planning. We have a strong management team with significant industry experience. Our Managing Director, Mr. Niranjan Mundhra and Whole Time Directors, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra, have 7 years of experience each in garment industry, thus vast experience of the Directors have been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoter and senior management team and their experience of over a decade in the industry in which our Company operates.

For the period from April 13, 2022 to March 31, 2023, our Company's Total Income and Restated Profit after tax were Rs. 12605.62 Lakhs and Rs. 826.74 Lakhs. For the Period from April 01, 2022 to April 12, 2022, our Company's Total Income and Restated Profit after tax were Rs. 638.31 Lakhs and Rs. 25.67 Lakhs. For the year ended March 31, 2022, our Company's Total Income and Restated Profit after tax were Rs. 9892.52 Lakhs and Rs. 454.01 Lakhs, compared to our Company's Total Income and Restated Profit after tax were Rs. 4779.31 Lakhs and Rs. 81.61 Lakhs respectively, over previous year ended i.e. March 31, 2021.

OUR STRENGTHS

Diversified Product Portfolio

Our Company has diverse product portfolio across various segments to fulfil customer 's requirements. We basically manufacture all types of kids wear i.e., shorts, joggers, capri, tees, rompers, sleep suits, pyjamas, winter wear, infant wear etc. We supply products on the basis of needs and requirements in the market. Our product range in formulations allows our existing customers to source majority of their product requirements from us and also enables us to expand our business from existing customers as well as address a larger base of potential new customers.

Consistency in Quality and Service Standards

We follow stringent quality standards in our manufacturing unit to ensure that our products meet required customer standards. These standards ensure the quality consistency of the manufactured product by ensuring that we employ well trained staff, have sufficient premises and equipment for manufacturing.

Cost effective production and timely fulfilment of orders

Timely fulfilment of the orders is a prerequisite in our industry. Our Company has taken various steps in order to ensure adherence to timely fulfilment and also to achieve greater cost efficiency at our existing unit. Our Company constantly endeavors to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

Scalable Business Model

Our business model is order driven, and comprises of optimum utilization of our manufacturing, processing and trading facilities, maximum capacity utilization, developing linkages with quality raw material suppliers and achieving consequent economies of scale. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the potential development possibilities of new markets both international and domestic, by adopting aggressive marketing of the product, innovation in the product range and by maintaining the consistent quality of the product.

Organizational stability along with management expertise

Our company has an established track record of over 7 years which indicates the company's ability to weather economic and business cycles and competent management team have over a decade of relevant experience. This indicates our ability to maintain business viability and steer the business though operational hurdles. Our management and employee team combines expertise and experience to outline plans for the future development of the Company. Our Promoter and Managing Director have significant industry experience and has been instrumental in the consistent growth of our company.

The promoters are supported by an experienced team who knows in and out of the Company's business. We believe that the knowledge and experience of our promoter and management enables us to identify new opportunities, rapidly respond to market

conditions, adapt to changes in the business landscape and competitive environment and enhances the growth in the business. For further details regarding the educational qualifications and experience of our Board of Directors and our Key Managerial Personnel please refer to the chapter titled "Our Management" beginning on page 123 of this Prospectus.

Existing client relationship

We have maintained good relationship with our major customers. We are successful in building a strong client base for our business. Our existing relationships help us to get repeat orders from our customers. This has helped us to maintain a long-term working relationship with our customers and improve our customer retention strategy. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business.

High level of customer satisfaction

Our customers are highly satisfied with our services from purchase order to quality to delivery to customer complain redressal mechanism. We have been able to achieve this customer satisfaction with the help on timely deliveries, ease of placing orders, and our stellar customer services.; this has helped in creating a customer base from various categories such as retailers, semi-wholesalers, etc.

OUR STRATEGIES

Develop cordial relationship with our Suppliers, Customer and employees

We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships over number of years. We bag and place repetitive order with our customers as well as with our suppliers respectively. For us, establishing strong, mutually beneficial long-term relationships and strategic supplier relationship management are critical steps in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

Optimal Utilization of Resources

Our Company constantly endeavors to improve our manufacturing process, and will increase service activities to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control.
We regularly analyze our existing policies to be carried out for providing our products which enables us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

Enhance product quality

Quality is core to our believe system. We believe that consistency of quality products makes repeat purchases from customers. To make sure that happens, we have various supervisors positioned at different points of value chain making inspections and quality checks. Beyond this, we follow the highest quality standards not only in delivering finished products, but also while procuring the raw materials as well. We have received several certifications and awards, and our prestigious clientele stands as a true testimony to our efforts.

Creativity

Our Company has always been driven by the quest to develop something new and constantly strives to develop better products which appeal to our constantly growing customer base. Also our company provides mix and match to attract our customers and dealers. Our Company's forte lies in its ability to translate its vision into realities using, technology and personnel who successfully supervise each new venture undertaken.

To Build-Up a Professional Organization

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks etc. We have a blend of the experience and the sufficient staff for taking care of our day-to-day operations. We also consult with external agencies on a case-to-case basis on technical and financial aspects of our business. We wish to make it sounder and stronger in times to come

Leveraging our Marketing skills and Relationships

This is a continuous process in our organization and the skills that we impart in our people to give prime importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customers base by supplying orders in hand on time, maintaining and renewing our relationship with existing clients.

Invest in infrastructure and technology

Our Company believes in making investments for continuously achieving higher levels of excellence in its products and implement dynamic and diverse specifications of our customers. We have invested significantly in equipping our manufacturing facilities with the latest and specialized infrastructure and modern technology. We want to continue to work towards the upgradation and modernization of our infrastructure and technology.

OUR APPROCH

- To continue to establish and strengthen long term and mutually beneficial relationships with our customers, business associates and suppliers.
- To ensure we identify and expand our investment portfolio in order to continue the on-going sustainable growth and success of the companies within the group
- To maximize our economic potential across all the streams of involvement, through the expertise of the Company's management and personnel structures
- In order to enhance our position as Garment Manufacturer Industry leaders, we are primarily focused on continuing to deliver the finest and wide range of services on a global basis.
- While ensuring to remain economically competitive, we constantly search opportunistic investments to provide our customers with a bespoke service and access to an ever-increasing product range, that in turn will maximize returns.

SWOT ANALYSIS

Strengths ➢ Quality Assurance and Standards ➢ Experienced Management Team ➢ Satisfied customer with quality ➢ Strong business model ➢ Established operations and proven track record	***Weakness*** ➢ Heavy dependence on suppliers ➢ High working capital requirement ➢ Insufficient market reach
Opportunities ➢ Expanding new geographical area ➢ Opportunities in Indian Market ➢ Government thrust for development will boost in rise in demand	***Threats*** ➢ Increased Competition from Big Players ➢ Change in Government Policies ➢ Rising labour wages ➢ There are no entry barriers in our industry which puts us to the threat of competition from new entrants ➢ Fluctuation in Raw Material Prices

OUR PRODUCT OFFERINGS

The Company presently sells its products under the following category through the well-designed market network all over India. The details are as follows:

Category	Products

Boys Garments	

Girls Garments	

Karnika key!
LES PAPILLONS

Karnika® Life
Behind the smiles!!

Karnika® Life

Karnika® Life
Behind the smiles!!

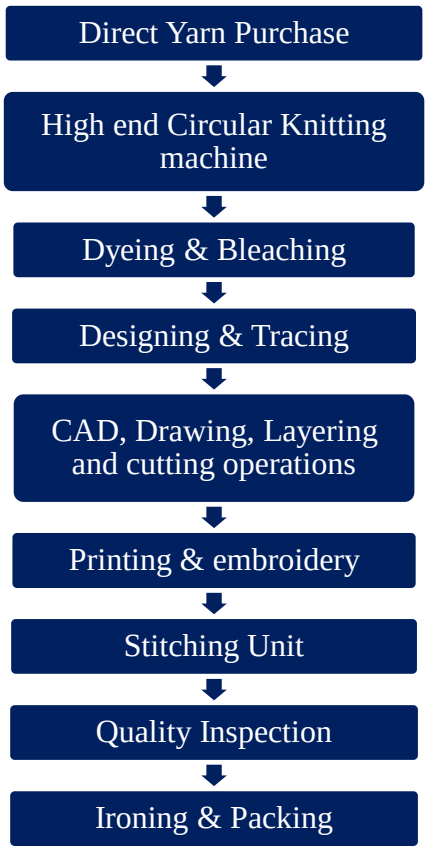
Our Company manufactures following products:

Baby Boy Garments	T- Shirts, Trousers, Shorts, Jeans, Pants, Shirts, Jackets, Coats, socks, Tanktop and Jumpsuit
Baby Girl Garments	Tops, Jeans, Shorts, Denim, Polos, Skirts, Jackets, Coats, socks, Plazo, Dress, Jumpsuit and Kurties

Salient Features of Our Products:-

- Blended fabrics i.e. Cotton, Polyester and viscose
- Excellent comfort
- Eco-friendly Products
- Wide range of Fabric Varieties
- Non-allergenic natural Fibre

MANUFACTURING PROCESS OF OUR PRODUCTS



1. **Direct Yarn Purchase:** The process starts by acquiring right quality of yarn as per the requirements of the client. We source the yarn locally depending upon the needs.

2. **High end Circular Knitting machine:** In Circular knitting machines, yarn package in the form of cones / chesses are fed for knitting. The objective is to produce knitted fabric from the yarn fed by knitting of the yarn. This process is done through job work basis.

3. **Dyeing & Bleaching**: Bleaching is the process of decolorization of raw textile material by removing inherent and or acquired coloring components from the fiber. The process of dyeing is carried out to improve the marketability of textile products and also to suit the customer needs by adding colour. These two processes are generally carried out in open tank, kier machines, jet dyeing machines, jiggers, soft flow dyeing machines etc. This process is also done through job work basis.

4. **Designing & Tracing:** Designing and development in garment production is a process that involves creating new fabric designs and styles of clothing, as well as improving existing garments — the goal is to create products that are both stylish

and functional. Tracing a garment means to know where it is in every moment. To recognize it among other products it is possible to mark it. We design and trace the fabric in our manufacturing facility.

5. **CAD, Drawing, Layering and cutting operations:** Computer-aided design (CAD) has become popular tools essential for designing and manufacturing with computers. Spreading is the process of unwinding large rolls of fabric into long, wide tables in preparation for cutting each piece of a garment. The number of layers of fabric is dictated by the number of garments desired and the fabric thickness. Fabrics have to cut here according to the marker of garments. The fabric cutting process is done by using a manual method or computerized method. We have installed sufficient machine for performing Drawing, layering and cutting operation at our manufacturing facilities.

6. **Printing & embroidery:** Printing is a process of decorating textile fabrics by application of pigments, dyes, or other related materials in the form of patterns. The embroidery section is one of the most important sections of the apparel manufacturing industry. It is one of the special tasks which is done according to the buyer's requirements. Embroidery is a decorative stitch that is placed on the garment to enhance its properties or advertise the brand of the garment. This process can be done at our manufacturing facilities and through job work also.

7. **Stitching Unit:** Stitching or sewing is done after the cut pieces are bundled according to size, colour and quantities determined by the sewing room. Sewing machine operators receive a bundle of cut fabric and repeatedly sew the same portion of the garment, passing that completed portion to the next operator. This process is done through job work basis.

8. **Quality Inspection:** Garments inspection is an important term in the readymade garments sector. The quality inspector has to ensure perfect quality according to the buyer's instruction. Quality control inspections happen in every stage, and there need to be designated quality control inspectors to ensure that products of the right quality reach customers. Each part of the garment has to be inspected – measurements, sizing, trim, cloth quality and more. This process can be done at our manufacturing facilities to ensure best quality of our Products.

9. **Ironing & Packing:** Pressing or ironing is the most important finishing process in the readymade garments sector which is done by subjecting a cloth to heat and pressure with or without steam to remove unwanted creases and to impart a flat appearance to the garments. After ironing, the garments are packed for delivery to ultimate consumers from our manufacturing facilities.

Further our company manufactures sample pieces and design along with small orders in our manufacturing facilities else all bulk orders are manufactured through job work only.

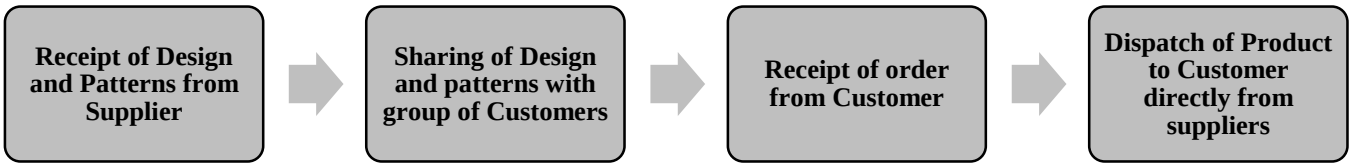
Trading of Garments:

Our Company is engaged in trading of garments which includes trading of boys and girls wears. We trade all types of garments which includes all types of kids wear i.e., shorts, joggers, capri, tees, rompers, sleep suits, pyjamas, winter wear etc. We sell our products through trading under our own brand name i.e. KARNIKA and supply without any brand name also as per requirement of customers.

We usually trade in bulk orders of garments in B2B only. As on date we do not have any branding and tie-up agreements with any of our customers. We supply our products as per requirement of our customers.

Furthermore, our supplier in trading business includes small manufacturer from where we purchase boys and girls wears and sells to our customer as per their requirements of design, colour, size and quantity. Our Customer are usually the wholesalers of garments which further sells to retailers and other garments companies.

Following is the process flow for trading of garments:



The trading process includes:

- The designs and patterns of garments are received from suppliers which are readily available. It includes the details of products such as boys or girls wear, design or category of product, colour, pieces etc. we have few selected suppliers who manufacture the garments for our trading business and provide us the designs and patterns for circulations.

- We share the designs and patterns with our group of customers through social media. We have group of customers who usually purchase garments from us on regular basis.

- According to requirement of customer they place order for the garments with details of design and quantity, which are readily available with our suppliers.

- Thereafter the agreed designs and quantity is directly dispatch to our customers from supplier's premises. We sell garments under brand name of "Karnika" also that is also directly dispatch from our suppliers to our customers after branding in garments.

Our Company is having valid license such goods and service tax registration which is required for trading of garments. Further Company has valid trade licence from Howrah Municipal Corporation License Department for trading of garments.

TECHNOLOGY USED IN MANUFACTURING

Auto Cad System: Computer aided design (CAD), a technology that eases the pattern making task for apparel products. With the CAD tools, garment patterns are developed in computer. Digital pattern can be easily modified. Other than pattern making these activities can be performed using a CAD solution - pattern making, digitization of paper pattern (manual pattern) pattern grading, nesting, marker making, fabric consumption. We use Optitex software. Optitex have pattern 2D and 3D Pattern making Suit.

Enterprise resource solution (ERP): Apparel ERP comes with many modules and provide customer-specific solutions. Generating PO, Challans, Bills, Fabric indent, inventory management, garment costing, production scheduling activities can be digitalized by using an ERP system. We use Munimji and Tally Prime as ERP Software. Tally prime is used to record sales, purchase, cost record, stock revaluation, Stock reconciliation, Ready Stock Record, etc. Key feature of Munimji includes Real-time view to goods received and dispatched across locations, Stocks with job workers.

Real-time Production tracking system – A production factory can track their production status real-time and improve its visibility. Data and information received from the real time system. We use Munimji for line balancing, & WIP management.

Technology Advancement in sewing machine – Sewing machine with computer panel and display are common now. Sewing operator can easily select stitch type, stitch number before sewing. A machine will stop automatically when a number of stitches are completed. There are many developments done in Sewing Machines. We use sewing machine for manufacturing the sample pieces.

Digital garment and textile printing – For the fast printing and giving the best print quality without limiting the number colors in a design, our Industry use Digital Printing Machine. Sample approval lead time for the printed design reduces by using digital printing technology. Additionally, In the age fast fashion, consumers like custom prints in their t-shirts. So, we need to print a single garment for a design. The digital textile print solution come into play.

OUR REVENUE DISTRIBUTION (IN CATEGORY CLASSIFICATION)

(Rs. In Lakhs)

Particulars	From April 13, 2022 to March 31, 2023	For the period from April 01, 2022 to April 12, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021
Manufacturing through Job work	10906.25	505.75	8893.94	4298.36
Trading	1552.99	130.96	986.99	448.05
Total Sales	**12459.24**	**636.71**	**9880.93**	**4746.41**

OUR REVENUE DISTRIBUTION (IN PRODUCT CLASSIFICATION)

(Rs. In Lakhs)

Particulars	From April 13, 2022 to March 31, 2023	For the period from April 01, 2022 to April 12, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021
Girls Garments	5469.73	354.34	5975.01	3541.23

Boys Garments	6470.44	230.73	3626.18	1205.18
Others	519.07	51.64	279.74	--
Total Sales	**12459.24**	**636.71**	**9880.93**	**4746.41**

OUR CLIENT BASE

Our company has reputed client base which includes various reputed Commission Agents and retail Sectors Clients. Our strategy is to seek new customers and at the same time secure additional engagements from existing customers by providing timely and improved services.

We believe that our current capabilities and plans for the future will ensure that we are well positioned to attract and develop new customer relationships. Business from new customers is accepted upon consideration of factors such as alignment of capabilities and customer expectation, volume of business and future business, potential for close partnership with long-term association, and an analysis of upfront costs.

The following table illustrates the concentration of our revenues among our top customers:

(Rs. in Lakhs)

Particular	For the period from April 13, 2022 to March 31, 2023		For the period from April 01, 2022 to April 12, 2022		Fiscal 2022		Fiscal 2021	
	Revenue	In %	Revenue	In %	Revenue	In %	Revenue	In %
Top 5 customers	4782.35	38.39%	275.19	43.23%	4766.74	48.24%	2308.66	48.65%
Top 10 customers	6788.67	54.49%	392.59	61.66%	6075.52	61.49%	2961.93	62.40%

OUR LOCATION

Registered Office	6 & 6/1, Gurgola Ghat Road P.O. Salkia Howrah, West Bengal- 711106, India.
Manufacturing Unit - I	6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah, West Bengal- 711106, India and Holding No.2, Hazarimall Shah Road in Ward No.1, 7, Gurgola Ghat Road, Salkia, Howrah 711 106, West Bengal, India
Manufacturing Unit - II	Block B(III) Satyen Bose Road, Near N.C Pal Bridge, Hatgacha Banipur, Howrah – 711304, West Bengal, India

PLANT & MACHINERY

We have installed sufficient Plant and Machinery in our manufacturing units such as Fusing Machine, Iron, Washing Machine, Gusing Machine, Heat Press Machine, Packing Machine, Cutting Machine, Cleaning Machine, Printing Machine, Sewing Machine and Electric Scale Machine etc. which is owned by the Company.

CAPACITY UTILIZATION

The Capacity utilization is not applicable to our Company because we manufacture our products through job work basis. Further we are having machinery such as Fusing Machine, Iron, Washing Machine, Gusing Machine, Heat Press Machine, Packing Machine, Cutting Machine, Cleaning Machine, Printing Machine, Sewing Machine and Electric Scale Machine which is used for manufacturing of sample garments and few quantity of pieces. For bulk orders of garment manufacturing, we manufacture through job work only.

COLLABORATIONS/ TIE – UPS/ JOINT VENTURES

Except as disclosed in this Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures as on date of Prospectus.

EXPORT AND EXPORT OBLIGATION

The Details of export and export obligation as on the date of Prospectus is as follows:

(Rs. in Lakhs)

Particulars	For the period from April 13, 2022 to March 31, 2023	For the period from April 01, 2012 to April 12, 2022	For the year ended March 31,	
			2022	2021
Exports Sales (In Lakhs)	2065.42	--	--	--
% of Total Sales	16.58%	--	--	--

Our Company does not have any export obligation as on date.

COUNRTY-WISE DISTRIBUTION OF SALES

(Rs. In Lakhs)

Particulars	From April 13, 2022 to March 31, 2023	For the period from April 01, 2012 to April 12, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021
India	10393.82	636.71	9880.93	4746.41
Doha	18.30	--	--	--
Dubai	135.69	--	--	--
Jeddah	1820.75	--	--	--
Kuwait	90.68	--	--	--
Total Sales	**12459.24**	**636.71**	**9880.93**	**4746.41**

STATE-WISE DISTRIBUTION OF SALES

(Rs. In Lakhs)

Particulars	From April 13, 2022 to March 31, 2023	For the period from April 01, 2012 to April 12, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021
Jammu and Kashmir	6.46	--	11.75	--
Punjab	329.08	13.15	299.04	72.26
Chandigarh	8.89	--	2.77	--
Uttarakhand	12.73	--	--	--
Haryana	16.29	--	37.91	43.36
Rajasthan	206.06	5.30	59.21	37.19
Uttar Pradesh				
Bihar				
Uttar Pradesh	149.28	--	12.89	16.11
Bihar	11.81	--	0.45	0.00
Assam	11.85	--	--	0.05
West Bengal	7479.27	498.76	7429.62	3365.84
Jharkhand	1.07	--	8.19	4.04
Odisha	1.13	--	--	1.63
Madhya Pradesh	213.40	14.27	35.85	1.20
Gujarat	271.54	11.12	23.92	11.73
Maharashtra	115.70	2.61	142.67	369.00
Kerala	12.22	2.19	26.35	15.39
Tamil Nadu	10.47	0.46	20.85	8.14
Telangana	20.58	2.00	12.51	1.04
Delhi	1516.00	86.87	1755.16	798.22
Karnataka	--	--	1.00	--
Chattisgarh	--	--	0.79	0.87
Total Sales	**10393.83**	**636.71**	**9880.93**	**4746.41**

UTILITIES AND INFRASTRUCTURE FACILITIES

Our registered office and manufacturing facilities is located at Howrah, West Bengal is well equipped with facilities required for our business operations to function smoothly.

Raw Material

Our Major Raw Material is Yarn and Fabric which is the primary substance which is used as an input to a production process for subsequent modification and finally modified into a finished good. Raw materials may be divided into two categories:

1. Raw Material After Processing
2. Unprocessed Raw Material

Unprocessed raw materials like yarn, accessories, and grey are purchased from the local market in Kolkata. Processed raw materials are fabrics and grey. We purchase yarn and grey from the local market and send them to the job workers. Job workers process the yarn and grey.

Power

Our Company requires power for the machines installed at the factory and normal requirement of the Office for lighting, systems etc. Adequate power is available which is met through the state electric supply. We also have generators to ensure uninterrupted power supply to our premises.

Water

Water is required for human consumption at office and adequate water sources are available from municipal water supply. The requirements are fully met at the existing premises.

HUMAN RESOURCES

Our Company believe that our employees are key contributors to our business success and its ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

As on March 31, 2023 our Company has 221 employees on payroll. Break-up of our employees are as:

Particulars	No. of Employees
Key Managerial Persons	4
Administration	77
Skilled Employees	78
Semi-skilled Employees	62
Total Employees	**221**

Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans. We hire labour on contract basis as per requirement.

SALES AND MARKETING

We have some reputed companies in this industry as our customers. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. The Company has a dedicated marketing team under the leadership of the promoters-directors who has huge legacy experience in the branding and marketing of readymade garments, to research and study the latest fashion trends and market demands and designing and production team works on that broad and effective research to facilitate to explore new markets vis-à-vis retaining the traditional market places to augment the current market share of the Company's products.

This is the constant endeavour of the Company and its team members to make its premium brands prominently visible in the market places and the Company is very proud and have high regards for some of the reputed and well-known market places and departmental stores having pan-India presence, who has time-tested association with the Company and promoting and displaying the Company's products and brands prominently.

The Company presently sells its products under the various brand names through the well-designed market network all over India. Now, the Company is trying to explore its market in overseas also especially south-east and middle-east Asia.

To promote the brands and products, the company takes part in Garments Fair whenever and wherever happening in India and abroad, if the situation comes. Participating in fairs helps the company in gaining new customers and targeting new market. Through participating in fairs, the company gets advance orders from customers which induces the company to grow steadily and rapidly. This process hike sales and sustainability of the company. The company's business model and products are such that it normally does not susceptible to seasonal fluctuations and mostly risk neutral.

COMPETITION

Our industry faces moderate competition from scattered unorganized players in the domestic market as well as in the international market. We have a number of competitors who manufacture and trade products, which are similar to us.

We believe that our ability to compete effectively is primarily dependent on ensuring consistent service quality and timely delivery at competitive prices, thereby strengthening our brand over the years. We believe that our cost effective and integrated offerings, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in our business. We believe that our technical capabilities, experience in this business and quality assurance will be key to overcome competition posed by such organized and unorganized players.

The philosophy of the promoters-directors of the Company to perceive competition as a challenge and to surpass the same is the process of 'sustainable transition' towards potential competitive advantage. Constant change and improvements in terms of quality and awareness about customers' tastes and preferences and follow the latest fashion trends, is the mantra of survival in this industry and the Company follows the same.

INSUARNCE

Insurance	Policy No.	Particulars	Address	Amount (in Rs.)	Period
ICICI Lombard General Insurance	1017/255189 491/00/000	Building (With Plinth and Foundation)	Karnika Industries Limited, Holding No.2, Hazarimall Shah Road, Salkia P.S. Malipanchghora, Ward No.01, Under HMC Dist. Howarh West Bengal 711106	Rs. 8,18,98,000	From 12-08-2022 To 11.08.2023
ICICI Lombard General Insurance	1017/258829 612/00/000	Building (With Plinth and Foundation)	Karnika Industries Limited, 6 & 6,6/1 Gurgola Ghat Road Near Gopal Bhawan, Bandhaghat, Salkia, Howrah, West Bengal	Rs. 14,00,00,000	From 19-09-2022 To 18.09.2023

PROPERTY

Intellectual Property

Set forth below are the trademarks registered/abandoned/objected in the name of our Company under the Trademarks Act, 1999:

S.No.	Logo/ Trademark	Class	Nature of Trademark	Owner	Trademark No. & Status
1.	Karnika®	35	Device	Karnika Industries Limited	Trademark No. – 5460739 Status- Registered Valid upto – 24/05/2032
2.	KARNIKA	25	Wordmark	Niranjan Mundhra* (trading as Karni International)	Trademark No. – 1008631 Status- Registered Valid upto – 23/04/2030

* Our Company has entered into assignment agreement with Mr. Niranjan Mundhra for use of trademark dated June 26, 2023

The Details of Domain Name registered on the name of the Company is: -

S. No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Registrant URL and Name	Creation Date	Registration Expiry Date
1.	www.karnikaindustries.com	Registrar: GoDaddy.com, LLC Registrar IANA ID: 146	Registrar URL: www.godaddy.com Registrar Name – Karnika Industries Limited	26.02.2022	26.02.2024
2.	www.karnikaindustries.in	Registrar: GoDaddy.com, LLC Registrar IANA ID: 146	Registrar URL: www.godaddy.com Registrar Name – Karnika Industries Limited	26.02.2022	26.02.2024
3.	www.karnikaindustries.co.in	Registrar: GoDaddy.com, LLC Registrar IANA ID: 146	Registrar URL: www.godaddy.com Registrar Name – Karnika Industries Limited	26.02.2022	26.02.2024
4.	www.karnika.in	Registrar: GoDaddy.com, LLC Registrar IANA ID: 146	Registrar URL: www.godaddy.com Registrar Name – Karnika Industries Limited	26.02.2022	26.02.2024

IMMOVABLE PROPERTY

Details of our properties are as follows: -

Properties owned/Leased by the Company

S. No.	Details of the Property	Licensor/Lessor/Vendor	Owned/ Leased	Consideration/ Lease Rental/ License Fees (in Rs.)	Use
1.	Premises No. 6/1, Ward No. 1, Gurgola Ghat Road Salkia, Howrah, West Bengal - 711106, India.	Niranjan Mundhra, Shri Shiv Shankar Mundhra, Mahesh Kumar Mundhra	Leased	Agreement for leave and license dated June 26, 2023 Between Niranjan Mundhra, Shri Shiv Shankar Mundhra, Mahesh Kumar Mundhra and Karnika Industries Limited for period of 11 months beginning from June 26, 2023 at monthly rent of Rs. 18.00 Lakhs	Registered Office & Manufacturing Unit I
2.	Premises No. 6, Ward No. 1 Gurgola Ghat Road Salkia, Howrah, West Bengal - 711106, India.	Niranjan Mundhra HUF, Shri Shiv Shankar Mundhra, Mahesh Kumar Mundhra	Leased	Agreement for leave and license dated June 26, 2023 Between Niranjan Mundhra, Shri Shiv Shankar Mundhra, Mahesh Kumar Mundhra and Karnika Industries Limited for period of 11 months beginning from June 26, 2023 at monthly rent of Rs. 18.00 Lakhs.	
3.	Holding No.2, Hazarimall Shah Road in Ward No.1, 7, Gurgola Ghat Road, Salkia, Howrah 711 106, West Bengal, India.	Niranjan Mundhra, Shri Shiv Shankar Mundhra, Mahesh Kumar Mundhra	Leased	Agreement for leave and license dated June 26, 2023 Between Niranjan Mundhra, Shri Shiv Shankar Mundhra, Mahesh Kumar Mundhra and Karnika Industries Limited for period of	Manufacturing Unit I

				11 months beginning from June 26, 2023 at monthly rent of Rs. 12.00 Lakhs.	
4.	Block B(III) Satyen Bose Road, Near N.C Pal Bridge, Hatgacha Banipur, Howrah – 711304, West Bengal, India	Respect Nirman Private Limited	Leased	Lease Deed dated March 14, 2023 between Respect Nirman Private Limited through its director Jitendra Goenka and Karnika Industries Limited through Mr. Niranjan Mundhra for period of nine years beginning from January 16, 2023 at monthly rent of Rs. 12.00 Lakhs.	Manufacturing Unit II

KEY INDUSTRY REGULATIONS

The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled "Government and Other Approvals" on page 192 of this Prospectus.

THECOMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

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

SEBI REGULATIONS:

Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from the SEBI Act, 1992, SCRA 1956, SCRR 1957 and other rules and regulations, listed entities are mainly regulated by SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

TAX RELATED REGULATIONS

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states.

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported

goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance

RoDTEP Scheme

RoDTEP stands for Remission of Duties and Taxes on Export Products. It is a new scheme that is applicable with effect from January 1st, 2021, formed to replace the existing MEIS (Merchandise Exports from India Scheme). The scheme will ensure that the exporters receive the refunds on the embedded taxes and duties previously non-recoverable. The scheme was brought about with the intention to boost exports which were relatively poor in volume previously.

BUSINESS/TRADE RELATED LAWS/REGULATIONS

Technology Up-Gradation Fund Scheme

Ministry of Textiles has been implementing Technology Up-gradation Funds Scheme ("TUFS") since 1999 to facilitate technology upgradation of textiles industry in the country. TUFS aims at making available funds to the domestic textile industry of existing units as well as to set up new units with state-of-the-art technology so that its viability and comprehensiveness in the domestic as well as international markets may enhance. TUFS provides for interest reimbursement/capital subsidy/margin money subsidy and has been devised to bridge the gap between the cost of interest and the capital component to ease up the working capital requirement and to reduce the transaction cost, etc. TUFS is an important tool to infuse financial support to the textiles industry and help it capitalize on the vibrant and expanding global and domestic markets, through technology up-gradation, cost effectiveness, quality production, efficiency and global competitiveness.

National Textile Policy, 2000

The National Textile Policy, 2000 ("NTP 2000") aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing and to equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market. NTP 2000 aims at developing a strong and vibrant textile industry that can produce quality products at acceptable prices. This objective is sought to be achieved by liberalizing controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. Major thrust areas of NTP 2000 include increase in exports and innovating marketing strategies, product diversification along with quality consciousness, among others. Additionally, certain sector specific initiatives envisaged under the NTP 2000 include initiatives regarding improving the availability, productivity and quality of raw materials at reasonable prices for the industry, improving the production, productivity and quality of cotton. Initiatives were also proposed for the spinning sector, weaving sector, organised mill industries, powerloom industry, knitting sector, processing and finishing sector for achieving ISO 9000 and ISO 14000 standards. Export specific reforms were also proposed in order to be consistent with World Trade Organization norms.
Ministry of Textiles is contemplating a New Textile Policy which has not been finalized and it is at draft stage. The New Textile Policy, inter alia, will give thrust on enhancing export performance and creating better employment opportunities. The New Textile Policy is being formulated by holding widespread consultations with various associations, industry bodies, State Governments and other stakeholders representing subsectors viz. Cotton, Silk, Jute Wool, Handloom, Handicrafts, Powerloom etc.

Production-Linked Incentive Scheme in Textiles Products

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

Textiles Committee Act, 1963

The Textiles Committee Act, 1963 ("TCS") came into force on August 22, 1964. A textiles committee ("Textiles Committees") has been established under TCS with the primary objective of ensuring a standard quality of textiles both for domestic and export markets as well as standardization of the type of textile machinery used for production. The Textiles Committee's functions include, among others, the promotion of Indian textiles and textile exports, researching in technical and economic fields, establishing standards for Indian textiles and textile machinery, setting up of laboratories, and data collection. Additionally, the Textiles Committee regulates the imposition of cess on textile and textile machinery that is manufactured in India under TCS.

Textile (Development and Regulation) Order, 2001

The Textile (Development and Regulation) Order, 2001 ("Textile Order") was brought into force by the Central Government under Section 3 of the Essential Commodities Act, 1955 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner. The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade Marks Act, 1999, except under and limited to the extent of specific authorization by the holder of or applicant for such brand or tradename.

Cotton Control Order, 1986

The Cotton (Control) Order, 1986 ("Cotton Order") prescribes the maximum quantity of cotton that may be possessed by a manufacturer, a cotton ginning factory, a cotton pressing factory, a cotton ginning and pressing factory and a person (other than a member of a Hindu Undivided Family growing cotton). The Cotton Order establishes the office of the Textile Commissioner as the regulatory body. The Cotton Order further specifies the quality standards that have to be met while picking cotton for the purposes of export and domestic consumption as well as the markings that have to be made on the cotton bale before marketing of the same.

The Indian Boilers Act, 1923 (the "Boilers Act") and the Indian Boiler Regulations, 1950 (the "Boilers Regulations")

The Boilers Act inter alia provides that no owner of a boiler shall use the boiler or permit it to be used unless it has been registered in accordance with the provisions of this Boilers Act. Under the Boilers Act, "boiler" means a pressure vessel in which steam is generated for use external to itself by application of heat which is wholly or partly under pressure when steam is shut off. The Boilers Act also provides for penalties for illegal use of boilers, penalty for breach of rules and other penalties. The Boilers Regulations provide for inter alia, standard requirements with respect to material, construction, safety and testing of boilers.

The Bureau of Indian Standards Act, 1986

The Bureau of Indian Standards Act, 1986 ("BIS Act") was established to provide for the establishment of a bureau ("Bureau") for the harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith. "Indian Standard" means the standard (including any tentative or provisional standard) established and published by the Bureau, in relation to any article or process indicative of the quality and specification of such article or process and includes - (i) any standard recognized by the Bureau under clause (b) of section 10 of the BIS Act; and (ii) any standard established and published, or recognized, by the Indian Standards Institution and which is in force immediately before the date of establishment of the Bureau.

ENVIRONMENT LAWS:

National Environmental Policy, 2006

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:—

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

Environmental Legislations

The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act"), Water (Prevention and Control of Pollution) Act, 1974 ("Water Act"), aim to prevent, control and abate pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. The Water Act aims to prevent and control water pollution and to maintain or restore water purity and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board. The Forest (Conservation) Act, 1980 ("FCA") read with Forest (Conservation) Rules, 2003 aim to preserve forest land and provide for restriction on the deforestation of forests or use of forest land for non-forest purpose and requires prior approval for use of forest land for any non-forest purpose. The Environment (Protection) Act, 1986 read with Environment (Protection) Rules, 1986 aim to protect and improve the environment and provide rules for prevention, control and abatement of environment pollution and impose obligation for proper handling, storage, treatment, transportation and disposal of hazardous wastes.,

The Noise Pollution (Regulation and Control) Rules, 2000

These Noise Pollution (Regulation and Control) Rules, 2000 ("Noise Pollution Rules") were constituted to regulate and control noise producing and generating sources with the objective of maintaining the ambient air quality standards in respect of noise and were considered necessary as increasing ambient noise levels in public places from various sources, inter-alia, industrial activity, construction activity, (fire crackers, sound producing instruments), generator sets, loud speakers, public address systems, music systems, vehicular horns and other mechanical devices have deleterious effects on human health and psychological well-being of the people. The Noise Pollution Rules provide ambient air quality criteria with respect of noise for different areas/zones. The Noise Pollution Rules further provide powers to the authority to enforce the noise control measures in the areas/zones. The Noise Pollution Rules provide modes of making complaints to the authority in case noise levels exceed the ambient noise standards along with penalties and liabilities on account of violations in the silence zones/areas.

Hazardous and Other Wastes (Management and Tran boundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term "hazardous waste" has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "occupier". Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

Environment Impact Assessment Notification of 2006

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT

The Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP Offers an updated circular.

The reporting requirements for any investment in India by a person resident in India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at https://firms.rbi.org.in.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates.

Foreign Exchange Management Act, 1999 ("FEMA") and Regulations framed thereunder.

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. 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 or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

Duty Drawback Scheme

The duty drawback scheme is an option available to exporters. Under this scheme, exporter of goods is allowed to take back refund of money to compensate him for excise duty paid on the inputs used in the products exported by him. It neutralizes the duty impact in the goods exported. Relief of customs and central excise duties suffered on the inputs used in the manufacture of export product is allowed to exporters. The admissible duty drawback amount is paid to exporters by depositing it into their nominated bank account. Section 75 of the Customs Act, 1962 and Section 37 of the Central Excise Act, 1944, empower the Central Government to grant such duty drawback. Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 (the "Drawback Rules") have been framed outlining the procedure to be followed for the purpose of grant of duty drawback (for both kinds of duties suffered) by the customs authorities processing export documentation. Under duty drawback scheme, an exporter can opt for either all industry rate of duty drawback scheme or brand rate of duty drawback scheme.

The all industry rate of duty drawback scheme essentially attempts to compensate exporters of various export commodities for average incidence of customs and central excise duties suffered on the inputs used in their manufacture. Brand rate of duty drawback is granted in terms of rules 6 and 7 of the Drawback Rules in cases where the export product does not have any all industry rate or duty drawback rate, or where the all industry rate duty drawback rate notified is considered by the exporter insufficient to compensate for the customs or central excise duties suffered on inputs used in the manufacture of export products. For goods having an all industry rate, the brand rate facility to particular exporters is available only if it is established that the compensation by all industry rate is less than 80% of the actual duties suffered in the manufacture of the export goods.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

Laws related to Overseas Investment by Indian Entities:

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in supression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI have vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

Foreign Trade Policy 2023:

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT (D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is

effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services. All exports and imports made up to 31.03.2023 shall, accordingly, be governed by the relevant FTP, unless otherwise specified.

LAWS RELATED TO EMPLOYMENT OF MANPOWER:

The Occupational Safety, Health and Working Conditions Code, 2020

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

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

The Industrial Relations Code, 2020 ("Industrial Code")

The Ministry of Law and Justice, with an intent to consolidate and amend laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial dispute, has introduced the Industrial Code. The Code provides that the Central Government may repeal the provisions of the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947 and may supersede them with the applicability of any provision of the Industrial Code. The Industrial Code is a central legislation and extends to the whole of India. The Industrial Code empowers the Central Government to require an establishment in which one hundred or more workers are employed or have been employed on any day in the preceding twelve months to constitute a works committee consisting of representatives of employer and workers engaged in the establishment. The code further requires every establishment with twenty or more workers to have grievance redressal committees for resolution of disputes arising out of individual grievances. The code bars the jurisdiction of civil courts to any matter to which the provisions of the Industrial Code apply, and provides for establishment of industrial tribunals for adjudication of such matters. The Industrial Code provides for provisions pertaining to lay-off and retrenchment of employees and closure of establishments and compensation provisions in relation thereto. The Industrial Code provides for monetary fines, penalties and imprisonment in case of contravention of the provisions of the code.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")

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 non-compliance 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 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 ("MWA Rules")
- Industrial (Development and Regulation) Act, 1951 ("IDRA")
- Industrial Disputes Act, 1947 ("ID Act")
- Payment of Bonus Act, 1965 ("POB Act")
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act")
- Equal Remuneration Act, 1976 ("ER Act")
- Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 ("WCA")
- Maternity Benefit Act, 1961 ("Maternity Act")
- Industrial Employment Standing Orders Act, 1946

LAWS RELATING TO INTELLECTUAL PROPERTY

Copyright Act, 1957 ("Copyright Act")

Artistic works and various rights including ownership and economic rights are conferred on the author and are protected under Copyright Act, 1957. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire.

Trademarks Act, 1999

Under the Trademarks Act, 1999 ("Trademarks Act"), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

The Patents Act, 1970:

The Patents Act, 1970 as amended from time to time, in India has been enacted to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent.

The Designs Act, 2000 (Designs Act)

The objective of Designs Act it to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

OTHER GENERAL RULES AND REGULATIONS:

The Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act"):

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by

the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

State Laws

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

Municipality Laws

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

Other regulations:

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881,The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

PROPERTY RELATED LAWS

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

HISTORY AND CORPORATE STRUCTURE

Brief History and Background of Company

Our Company was originally incorporated on April 13, 2022 as "Karnika Industries Limited" pursuant to the conversion of a Partnership Firm named M/s KARNI INTERNATIONAL into Public Limited Company vide Registration No. 253035 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. The Corporate Identity Number of our Company is U17299WB2022PLC253035.

Our Company was originally promoted by Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra who were the initial subscribers to the Company's Memorandum and Articles of Association. Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra are the present promoters of our Company.

As on date of this Prospectus, our Company has Eight (8) shareholders.

For information on our Company's profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer the sections entitled "Industry Overview", "Business Overview", "Our Management", "Financial information of our company" and "Management 's Discussion and Analysis of Financial Condition and Results of Operations" on pages 84, 95, 123, 142, and 177 respectively.

Brief History and Background of Erstwhile Partnership Firm

The Erstwhile Partnership firm was formed vide deed of Partnership dated July 21, 2017 between Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra for carry on the business of manufacturing and trading of all kind of readymade garments in name and style of "Karni International" and carry business on principle place situate at Premises No. 6, Gurgola Ghat Road, P.O. Salkia, Howrah, West Bengal-711106, India. The Profit and Loss sharing between the Partners was equal as per the Deed.

Further the deed was amended with supplementary deed of Partnership dated February 21, 2022 by adding additional Partners i.e. Mr. Jagdish Prasad Mundhra, Mrs. Saroj Mundhra, Mrs. Poonam Mundhra, Mrs. Priyanka Mundhra and Mrs. Kirti Mundhra.

Address of Registered Office:

The Registered Office of the Company is situated 6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah, West Bengal-711106, India.

Changes in Registered Office of the Company since incorporation

There has not been any change in our Registered Office since incorporation till date of this Prospectus.

Our Main Object

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To Convert and Carry on the same business of Manufacturing and Trading of all kinds of Readymade Garments of Babies, Boys, Gents and Ladies and all kinds of dress materials in connection thereof, of M/s KARNI INTERNATIONAL, a Partnership Firm, now carried on by its Partners at 6, Gur Gola Ghat Road, Near Gopal Bhawan, 1st Floor, Bandha Ghat, Howrah-711106 and to manufacture, buy, sell, import, export, refine, manipulate or otherwise deal in textiles and piecegoods of all kinds, yam, threads, silks and art silks, cotton, woollens, nylon, synthetic, man-made and allied materials, rayons and fabrics of all kinds, woven/non-woven cloths, industrial doth, oil-cloth, leather cloths, Hessians, jute cloths, man-made fibres including regenerated cellulose-rayons, nylon and the like, textile auxiliaries, and sizing materials including starch.

2. To carry on India and elsewhere in any place or places in the world the trade or the business of manufacturers, exporters, importers, traders, dealers, merchants, shippers, indentors, distributors, wholesalers, retailers, shopkeepers, hirers, commission agents, muccadums, brokers, stockists, mercantile agents, forwarding agents, warehousemen, in all types of fabrics, cotton, knitted, dyed, processed wool, jute, hemp, silk, nylon and allied materials and articles, textile of all kinds, ready to wear garments, non-wearables, and made up of all kinds, makers and tailors of all kinds of industrial/domestic wearing/non-wearing apparels, linen, carpets and rugs, strapes, tapes, ribbon, elastic braids and labels and as ginners, pressers, packers, calendars, spinners, weavers, bleachers, dyers, combers and traders of cotton, wool, silk, nylon, synthetic, man-made fibre, flax, hemp, jute and other fibrous substances whether textile, felted, netted or looped and of

waste materials and cotton seeds and to run spinning, weaving, pressing, ginning and processing or manufacturing mills, dyeing, printing and bleaching factories and carry on all the above business in all or any of their respective branches.

3. To offer one stop solution for sale, purchase, export, import, and the like, of Garments, fashion clothes, fashion products, life style products, apparels, general merchandise etc.

Changes in Memorandum of Association

There has been no change in the Memorandum of Association of our Company since its Incorporation.

Adopting New Articles of Association of the Company

Our Company has adopted a new set of Articles of Association with its incorporation.

Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
2022-23	Converted from Partnership Firm into Public Limited Company vide fresh certificate of incorporation dated April 13, 2022

Other Details about our Company

For details of our Company's activities, products, growth, technology, marketing strategy, competition and our customers, please refer section titled "Business Overview", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Basis for Issue Price" on pages 95, 177 and 75 respectively of this Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "Our Management" and "Capital Structure" beginning on pages 123 and 55 of this Prospectus respectively.

Acquisition of Business/Undertakings & Amalgamation

Except as disclosed in this Prospectus, there has been no acquisition of business/undertakings, mergers, amalgamation since incorporation except conversion of erstwhile partnership firm into Company.

Holding Company

As on the date of this Prospectus, there is no holding company of our Company.

Subsidiary of our Company

As on the date of this Prospectus, there are no subsidiaries of our Company.

Capital raising (Debt / Equity)

For details in relation to our capital raising activities through equity, please refer to the chapter titled "Capital Structure" beginning on page 55 of this Prospectus. For details of our Company's debt facilities, please refer section "Financial Information of our Company" on page 142 of this Prospectus.

Time and Cost overruns in setting up projects

There has been no time / cost overrun in setting up projects by our Company.

Injunction or restraining order

There are no injunctions/ restraining orders that have been passed against the Company.

Revaluation of Assets

Our Company has not revalued its assets since incorporation

Defaults or Rescheduling of borrowings with financial institutions/banks and Conversion of loans into Equity Shares

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of this Prospectus. Furthermore, except as disclosed in chapter titled "Capital Structure" beginning on Page 55 of this Prospectus, none of the Company's loans have been converted into equity in the past.

Lock-out or strikes

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lockouts. As on the date of this Prospectus, our employees are not unionized.

Shareholders of our Company:

Our Company has eight (8) shareholders as on the 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 55 of this Prospectus.

Changes in the Management

For details of change in Management, please see chapter titled "Our Management" on page 123 of this Prospectus.

Changes in activities of our Company during the last five (5) years

There has been no change in the business activities of our Company during last five (5) years from the date of this Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material development in chapter titled "Management's discussion and analysis of financial conditions & results of operations" beginning on page 177 of this Prospectus.

Shareholders Agreements

As on the date of this Prospectus, there are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

Collaboration Agreements

As on the date of this Prospectus, our Company is not a party to any collaboration agreements.

Material Agreement

Our Company has not entered into any material agreements other than the agreements entered into by it in ordinary course of business.

OTHER AGREEMENTS

Non-Compete Agreement

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

Joint Venture Agreement

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

Strategic Partners

Except as mentioned in this Prospectus, Our Company does not have any strategic partners as on the date of this Prospectus.

Financial Partners

Our Company does not have any financial partners as on the date of this Prospectus.

Corporate Profile of our Company

For details on the description of our Company's activities, the growth of our Company, please see "Business Overview", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Basis of Issue Price" on pages 95, 177 and 75 of this Prospectus.

OUR MANAGEMENT

Board of Directors: As per the Articles of Association, our Company is required to have not less than Three (3) Directors and not more than Fifteen (15) Directors. Currently, our Company have Six (6) directors of which two (2) are Independent Directors.

The following table sets forth the details regarding our Board of Directors of our Company as on the date of filing of this Prospectus:

S. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre-Issue)	Other Directorships
1.	**Mr. Niranjan Mundhra** **Father Name**: Mr. Jagdish Prasad Mundhra **Date of Birth:** 07/06/1984 **Age:** 38 Years **Designation:** Chairman cum Managing Director **Address:** Vivek Vihar, Phase-V, Block-III, Flat No.-2C, 493C/A, GT Road, Near Shibpur Thana, Howrah, West Bengal-711102, India **Experience**: 07 Years **Occupation:** Business **Qualifications:** Bachelor of Commerce **Nationality:** Indian **DIN**: 05254448	Originally appointed on the Board as Director w.e.f. April 13, 2022. Further designated as Chairman cum Managing Director w.e.f. June 01, 2022 not liable to retire by rotation.	30,33,000 Equity Shares; 33.33% of Pre- Issue Paid up capital	Indian Companies: NIL Foreign Companies: NIL
2.	**Mr. Shiv Shankar Mundhra** **Father Name:** Mr. Jagdish Prasad Mundhra **Date of Birth:** 18/08/1989 **Age:** 33 Years **Designation:** Whole-Time Director **Address:** 493C/A**,** GT Road, Vivek Vihar, Phase-V, Block- III, Flat No.-2C, Howrah, West Bengal-711102, India. **Experience**: 07 Years **Occupation:** Business **Qualifications:** Master of Business Administration **Nationality:** Indian **DIN:** 02926873	Originally appointed on the Board as Director w.e.f. April 13, 2022. . Further designated as Whole-Time Director w.e.f. June 01, 2022 liable to retire by rotation.	30,33,000 Equity Shares; 33.33% of Pre- Issue Paid up capital	Indian Companies: NIL Foreign Companies: NIL
3.	**Mr. Mahesh Kumar Mundhra** **Father Name:** Mr. Jagdish Prasad Mundhra **Date of Birth**: 07/03/1993 **Age:** 30 Years **Designation:** Whole-Time Director **Address:** Vivek Vihar, Phase-V, Block-III, Flat No.-2C, 493C/A, GT Road South, Haora Corporation, Sibpur, Howrah, West Bengal-711102, India. **Experience**: 07 Years **Occupation:** Business **Qualifications:** Higher Secondary **Nationality:** Indian **DIN:** 08577538	Originally appointed on the Board as Director w.e.f. April 13, 2022. Further Designated as Whole-Time Director w.e.f. June 01, 2022 liable to retire by rotation.	30,33,000 Equity Shares; 33.33% of Pre- Issue Paid up capital	Indian Companies: NIL Foreign Companies: NIL
4.	**Mrs. Kirti Mundhra** **Father Name:** Mr. Shankar Lal Ladha	Appointed as Additional Director	260 Equity Shares; 00.003%	Indian Companies: NIL Foreign Companies: NIL

S. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre-Issue)	Other Directorships
	Date of Birth: 31/01/1995 **Age:** 28 Years **Designation:** Non-Executive Director **Address:** Vivek Vihar, Phase-V, Block-III, Flat No.-2C, 493C/A, GT Road Haora (M. Corp) Sibpur Bazar, Howrah, West Bengal-711102, India. **Experience**: 7 years **Occupation:** Business **Qualifications:** Bachelor of Commerce **Nationality:** Indian **DIN:** 09549207	w.e.f. January 01, 2023 Further designated as Non-Executive Director on EGM held on March 31, 2023	of Pre- Issue Paid up capital	
5.	**Mrs. Kirti Taparia** **Father Name:** Mr. Radhakishan Mohata **Date of Birth:** 07/03/1982 **Age:** 41 Years **Designation:** Independent Director **Address:** 5, Dr Abani Dutta Road, Haora Corporation, Salkia, Haora, West Bengal-711106**,** India. **Experience**: 7 years **Occupation:** Business **Qualifications:** Bachelor of Commerce (Honours) **Nationality:** Indian **DIN:** 10083439	Appointed as Additional Director w.e.f. March 24, 2023 Further designated as Independent Director EGM held on March 31, 2023	NIL	Indian Companies: NIL Foreign Companies: NIL
6.	**Mr. Parmeshwar Lal Sharma** **Father Name:** Mr. Devi Lal Sharma **Date of Birth:** 22/08/1985 **Age:** 37 Years **Designation:** Independent Director **Address:** Bigga Bass, Ward No. 13, Dungargarh, Bikaner, Shri Dungargarh, Rajasthan-331803**,** India. **Experience**: 06 years **Occupation:** Service **Qualifications:** Bachelor of Commerce **Nationality:** Indian **DIN:** 09798016	Appointed as Additional Director w.e.f. March 24, 2023 Further designated as Independent Director EGM held on March 31, 2023	NIL	Indian Companies: NIL Foreign Companies: NIL

BRIEF PROFILE OF OUR DIRECTORS

1. Mr. Niranjan Mundhra, Chairman cum Managing Director, Age: 38 Years

Mr. Niranjan Mundhra, 38 years is Chairman cum Managing Director and also the Promoter of our Company. He holds Bachelor of Commerce Degree. He was appointed on the Board on April 13, 2022 and further designated as the Chairman cum Managing Director of the Company on June 01, 2022 for a period of 5 years, not liable to retire by rotation. He is having experience of 07 years in textile industry. He has been instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His Vision to do business with ethics & to keep up with latest developments, Consistent Innovation in Technology and Management practices has helped him provide an overall growth for the company.

2. Mr. Shiv Shankar Mundhra, Whole-Time Director, Age: 33 Years

Mr Shiv Shankar Mundhra, aged 33 years, is the Whole Time Director and also the Promoter of our Company. He holds degree in Master of Business Administration. He was originally appointed on the Board on April 13, 2022 and further designated as the

Whole-Time Director of the Company on June 01, 2022 for a period of 5 years liable to retire by rotation. He is having of experience of 07 years in textile industry. He is an innovative, highly organized Promoter with a history of profound success in General / Project Manager and senior Operational manager within manufacturing Industry.

3. Mr. Mahesh Kumar Mundhra, Whole-Time Director, Age: 30 Years

Mr. Mahesh Kumar Mundhra, aged 30 years is the Whole-Time Director and also the Promoter of our Company. He holds Higher secondary degree. He was originally appointed on the Board on April 13, 2022 and further designated as the Whole-Time Director of the Company on June 01, 2022 for a period of 5 years liable to retire by rotation. He is having experience of 07 years in textile industry. He is a seasoned team leader with the ability to coach and mentor associates to create a solid team with a commitment to quality standard and superior customer satisfaction through strategies and proficiencies.

4. Mrs. Kirti Mundhra, Non-Executive Director, Age: 28 Years

Mrs. Kirti Mundhra, aged 28 years is the Non-Executive Director of our Company. She was originally appointed on the Board on January 01, 2023 and further designated as Non-Executive Director on the Board in EGM dated March 31, 2023. She has degree of Bachelor of Commerce having experience of 7 Years in fashion designing.

5. Mrs. Kirti Taparia, Independent Director, Age: 41 Years

Mrs. Kirti Taparia, aged 41 years is Independent Director of our Company. She was originally appointed on the Board on March 24, 2023 for 5 years and further designated as Independent Director on the Board in EGM dated March 31, 2023. She has degree of Bachelor of Commerce having experience of 7 Years in finance and accounts.

6. Mr. Parmeshwar Lal Sharma, Independent Director, Age: 37 Years

Mr. Parmeshwar Lal Sharma, aged 37 years is Independent Director of our Company. He was originally appointed on the Board on March 24, 2023 for 5 years and further designated as Independent Director on the Board in EGM dated March 31, 2023. He holds degree in Bachelor of Commerce having experience of 6 Years in finance and accounts.

Confirmations

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- None of the above-mentioned Directors are on the RBI list of willful defaulters or fraudulent borrower as on the date of filling of this Prospectus.
- Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.
- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Directors and promoters of our company.

Except as disclosed in chapter titled "Outstanding Litigations and Material Developments" beginning on Page 186 of this Prospectus, there is no criminal cases filed or being undertaken with regard to alleged commission of any offence by any of our directors which also effected the business of our company and none of directors of our Company have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.

Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.

Nature of any family relationship between any of our Directors:

Apart from Mr Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra who are related to each other as Brothers and Mr. Mahesh Kumar Mundhra and Mrs. Kirti Mundhra who are related to each other as spouse to each other and Mrs. Kirti Mundhra who is related to Mr. Niranjan Mundhra and Mr. Shiv Shankar Mundhra as Sister-in-Law, none of the Directors of the Company are related to each other as per Sec 2 (77) of Companies Act, 2013.

Arrangements with major Shareholders, Customers, Suppliers or Others:

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were selected as Directors or members of the senior management.

Service Contracts:

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

Details of Borrowing Powers of Directors

Our Company has passed a Special Resolution in the Extra-ordinary General Meeting of the members held on March 31, 2023, authorizing the Board of Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs. 100 Crore (Rupees hundred Crores only).

Compensation of our Managing Director and Whole Time Directors

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director and Whole Time Director:

Particulars	Mr. Niranjan Mundhra	Mr. Shiv Shankar Mundhra	Mr. Mahesh Kumar Mundhra
Re-Appointment / Change in Designation	June 01, 2022	June 01, 2022	June 01, 2022
Designation	Managing Director	Whole-Time Director	Whole-Time Director
Term of Appointment	5 Years	5 Years	5 Years
Remuneration Payable from FY 2023-24	Rs. 96.00 Lakhs	Rs. 96.00 Lakhs	Rs. 96.00 Lakhs
Remuneration paid for Year 2022-23	Rs. 92.80 Lakhs	Rs. 92.80 Lakhs	Rs. 92.80 Lakhs

Our company does not have any Subsidiary Company.

Bonus or Profit Sharing Plan for our Directors

We have no bonus or profit-sharing plan for our Directors.

Sitting Fee

The Articles of Association of our Company provides that payment of sitting fees to Directors (other than Managing Director & Whole- Time Directors) for attending a meeting of the Board or a Committee thereof shall be decided by the Board of Directors from time to time within the applicable maximum limits. Our Board of Directors has resolved in their meeting dated March 31, 2023 for payment to all Non-Executive Independent Directors for attending each such meeting of the Board or Committee thereof.

SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

Sr. No.	Name of Director	No. of Shares held	Holding in %
1.	Mr. Niranjan Mundhra	30,33,000	33.33
2.	Mr. Shiv Shankar Mundhra	3033,000	33.33
3.	Mr. Mahesh Kumar Mundhra	30,33,000	33.33
4.	Mrs. Kirti Mundhra	260	0.003

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Prospectus

Our Articles of Association do not require our directors to hold any qualification Equity Shares in the Company.

INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer- "Compensation of our Managing Director a Whole Time Directors" above, under chapter titled "Our Management" beginning on page 123 of this Prospectus

Our directors may also be regarded as interested their shareholding and dividend payable thereon, if any, Our Directors are also interested to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our directors are interested in the Company in the following manner:

Directors	Particulars
Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra	- The Registered office and manufacturing unit - I taken on rent on monthly rent of Rs. 48.00 Lakhs - Provided Personal guarantee and Personal Property for bank loan from HDFC Bank Limited for Rs. 15 Crores. - Provided Personal guarantee and Personal Property for bank loan from Kotak Mahindra Bank Limited for Rs. 20 Crores. - Provided Personal guarantee and Personal Property for bank loan from Axis Bank Limited for Rs. 20 Crores. - Provided Personal guarantee for bank loan from SIDBI for Rs. 2.00 Crores.

Further our director may also be interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our directors may also be interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners.

Except as stated otherwise in this Prospectus, our Company has not entered into any Contract, Agreements 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 the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section "Our Management" or the section titled "Restated Financial Statement - Related Party Transactions" beginning on page 123 and 142 respectively of this Prospectus, and except to the extent of shareholding in our Company, our directors do not have any other interest in our business.

Interest in the property of Our Company

Except as disclosed above and in the chapters titled "Business Overview" and "Restated Financial Statement – Related Party Transactions" and "History and Corporate Structure" on page 95, 142 and 119 respectively of this Prospectus, our Directors do not have any interest in any property acquired two years prior to the date of this Prospectus.

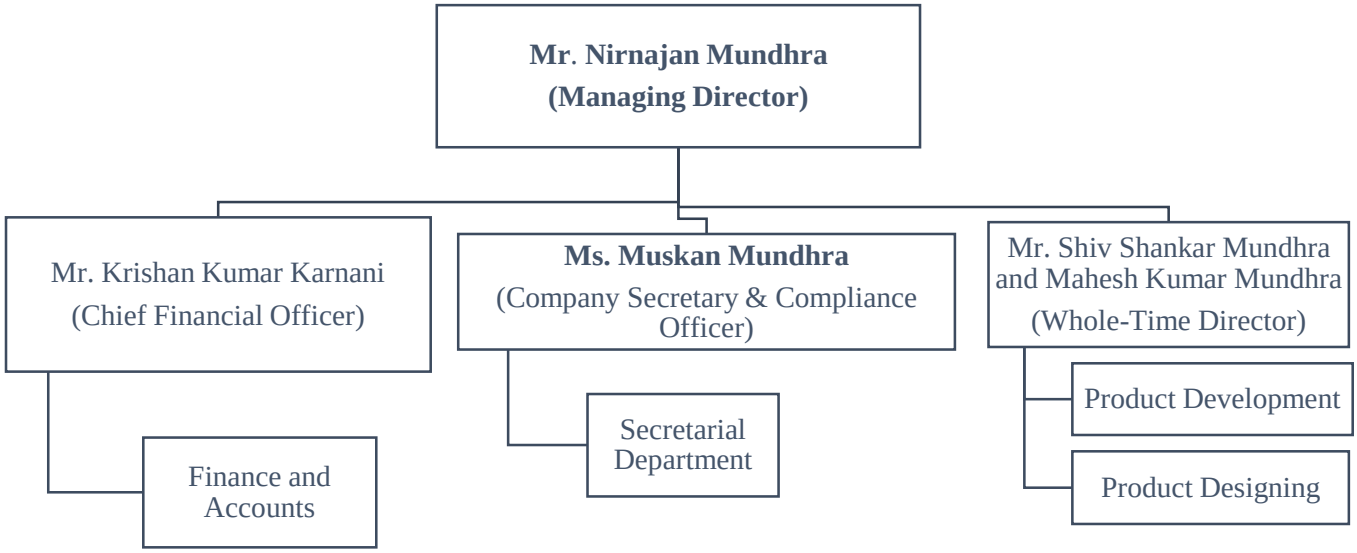
CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS

Sr. No.	Name	Date & Nature of Change	Reasons for Change
1.	Mr. Niranjan Mundhra	Appointment as Director on incorporation of Company on April 13, 2022	Appointment
2.	Mr. Shiv Shankar Mundhra	Appointment as Director on incorporation of Company on April 13, 2022	Appointment
3.	Mr. Mahesh Kumar Mundhra	Appointment as Director on incorporation of Company on April 13, 2022	Appointment
4.	Mr. Niranjan Mundhra	Re-designated as Managing Director w.e.f. June 01, 2022	To ensure better Corporate Governance

5.	Mr. Shiv Shankar Mundhra	Re-designated as Whole-Time Director w.e.f. June 01, 2022	To ensure better Corporate Governance
6.	Mr. Mahesh Kumar Mundhra	Re-designated as Whole-Time Director w.e.f. June 01, 2022	To ensure better Corporate Governance
7.	Mr. Niranjan Mundhra	Regularised in EGM as Chairman cum Managing Director on December 21, 2022	To ensure better Corporate Governance
8.	Mr. Shiv Shankar Mundhra	Regularised in EGM as Chairman cum Managing Director on December 21, 2022	To ensure better Corporate Governance
9.	Mr. Mahesh Kumar Mundhra	Regularised in EGM as Chairman cum Managing Director on December 21, 2022	To ensure better Corporate Governance
10.	Mrs. Kirti Mundhra	Appointed as Additional Director w.e.f January 01, 2023.	To ensure better Corporate Governance
11.	Mrs. Kirti Taparia	Appointed as Additional Director w.e.f March 24, 2023.	To ensure better Corporate Governance
12.	Mr. Parmeshwar Lal Sharma	Appointed as Additional Director w.e.f. March 24, 2023	To ensure better Corporate Governance
13.	Mrs. Kirti Mundhra	Re-designated as Non-Executive Director w.e.f March 31, 2023	To ensure better Corporate Governance
14.	Mrs. Kirti Taparia	Re-designated as Independent Director w.e.f March 31, 2023	To ensure better Corporate Governance
15.	Mr. Parmeshwar Lal Sharma	Re-designated as Independent Director w.e.f. March 31, 2023	To ensure better Corporate Governance

MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure: -



COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and SEBI (ICDR) Regulations, 2018 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of NSE. The requirements pertaining to constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees have been complied with.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of Six (6) directors of which two (2) are Independent Directors (as defined under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Our Company has constituted the following committees:

1. Audit Committee

Our Company has constituted an Audit Committee ("Audit Committee"), vide Board Resolution dated March 31, 2023, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of the Company's Equity shares on SME platform of NSE, the constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Parmeshwar Lal Sharma	Chairman	Independent Director
Mrs. Kirti Taparia	Member	Independent Director
Mrs. Kirti Mundhra	Member	Non-Executive Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

A. Tenure: The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B. Meetings of the Committee: The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two independent members at each meeting.

C. Role and Powers: The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
    - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - changes, if any, in accounting policies and practices and reasons for the same;
    - major accounting entries involving estimates based on the exercise of judgment by management;
    - significant adjustments made in the financial statements arising out of audit findings;
    - compliance with listing and other legal requirements relating to financial statements;
    - disclosure of any related party transactions;
    - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, 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 of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the 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. 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;
18. 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;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. 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;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

a) Management discussion and analysis of financial condition and results of operations;
b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
d) Internal audit reports relating to internal control weaknesses; and
e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
f) Statement of deviations:
   - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
   - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulations, 2015 as amended vide Resolution dated March 31, 2023 The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Parmeshwar Lal Sharma	Chairman	Independent Director
Mrs. Kirti Taparia	Member	Independent Director
Mr. Shiv Shankar Mundhra	Member	Whole-time Director
Mrs. Kirti Mundhra	Member	Non-Executive Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

A. Tenure: The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

B. Meetings: The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

C. Terms of Reference: Redressal of shareholders' and investors' complaints, including and in respect of:

- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
- Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulations, 2015 as amended vide Resolution dated March 31, 2023. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mrs. Kirti Taparia	Chairman	Independent Director
Mr. Parmeshwar Lal Sharma	Member	Independent Director
Mrs. Kirti Mundhra	Member	Non-Executive Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

A. Tenure: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings: The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

C. Role of Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- 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;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole Time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and

- To formulate and administer the Employee Stock Option Scheme.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of NSE. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME platform of NSE. The Board of Directors at their meeting held on March 31, 2023 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

Our Key Managerial Personnel

Our Company is supported by a well-laid team having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

Name, Designation & Educational Qualification	Age (Year)	Date of joining as KMP	Compensation paid for the F.Y ended 2023 (in Rs Lakhs)	Over all experience (in years)	Previous employment
Name: Mr. Niranjan Mundhra **Designation:** Chairman cum Managing Director **Qualification:** Bachelor of Commerce	38	Chairman and Managing Director w.e.f. June 01, 2022	-	07 Years	Karni International
Name: Mr. Shiv Shankar Mundhra **Designation:** Whole-Time Director **Qualification:** Master of Business Administration	33	Whole time Director w.e.f. June 01, 2022	-	07 Years	Karni International
Name: Mr. Mahesh Kumar Mundhra **Designation:** Whole-Time Director **Qualification:** Higher Secondary	30	Whole time Director w.e.f. June 012022	-	07 Years	Karni International
Name: Mr. Krishan Kumar Karnani **Designation:** Chief Financial Officer **Qualification:** Chartered Accountant	32	Appointed on January 01, 2023	Nil	07 Years	Karni International
Name: Ms. Muskan Mundhra **Designation:** Company Secretary & Compliance Officer **Qualification:** Company Secretary	--	Appointed on June 27, 2023	Nil	Nil	-

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

1. Mr. Niranjan Mundhra, Chairman cum Managing Director, Age: 38 Years

Mr. Niranjan Mundhra, 38 years is Chairman cum Managing Director and also the Promoter of our Company. He holds Bachelor of Commerce Degree. He was appointed on the Board on April 13, 2022 and further designated as the Chairman cum Managing Director of the Company on June 01, 2022 for a period of 5 years, not liable to retire by rotation. He is having experience of 07 years in textile industry. He has been instrumental in taking major policy decision of the Company. He is playing vital role in

formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His Vision to do business with ethics & to keep up with latest developments, Consistent Innovation in Technology and Management practices has helped him provide an overall growth for the company.

2. Mr. Shiv Shankar Mundhra, Whole-Time Director, Age: 33 Years

Mr Shiv Shankar Mundhra, aged 33 years, is the Whole Time Director and also the Promoter of our Company. He holds degree in Master of Business Administration. He was originally appointed on the Board on April 13, 2022 and further designated as the Whole-Time Director of the Company on June 01, 2022 for a period of 5 years liable to retire by rotation. He is having of experience of 07 years in textile industry. He is an innovative, highly organized Promoter with a history of profound success in General / Project Manager and senior Operational manager within manufacturing Industry.

3. Mr. Mahesh Kumar Mundhra, Whole-Time Director, Age: 30 Years

Mr. Mahesh Kumar Mundhra, aged 30 years is the Whole-Time Director and also the Promoter of our Company. He holds Higher secondary degree. He was originally appointed on the Board on April 13, 2022 and further designated as the Whole-Time Director of the Company on June 01, 2022 for a period of 5 years liable to retire by rotation. He is having experience of 07 years in textile industry. He is a seasoned team leader with the ability to coach and mentor associates to create a solid team with a commitment to quality standard and superior customer satisfaction through strategies and proficiencies.

4. Mr. Krishan Kumar Karnani, Chief Financial Officer, Age: 32 Years

Mr. Krishan Kumar Karnani, aged 32 years is the Chief Financial Officer of our Company. He holds degree in Chartered Accountant from Institute of Chartered Accountant of India. He looks after the Financial matters of our Company. He joined our Company on January 01, 2023. He has an overall experience of 07 years in Financial matters.

5. Ms. Muskan Mundhra, Company Secretary and Compliance Officer, Age: 30 Years

Ms. Muskan Mundhra is Company Secretary and Compliance Officer of our Company. She is qualified Company Secretary from institute of Company Secretaries of India. She looks after the secretarial matters of our Company. She joined our Company on June 27, 2023. She is fresher and has training experience.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Apart from Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra who are related to each other as Brothers and Mr. Niranjan Mundhra who is related to Mr. Krishan Kumar Karnani as Brother-in-Law, none of the KMP of the Company are related to each other as per Sec 2 (77) of Companies Act, 2013.

We confirm that:

a. All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
b. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
c. None of our KMPs except Mr. Niranjan Mundhra, Mr. Mahesh Kumar Mundhra and Mr. Mahesh Kumar Mundhra, are also part of the Board of Directors.
d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the period ended March 31, 2023.
e. Except for the terms set forth in the appointment Letters the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Prospectus except as under:

Sr. No.	Name of KMP	No. of Shares held	Holding in %
1.	Mr. Niranjan Mundhra	30,33,000	33.33%
2.	Mr. Shiv Shankar Mundhra	30,33,000	33.33%
3.	Mr. Mahesh Kumar Mundhra	30,33,000	33.33%

h. Presently, we do not have ESOP/ESPS scheme for our employees.
i. The turnover of KMPs is not high, compared to the Industry to which our Company belongs.

Payment of Benefits to Officers of our Company (non-salary related)

Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super annuations, ex-gratia/rewards.

Changes in the Key Managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last three years except as stated below:

Sr. No.	Name	Designation	Date of Appointment/ Cessation/Promotion/ Transfer	Reasons
1.	Mr. Niranjan Mundhra	Chairman cum Managing Director	Re-designated as Chairman cum Managing Director in Board meeting held on June 01, 2022 and ratified in EGM dated December 21, 2022.	To ensure better Corporate Governance
2.	Mr. Shiv Shankar Mundhra	Whole-time Director	Re-designated as Chairman cum Managing Director in Board meeting held on June 01, 2022 and ratified in EGM dated December 21, 2022.	To ensure better Corporate Governance
3.	Mr. Mahesh Kumar Mundhra	Whole-time Director	Re-designated as Chairman cum Managing Director in Board meeting held on June 01, 2022 and ratified in EGM dated December 21, 2022.	To ensure better Corporate Governance
4.	Mr. Krishan Kumar Karnani	Chief Financial Officer	Appointed w.e.f. January 01, 2023	To ensure better Corporate Governance
5.	Ms. Muskan Mundhra	Company Secretary and Compliance Officer	Appointed w.e.f. June 27, 2022	To ensure better Corporate Governance

INTEREST OF KEY MANAGERIAL PERSONNEL IN OUR COMPANY

Apart from shares held in the Company, and to the extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our Key managerial personal are interested in our Company.

Further our Key Managerial Personnel (KMP) are interested in the Company in the following manner:

Key Managerial Person (KMP)	Particulars
Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra	- The Registered office and manufacturing unit - I taken on rent on monthly rent of Rs. 48.00 Lakhs - Provided Personal guarantee and Personal Property for bank loan from HDFC Bank Limited for Rs. 15 Crores. - Provided Personal guarantee and Personal Property for bank loan from Kotak Mahindra Bank Limited for Rs. 20 Crores. - Provided Personal guarantee and Personal Property for bank loan from Axis Bank Limited for Rs. 20 Crores. - Provided Personal guarantee for bank loan from SIDBI for Rs. 2.00 Crores.

Except as provided in this Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Prospectus in which the Key Managerial Personnel 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.

For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to "Annexure X - Statement of Related Party Transaction" under chapter "Restated Financial Statement" on page 142 of this Prospectus.

OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL

Except as stated in this Prospectus, there are no other benefits payable to our Key Managerial Personnel.

EMPLOYEES

The details about our employees appear under the Paragraph titled ―Human Resource in Chapter Titled ― Business Overview beginning on page 95 of this Prospectus.

OUR PROMOTERS & PROMOTER GROUP

Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra are the Promoters of our Company.

As on the date of this Prospectus, Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra are holding 90,99,000 Equity Shares which constitute 99.99% of the issued and paid-up Equity Share capital of our Company. Our Promoters and Promoter Group will continue to hold the majority of our post- Issue paid-up equity share capital of our Company.

Details of our Promoters: -

Mr. Niranjan Mundhra, Chairman cum Managing Director	
Qualification	Bachelor of Commerce
Date of Birth	07/06/1984
Age	38 Years
Address	Vivek Vihar, Phase-V, Block- III, Flat No.-2C, 493C/A, GT Road, Near Shibpur Thana, Howrah, West Bengal-711102, India.
Experience	07 Years
Occupation	Business
Permanent Account Number	AIDPM4767F
Passport Number	W1243346
Driving License Number	WB1120020056056
No. of Equity Shares held in Karnika [% of Shareholding (Pre-Issue)]	30,33,000 Equity Shares of ₹ 10 each; 33.33% of Pre- Issue Paid up capital
DIN	05254448
Other Interests	**Company and LLP:** Sri Karni Apparels Private Limited Q Baazar India LLP **HUF:** Niranjan Mundhra HUF Jagdish Pradash Mundhra HUF **Proprietorship Firm:** Shree International (Proprietorship firm of Jagdish Pradash Mundhra HUF)

Mr. Shiv Shankar Mundhra, Whole-Time Director	
Qualification	Master of Business Administration
Date of Birth	18/08/1989
Age	33 Years
Address	493C/A, GT Road, Vivek Vihar, Phase-V, Block- III, Flat No.-2C, Howrah, Shibpur, West Bengal-711102, India
Experience	07 Years
Occupation	Business
Permanent Account Number	BCBPM6409B
Passport Number	M1330199
Driving License Number	WB-11200850179
No. of Equity Shares held in Karnika [% of Shareholding (Pre-Issue)]	30,33,000 Equity Shares of ₹ 10 each; 33.33% of Pre- Issue Paid up capital
DIN	02926873

	Other Interests	**Company and LLP:** Sri Karni Apparels Private Limited **HUF:** Shiv Shankar Mundhra HUF Jagdish Pradash Mundhra HUF **Proprietorship Firm:** Shree International (Proprietorship firm of Jagdish Pradash Mundhra HUF)
	Mr. Mahesh Kumar Mundhra, Whole-Time Director	
	Qualification	Higher Secondary
	Date of Birth	07/03/1993
	Age	30 Years
	Address	Vivek Vihar, Phase-V, Block- III, Flat No.-2C, 493C/A, GT Road South, Haora Corporation, Sibpur, Howrah, West Bengal-711102, India.
	Experience	07 Years
	Occupation	Business
	Permanent Account Number	BYWPM6764J
	Passport Number	Z4875388
	Driving License Number	WB-1120130218026
	No. of Equity Shares held in Karnika [% of Shareholding (Pre-Issue)]	30,33,000 Equity Shares of ₹ 10 each; 33.33% of Pre- Issue Paid up capital
	DIN	08577538
	Other Interests	**Company and LLP:** Sri Karni Apparels Private Limited Q Baazar India LLP **HUF:** Mahesh Kumar Mundhra HUF Jagdish Pradash Mundhra HUF **Proprietorship Firm:** Shree International (Proprietorship firm of Jagdish Pradash Mundhra HUF)

Declaration

We confirm that the Permanent Account Number, Bank Account Number, Aadhar Card Number, Passport Number and Driving License of the Promoters which are available have been submitted to NSE at the time of filing of Prospectus with them.

Present Promoters of Our Company are Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra. Initial subscribers to the MoA of our Company were Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra, Mr. Mahesh Kumar Mundhra, Mr. Jagdish Prasad Mundhra, Mrs. Saroj Mundhra, Mrs Poonam Mundhra, Mrs. Priyanka Mundhra and Mrs. Kirti Mundhra. For details of the shareholding acquired by the current promoter of our Company refer the capital buildup of our Promoter under chapter "Capital Structure" beginning on page 55 of this Prospectus.

Undertaking/ Confirmations

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.

There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.

The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled "Outstanding Litigations and Material Developments" beginning on page 186 of this Prospectus.

None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the promoter group members nor our Group Company have been declared as a willful defaulter or a fraudulent borrower by the RBI or any other government authority nor there are any violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

Common Pursuits/ Conflict of Interest

Our Promoter Entities i.e. Sri Karni Apparels Private Limited, Q Baazar India LLP, Shree Garments and Shri International are similar line of business i.e. Textile Industry.

Except as disclose above, there is no other entity/ Group Companies which are engaged in similar line of business as our Company as on date of this Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Interest in promotion of Our Company

The Promoters are interested to the extent of their shareholding in the Company, and any dividend and distributions which may be made by the Company in future. The related party transactions are disclosed in "Financial information of our company" and "Our Management – Interest of Directors" and "Our Management – Interest of Key Managerial Personnel" on pages 123 of this Prospectus.

Interest in the property of Our Company

Except as mentioned in this Prospectus, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us till date of filing the Prospectus with RoC.

Other Interest of Promoters

Our Promoters Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra are interested to the extent of his shareholding and shareholding of his relatives in our Company. Our Promoters Mr. Niranjan Mundhra, Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra who are also the Managing Director and Whole-Time Directors respectively of our Company may be deemed to be interested to the extent of their remuneration, as per the terms of their appointment and reimbursement of expenses payable to them. Our Promoters may also be deemed interested to the extent of any unsecured loan given/taken by them to/from our Company.

Further our Promoters are interested in the Company in the following manner:

Promoters	Particulars
Mr. Niranjan Mundhra, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra	- The Registered office and manufacturing unit - I taken on rent on monthly rent of Rs. 48.00 Lakhs. - Provided Personal guarantee and Personal Property for bank loan from HDFC Bank Limited for Rs. 15 Crores. - Provided Personal guarantee and Personal Property for bank loan from Kotak Mahindra Bank Limited for Rs. 20 Crores. - Provided Personal guarantee and Personal Property for bank loan from Axis Bank Limited for Rs. 20 Crores. - Provided Personal guarantee for bank loan from SIDBI for Rs. 2.00 Crores.

For transaction in respect of loans and other monetary transaction entered in past please refer Annexure X on "Restated statement of Related Party Transactions" under chapter titled "Restated Financial Statements" on page 142 of this Prospectus.

Except as stated otherwise in this Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus or proposes to enter into any such contract in which our Promoter are 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.

Experience of Promoters in the line of business

Our Promoters Mr. Niranjan Mundhra, Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra have experience of 07 years each. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

Related Party Transactions

For the transactions with our Promoter Group entities please refer to section titled "Annexure – X Restated Statement of Related Party Transactions" under chapter titled "Restated Financial Statements" on page 142 of this Prospectus.

Except as stated in "Annexure – X Restated Statement of Related Party Transactions" beginning under chapter titled "Restated Financial Statements" on page 142 of this Prospectus., and as stated therein, our Promoters or any of the Promoter Group do not have any other interest in our business.

Payment or Benefit to Promoters of Our Company

For details of payments or benefits paid to our Promoters, please refer to the chapter titled "Our Management" beginning on page 123 of this Prospectus. Also refer Annexure X on "Restated Statement of Related Party Transactions" under chapter titled "Restated Financial Statements" on page 142 of this Prospectus.

Companies / Firms from which the Promoter have disassociated themselves in the last (3) three years

Our Promoters has not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Prospectus.

Other ventures of our Promoters

Save and except as disclosed in this section titled "Our Promoters and Promoter Group" and "Information with respect of Group Companies" beginning on page 136 & 197 respectively of this Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests as on date of this Prospectus.

Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled "Outstanding Litigations and Material Developments" beginning on page 186 of this Prospectus.

OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

1. Natural Persons who are part of the Promoter Group

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters, are as follows:

Relationship	Mr. Niranjan Mundhra	Mr. Shiv Shankar Mundhra	Mr. Mahesh Kumar Mundhra
Father	Jagdish Prasad Mundhra	Jagdish Prasad Mundhra	Jagdish Prasad Mundhra
Mother	Saroj Devi Mundhra	Saroj Devi Mundhra	Saroj Devi Mundhra
Spouse	Poonam Mundhra	Priyanka Mundhra	Kirti Mundhra
Brother	Shiv Shankar Mundhra	Niranjan Mundhra	Mahesh Kumar Mundhra
	Mahesh Kumar Mundhra	Mahesh Kumar Mundhra	Shiv Shankar Mundhra

Sister	Vinita Jhanwar	Vinita Jhanwar	Vinita Jhanwar
Son	--	Kartik Mundhra	Darsh Mundhra
Daughter	Chanchal Mundhra	Ritisha Mundhra	--
	Yashika Mundhra		
	Lavanya Mundhra		
Spouse's Father	Sita Ram Karnani	Lt. Rewant Mal Rathi	Shanker Lal Ladha
Spouse's Mother	Suman Devi Karnani	Narbada Devi Rathi	Kanta Devi Ladha
Spouse's Brother	Deepak Karnani	Piyush Rathi	Neeraj Ladha
	Krishan Kumar Karnani	Manish Rathi	
Spouse's Sister	--	Rekha Bhattar	Preeti Mohta

2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

- Sri Karni Apparels Private Limited
- Q Baazar India LLP
- Shree Garments
- Shri International
- Niranjan Mundhra HUF
- Shiv Shankar Mundhra HUF
- Mahesh Kumar Mundhra HUF
- Jagdish Prasad Mundhra HUF

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares since incorporation. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

SECTION IX - FINANCIAL INFORMATION OF OUR COMPANY

RESTATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL INFORMATION
(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,
The Board of Directors,
Karnika Industries Limited

Dear Sir,

We have examined the attached Restated Audited Financial Information of Karnika Industries Limited *(hereinafter referred as "the Company" which was incorporated pursuant to conversion of "Karni International" (erstwhile Partnership Firm))* comprising the Restated Audited Statement of Assets and Liabilities as at March 31, 2023, April 12, 2022, March 31, 2022 & March 31, 2021. the Restated Audited Statement of Profit & Loss, the Restated Audited Cash Flow Statement for the financial year ended March 31, 2023, April 12, 2022 March 31, 2022 & March 31, 2021, the Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Financial Information) as approved by the Board of Directors in their meeting held on June 26, 2023 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:-

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");;

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") as amended (ICDR Regulations"); and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI"**);

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note").

The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Kolkata in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company for the financial year ended March 31, 2023, April 12, 2022, March 31, 2022 & March 31, 2021 on the basis of preparation stated in ANNEXURE – IV to the Restated Financial Information. The Board of Directors of the company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

We have examined such Restated Financial Information taking into consideration:

a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated May 25, 2023. in connection with the proposed IPO of equity shares of the Company;
b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and ,
d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

These Restated Financial Information have been compiled by the management from:

a) Audited financial statements of company as at and for the period ended March 31, 2023 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.
b) Audited Financial Statement for the stub period ended on April 12, 2022 & for financial year ended March 31, 2022 & March 31, 2021 prepared in accordance with the Accounting Principles generally accepted in India by making adjustments for Indian

GAAP as applicable to corporates to the audited financial statements f Financial year ended March 31, 2023, April 12, 2022, March 31, 2022 & 2021 which was prepared as per Indian GAAP as applicable to non-corporates and which have been approved by the board of directors.

For the purpose of our examination, we have relied on:

a) Auditors' Report issued by the statutory Auditor i.e. M/s AAAJ & Associates formaly known as Uttam Agarwal & Associates (the "statutory Auditors") dated June 17, 2023, June 05, 2023, July 20, 2022 & August 26, 2021 for the Period ended on March 31, 2023 & April 12, 2022 & Financial year ended 31st March 2022 & 31st March 2021 respectively.

b) The audit were conducted by the Company's statutory auditor, and accordingly reliance has been placed on the statement of assets and liabilities and statements of profit and loss, the Significant Accounting Policies, and other explanatory information and (collectively, the Audited Financial Statement") examined by them for the said years.

The modification in restated financials were carried out based on the modified reports, if any, issued by statutory auditor which is giving rise to modifications on the financial statements as at and for the periods ended March 31, 2023, April 12,, 2022, March 31, 2022 & March 31, 2021. There is no qualification of statutory auditor for the Financial Statement of March 31, 2023, April 12, 2022, March 31, 2022 and March 31, 2021.

The audit reports on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the period ended on March 31, 2023, April 12, 2022, March 31, 2022 and March 31, 2021:-

a) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;

b) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;

c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;

d) There were no qualifications in the Audit Reports issued by M/s AAAJ & Associates formaly known as Uttam Agarwal & Associates for the Period Ended on March 31, 2023, April 12, 2022, March 31, 2022 and 2021 which would require adjustments in this Restated Financial Statements of the Company;

e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in ANNEXURE – IV to this report;

f) Adjustments in Restated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies,

g) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Information or Restated Summary Financial Statement;

h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement

i) The Company has not paid any dividend since its incorporation.

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

a) The "Restated Statement of Assets and Liabilities" as set out in ANNEXURE – I to this report, of the Company as at Period Ended on March 31, 2023, April 12, 2022, March 31, 2022 and 2021 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.

b) The "Restated Statement of Profit and Loss" as set out in ANNEXURE – II to this report, of the Company for Period Ended on March 31, 2023, April 12, 2022, March 31, 2022 and 2021 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.

c) The "Restated Statement of Cash Flow" as set out in ANNEXURE – III to this report, of the Company Period Ended on March 31, 2023, April 12, 2022, March 31, 2022 and 2021 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the Period Ended on March 31, 2023, April 12, 2022, March 31, 2022 and 2021 proposed to be included in the Draft Prospectus / Prospectus ("Offer Document") for the proposed IPO.

Restated Statement of Share Capital, Reserves And Surplus	Annexure – I.1 & Annexure – I.2
Restated Statement of Long Term Borrowing	Annexure – I.3
Restated Statement of Long Term Provisions	Annexure – I.4
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure – I.4
Restated Statement of Short Term Borrowing	Annexure – I.5
Restated Statement of Trade Payables	Annexure – I.6
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure – I.7 & Annexure – I.8
Restated Statement of Fixed Assets	Annexure – I.9
Restated Statement of Long Term Loans & Advances	Annexure – I.10
Restated Statement of Deferred Tax Assets	Annexure – I.11
Restated Statement of Non Current Assets	Annexure – I.12
Restated Statement of Inventories	Annexure – I.13
Restated Statement of Trade Receivables	Annexure – I.14
Restated Statement of Cash & Cash Equivalents	Annexure – I.15
Restated Statement of Short Term Loans & Advances	Annexure – I.16
Restated Statement of Other Current Assets	Annexure – I.17
Restated Statement of Revenue from Operations	Annexure – II.1
Restated Statement of Other Income	Annexure – II.2
Restated Statement of Cost of Material Consumed	Annexure – II.3
Restated Statement of Purchase of Stock in Trade	Annexure – II.4
Restated Statement of Change in Inventories of WIP, Finished Goods & Stock in Trade	Annexure – II.5
Restated Statement of Employee Benefit Expenses	Annexure - II.6
Restated Statement of Finance Cost	Annexure - II.7
Restated Statement of Depreciation & Amortisation	Annexure - II.8
Restated Statement of Other Expenses	Annexure - II.9
Restated Statement of Deferred Tax Asset / Liabilities	Annexure - II.10
Material Adjustment to the Restated Financial	Annexure – V
Restated Statement of Tax shelter	Annexure – VI
Restated Statement of Capitalization	Annexure – VII
Restated Statement of Contingent Liabilities	Annexure – VIII
Restated Statement of Accounting Ratios	Annexure – IX
Restated statement of related party transaction	Annexure – X

In our opinion and to the best of information and explanation provided to us, the Restated Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE – IV are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. A Y & Company, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in ANNEXURE – I to X of this report read with the respective Significant Accounting Polices and Notes to Accounts as set out in ANNEXURE – IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

For, M/s A Y & CO.
Chartered Accountants
Firm Registration Number: - 020829C
Peer Review No. –013225

CA Arpit Gupta
(Partner)
Membership No.421544
UDIN – 23421544BGSQCZ7914
Date: 26.06.2023
Place: Kolkata

ANNEXURE – I : RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As At 31st March 2023	As at April 12, 2022	As at 31st March	
					2022	2021
A.	**Equity and Liabilities**					
1	**Shareholders' Funds**					
	Share Capital	**I.1**	910.03	1,868.30	1,860.88	378.14
	Reserves & Surplus	**I.2**	896.80	-	-	-
	Share application money pending allotment		-		-	-
2	**Non-Current Liabilities**					
	Long-Term Borrowings	**I.3**	4.33	8.33	8.33	79.83
	Long Term Provisions	**I.4**	11.92	5.36	5.36	3.06
	Deferred Tax Liabilities		-	-	-	-
3	**Current Liabilities**					
	Short Term Borrowings	**I.5**	5,241.20	2,485.25	2,215.80	1,491.11
	Trade Payables	**I.6**				
	- Micro and Small Enterprises		-	-	-	-
	-Other Than Micro and Small Enterprises		2,564.29	1,619.35	1,542.65	1,059.74
	Other Current Liabilities	**I.7**	181.91	31.96	65.08	38.75
	Short Term Provisions	**I.8**	260.55	235.03	223.33	5.24
	Total		**10,071.04**	**6,253.58**	**5,921.42**	**3,055.87**
B.	**Assets**					
1	**Non-Current Assets**					
	Property, Plant & Equipments					
	Tangible Assets	**I.9**	140.27	79.29	74.72	54.41
	Intangible Assets	**I.9**	3.13	3.57	3.60	4.50
	Capital Work In Progress		-	-	-	-
	Long Term Loans & Advances	**I.10**	39.66	10.00	10.00	10.00
	Deferred Tax Assets	**I.11**	8.53	5.04	4.99	3.09
	Other Non Current Assets	**I.12**	20.67	8.16	8.16	0.61
2	**Current Assets**					
	Investments		0.00	0.00	0.00	0.00
	Inventories	**I.13**	4853.66	2670.04	2762.48	1129.09
	Trade Receivables	**I.14**	4,021.51	3098.43	2700.68	1,677.23
	Cash and Cash Equivalents	**I.15**	155.19	2.78	6.59	78.56
	Short-Term Loans and Advances	**I.16**	71.26	98.79	70.75	8.24
	Other Current Assets	**I.17**	757.14	277.49	279.46	90.14
	Total		**10071.04**	**6253.58**	**5921.42**	**3055.87**

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, II, III.

As per our report of even date
For, M/s A Y & CO.
Chartered Accountants
Firm Registration Number: - 020829C
Peer Review No. –013225

For and on behalf of the Board of Directors

CA Arpit Gupta
(Partner)
Membership No.421544
UDIN -23421544BGSQCZ7914

Mr. Niranjan Mundhra
Managing Director
DIN: 05254448

Mr. Shiv Shankar Mundhra
Whole-Time Director
DIN: 02926873

Date: 26.06.2023
Place: Kolkata

Mr. Krishan Kumar Karnani
Chief Financial Officer

ANNEXURE – II : RESTATED STATEMENT OF PROFIT AND LOSS

(Rs. in Lakhs)

Sr. No	Particulars	Note No.	For the Period from 13th April 2022 to March 31, 2023	For the Period from 01 April 2022 to 12th April 2022	For The Year Ended 31st March	
					2022	2021
A.	**Revenue:**					
	Revenue from Operations	**II.1**	12459.24	636.71	9880.93	4746.41
	Other income	**II.2**	146.38	1.60	11.60	32.90
	Total revenue		**12605.62**	**638.31**	**9892.52**	**4779.31**
B.	**Expenses:**					
	Cost of Material Consumed	**II.3**	9,408.91	214.38	8,590.66	3,966.42
	Purchase of Stock in Trade	**II.4**	1646.43	125.18	1093.53	476.58
	Changes in Inventories of Finished Goods	**II.5**	(1,439.19)	233.32	(1,459.10)	(287.90)
	Employees Benefit Expenses	**II.6**	610.70	9.04	299.32	173.37
	Finance costs	**II.7**	516.63	0.60	233.41	103.87
	Depreciation and Amortization	**II.8**	34.23	0.71	21.83	13.53
	Other expenses	**II.9**	714.35	17.76	395.87	208.15
	Total Expenses		**11492.07**	**600.98**	**9175.51**	**4654.03**
	Profit/(Loss) before exceptional items and tax		**1113.55**	**37.33**	**717.01**	**125.29**
	Exceptional Items		-	-	-	-
	Profit before tax		**1113.55**	**37.33**	**717.01**	**125.29**
	Tax expense :					
	Current tax		290.31	11.71	264.90	46.77
	Deferred Tax	**II.10**	(3.49)	(0.05)	(1.90)	(3.09)
	Profit/(Loss) for the period/ year		**826.74**	**25.67**	**454.01**	**81.61**
	Earning per equity share in Rs.:					
	(1) Basic		9.66	0.37	6.49	1.17
	(2) Diluted		9.66	0.37	6.49	1.17

Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities and cash flows appearing in Annexure IV, I, III.

As per our report of even date
For, M/s A Y & CO.
Chartered Accountants
Firm Registration Number: - 020829C
Peer Review No. –013225

For and on behalf of the Board of Directors

CA Arpit Gupta
(Partner)
Membership No.421544
UDIN -23421544BGSQCZ7914

Mr. Niranjan Mundhra
Managing Director
DIN: 05254448

Mr. Shiv Shankar Mundhra
Whole-Time Director
DIN: 02926873

Date: 26.06.2023
Place: Kolkata

Mr. Krishan Kumar Karnani
Chief Financial Officer

ANNEXURE – III: RESTATED STATEMENT OF CASH FLOWS

(Rs. in Lakhs)

Particulars	For the Period from 13th April 2022 to March 31, 2023	For the Period from 01 April 2022 to 12th April 2022	For The Year Ended 31st March	
			2022	2021
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/ (Loss) before tax	**1113.55**	**37.33**	**717.01**	**125.29**
Adjustments for:				
Depreciation	34.23	0.71	21.83	13.53
Provision for Gratuity	6.71	-	2.26	1.89
Interest Received	(0.06)	-	(3.45)	-
Interest Expense	503.91	0.59	177.24	80.86
Operating profit before working capital changes	**1,658.34**	**38.64**	**914.89**	**221.57**
Movements in working capital :	(2,463.93)	(287.79)	(2,399.44)	(739.91)
(Increase)/Decrease in Trade Receivables	(923.08)	(397.75)	(1,023.44)	(681.68)
(Increase)/Decrease in Inventories	(2,183.62)	92.44	(1,633.39)	(449.86)
(Increase)/Decrease in Other Current Assets	(479.65)	1.97	(189.32)	(1.54)
(Increase)/Decrease in Short Term Loans & Advances	27.53	(28.03)	(62.51)	(44.98)
Increase/(Decrease) in Trade Payables	944.94	76.70	482.90	416.84
Increase/(Decrease) in Other Current Liabilities	149.95	(33.12)	26.32	21.31
Cash generated from operations	**(805.59)**	**(249.15)**	**(1,484.55)**	**(518.34)**
Income tax paid during the year /period	264.93	-	46.77	41.61
Net cash from operating activities (A)	**(1,070.52)**	**(249.15)**	**(1,531.32)**	**(559.95)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(94.77)	(5.26)	(41.23)	(26.62)
Interest Received	0.06	-	3.45	-
(Increase)/Decrease in Other Non Current Assets	(12.51)	-	(7.55)	-
(Increase)/Decrease in Long Term Loans & Advances	(29.66)	-	-	(10.00)
Net cash from investing activities (B)	**(136.89)**	**(5.26)**	**(45.33)**	**(36.62)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid on borrowings	(503.91)	(0.59)	(177.24)	(80.86)
Proceeds/(Repayment) of Borrowings	2,751.95	269.45	653.19	690.04
Proceeds/Repayment of Share Capital/Partners Capital	(888.21)	(18.25)	1,028.73	62.78
Net cash from financing activities (C)	**1,359.82**	**250.61**	**1,504.68**	**671.96**
Net increase in cash and cash equivalents (A+B+C)	**152.41**	**(3.81)**	**(71.98)**	**75.40**
Cash and cash equivalents at the beginning of the year	**2.78**	**6.59**	**78.56**	**3.17**
Cash and cash equivalents at the end of the year	**155.19**	**2.78**	**6.59**	**78.56**
Cash and cash equivalents Comprises of:				
Cash in Hand	7.09	2.78	6.59	5.52
Cash at Bank	148.10	-	-	73.05

Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities & profits and losses appearing in Annexure IV, I, II.

As per our report of even date
For, M/s A Y & CO.
Chartered Accountants
Firm Registration Number: - 020829C
Peer Review No. –013225

For and on behalf of the Board of Directors

CA Arpit Gupta
(Partner)
Membership No.421544
UDIN -23421544BGSQCZ7914

Mr. Niranjan Mundhra
Managing Director
DIN: 05254448

Mr. Shiv Shankar Mundhra
Whole-Time Director
DIN: 02926873

Date: 26.06.2023
Place: Kolkata

Mr. Krishan Kumar Karnani
Chief Financial Officer

ANNEXURE – D

SUMMARY SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS AS RESTATED

A. COMPANY INFORMATION

Our Company was originally formed as a Partnership Firm under the Partnership Act, 1932 ("Partnership Act") in the name and style of "Karni International" pursuant to Deed of Partnership dated July 21, 2017. Karni International was thereafter converted from Partnership Firm to a Public Limited Company under Part I chapter XXI of the Companies Act, 2013 with the name and style of "Karnika Industries Limited" and received a Certificate of Incorporation from the Registrar of Companies, Kolkata dated April 13, 2022. The Corporate Identity Number of our Company is U17299WB2022PLC253035.

SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The financial statements are prepared under the historical cost convention on the "Accrual Concept" and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006/2001 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

3. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

4. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

5. Depreciation

All fixed assets, except capital work in progress, are depreciated on WDV Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition /deletion as the case may be.

6. Investments

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

7. Inventories

As per (AS) 2, The inventories are physically verified at regular intervals by the management. Raw materials and packing materials are valued at the lower of cost and net realizable value.

Finished goods, Stock-in-Trade and Work-in-Progress are valued at lower of cost and net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Consumable stores and spares are valued at the lower of cost and net realizable value, as estimated by the management. Obsolete, defective, unserviceable and slow/non-moving stocks are duly provided for.

8. Revenue Recognition

Sales revenue is recognized when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods or services are recognized on delivery of the products or services, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained.

In the financial statement, revenue from operation does not include Indirect taxes like Sales Tax And/ Or Goods & Service Tax.

Sale of Goods

Sales are recognized, net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyer, which generally coincide with the delivery of goods to the customers. The Company collects Goods and Service Tax (GST) and / or Tax Collected at source on behalf of the government and, therefore, these do not form a part of economic benefits flowing to the Company.

Hence, they are excluded from revenue.

Interest
Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Service Income
Income from service rendered is recognised based on the terms of the agreements as and when services are rendered and are net of Goods and Service Tax (GST)/ Service tax.

Dividend Income
Dividend income from investments, if any, is accounted on the receipt basis.

Insurance claims
Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

9. Borrowing Cost

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

10. Employee Benefits

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post-employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized/accrued.

11. Taxes on Income

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

12. Foreign Currency Translation

a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate.

b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

13. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

B. NOTES ON ACCOUNTS

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

2. Segment Reporting

The Company at present is engaged in the Business of Trading of Textiles Products. In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS –17 are not applicable to the Company.

3. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on March 31, 2023, April 12, 2022, March 31, 2022 & March 31, 2021 except as mentioned in Annexure-H, for any of the years/ stub period covered by the statements.

4. Related Party Disclosure (AS 18)
Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – J of the enclosed financial statements.

5. Post Employment Benefits: The Company has valued its obligations related to Gratuity as follows:

I. ASSUMPTIONS	For the Period Ended on March 31, 2023	For the Year Ended on March 31, 2022	For the Year Ended on March 31, 2021
Discount Rate	7.30%	7.30%	6.90%
Expected Rate of Salary Increase	7.00%	7.00%	7.00%
Withdrawal Rate	2.00%	2.00%	2.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement	60 Years	60 Years	60 Years
II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS	**For the Period Ended on March 31, 2023**	**For the Year Ended on March 31, 2021**	**For the Year Ended on March 31, 2021**
Defined Benefit Obligation at beginning of the year	**5.40**	**3.14**	**1.25**
Current Service Cost	4.22	2.53	1.35
Interest cost	0.40	0.22	0.09
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	2.09	(0.49)	0.45
Benefits Paid	0.00	0.00	0.00
Defined Benefit Obligation as at end of the year	**12.11**	**5.40**	**3.14**
III. AMOUNT RECOGNIZED IN THE BALANCE SHEET:	**For the Period Ended on March 31, 2023**	**For the Year Ended on March 31, 2022**	**For the Year Ended on March 31, 2021**
Net liability as at beginning of the year	**5.40**	**3.14**	**1.25**
Net expense recognized in the Statement of Profit and Loss	6.71	2.26	1.89
Benefits Paid	0.00	0.00	0.00
Net liability as at end of the year	**12.11**	**5.40**	**3.14**
IV. EXPENSE RECOGNIZED:	**For the Period Ended on March 31, 2023**	**For the Year Ended on March 31, 2022**	**For the Year Ended on March 31, 2021**
Current Service Cost	4.22	2.53	1.35
Interest Cost	0.40	0.22	0.09
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	2.09	(0.49)	0.45
Expense charged to the Statement of Profit and Loss	**6.71**	**2.26**	**1.89**
V. BALANCE SHEET RECONCILIATION:	**For the Period Ended on March 31, 2023**	**For the Year Ended on March 31, 2022**	**For the Year Ended on March 31, 2021**
Opening net liability	**5.40**	**3.14**	**1.25**
Expense as above	6.71	2.26	1.89
Benefits Paid	0.00	0.00	0.00
Net liability/(asset) recognized in the balance sheet	**12.11**	**5.40**	**3.14**

6. Accounting for Deferred Taxes on Income (AS 22)

(Rs. In Lakhs)

Particulars	For the Period from 13th April 2022 to 31st March 2023	For the Period from 01 April 2022 to 12th April 2022	As at 31st March	
			2022	2021
WDV as per Companies Act, 2013 (A)	143.40	82.87	78.32	58.91
WDV as per Income tax Act, 1961 (B)	165.18	97.48	92.74	68.05
Difference in WDV (A-B)	(21.78)	(14.61)	(14.42)	(9.14)
Timing Difference due to Provision for Gratuity (C)	12.10	5.40	5.40	3.14
Total Timing Difference (D)	(33.88)	(20.01)	(19.82)	(12.28)
Deferred Tax (Asset)/ Liability '(E)	(8.53)	(5.04)	(4.99)	(3.09)

Restated Closing Balance of Deferred Tax (Asset)/ Liability (E)	(8.53)	(5.04)	(4.99)	(3.09)
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(3.49)	(0.05)	(1.90)	(3.09)

MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

A. Material Regrouping:

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

B. Material Adjustments:

The Summary of results of restatement made in the Audited Financial Statements for the respective period/years and its impact on the profit/ (loss) of the Company is as follows:

(Rs. In Lakhs)

Particulars	For the Period from 13 April 2022 to 31st March 2023	For the Period from 01 April 2022 to12th April 2022	For The Year Ended March 31,	
			2022	2021
(A) Net Profits as per audited financial statements (A)	818.21	25.81	424.33	86.65
Add/(Less) : Adjustments on account of -				
1) Difference on Account of Provision for Gratuity Expenses	0.00	0.00	-2.26	-1.89
2) Difference on Account of Change in Deferred Tax	0.47	0.05	1.90	3.09
3) Difference on Account of Change in Depreciation Method	4.80	-0.19	-5.29	-1.08
4) Difference on Account of Provision for Income Tax	3.25	(0.00)	35.33	(5.16)
Total Adjustments (B)	**8.52**	**(0.14)**	**29.69**	**(5.05)**
Restated Profit/ (Loss) (A+B)	**826.73**	**25.67**	**454.01**	**81.61**

C. Notes on Material Adjustments pertaining to prior years

(1) Difference on Account of Provision for Gratuity Expenses: Gratuity Expenses not recognized in Audited Financials which has been corrected in Restated Financial Statements

(2) **Difference on Account of Change in Deferred Tax:** Deferred Tax Assets is not recognized in Audited Financials which has been recognized in Restated Financial Statements.

(3) **Difference on Account of Change in Method of Depreciation:** Since Partnership Firm is converted into company w.e.f. 13th April, 2022, So that all the depreciation charged for earlier period has been restated as per the Method Provided in Schedule II.

(4) **Difference on Account of Change in Provision for Income Tax:** Since the Restated Profit is changed so that Provision for income Tax also got changed.

Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

(Rs. In Lakhs)

Particulars	For the Period from 13 April 2022 to 31st March 2023	For the Period from 01 April 2022 to12th April 2022	As at March 31	
			2022	2021
(A) Total Equity as per audited financial statements (A)	1,792.90	1,853.11	1,845.55	392.49
Add/(Less) : Restatement Adjustments	8.52	24.49	24.63	(5.05)
Add/(Less) : Prior Period Items	5.40	(9.30)	(9.30)	(9.30)
Total Equity as per Restated Financial Statements (A+B)	**1,806.82**	**1,868.30**	**1,860.88**	**378.14**

7. Trade Payable Ageing Summary

31.03.2023

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	2564.29	-	-	-	2564.29
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	**2564.29**	**-**	**-**	**-**	**2564.29**

12.04.2022

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	1619.35	-	-	-	1619.35
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	**1619.35**	**-**	**-**	**-**	**1619.35**

31.03.2022

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	1542.65	-	-	-	1542.65
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	**1542.65**	**-**	**-**	**-**	**1542.65**

31.03.2021

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	1059.74	-	-	-	1059.74
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	1059.74	-	-	-	1059.74

8. Trade Receivable Ageing Summary

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
31.03.2023						
(i) Undisputed Trade Receivable – considered good	3780.91	223.95	6.68	9.95	0.02	4021.51
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
12.04.2022						
(i) Undisputed Trade Receivable – considered good	3065.82	1.91	14.42	16.28	-	**3098.43**
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
31.03.2022						
(i) Undisputed Trade Receivable – considered good	2668.06	1.91	14.42	16.29	-	2700.68
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
31.03.2021						
(i) Undisputed Trade Receivable – considered good	1613.94	52.88	10.41	-	-	1677.23
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-

9. Restated Statement of Accounting Ratios:

S. No.	Particular	Numerator / Denominator	March 31, 2023	April 12, 2022	March 31, 2022	March 31, 2021	Reason for Movements
(a)	Current Ratio	Current Assets / Current Liabilities	1.20	1.41	1.44	1.15	Reason is not required to be disclosed since movement is not more than 25%.
(b)	Debt-Equity Ratio	Debt	2.90	1.33	1.20	4.15	This Ratio is decreased in the year 2021 due to increase in Equity.

		Equity					Further this ratio is increased in the year 2023 due to increase in debts.
(c)	Debt Service Coverage Ratio	Net Operating Income / Total Debt Service	-0.60	-0.14	-1.49	-0.35	This Ratios is decreased in the year 2021 due to increase in Net Operating Income. Further the same has been increased due to increased debts
(d)	Return on Equity Ratio	Profit After Tax / Average Shareholders Equity	44.99	1.38	40.55	26.27	This ratio is increased due to increase in Profit after tax
(e)	Trade Receivables turnover ratio (in times	Net Credit Sales / Average Trade Receivables	3.50	0.22	4.51	3.55	This ratio is increased in the year 2021 due to higher sales. Further the same has been decreased due to decrease in debtor credit period
(f)	Trade Payable Turnover Ratio (in times)	Net Credit Purchases / Average Trade Payables	4.00	0.25	4.96	3.10	This ratio is increased in the year 2021 due to higher purchases. Further the same has been decreased due to decrease in creditor credit period
(g)	Net capital turnover ratio (in times)	Turnover / Net Working Capital	7.73	0.36	5.57	12.22	This ratio is decreased in the year 2021 due to higher working capital. Further the same has been increased in the year 2023 due to higher turnover
(h)	Net profit ratio	Profit After Tax / Total Sales	6.64	4.03	4.59	1.72	This ratio is increased due to increased profit after tax.
(i)	Return on Capital employed	Operating Profit / Total Capital Employed	91.90	2.06	52.01	52.99	This ratio is increased in the year 2023 due to higher operating profit.
(j)	Return on investment.	Profit After Tax / Initial Value of Investments	44.25	1.38	120.07	33.58	This ratio is increased in the year 2021 due to higher profit. & the same has been decreased due to lower initial value of investment.
(k)	Interest Service Coverage Ratio	EBIT / Total Interest Service	3.22	64.61	4.17	2.34	This ratio is increased in the year 2021 due to higher EBIT.

The ratios for the period ended on April 12, 2022 are not comparable

ANNEXURE - I.1: Restated Statement of Share Capital, Reserves & Surplus

Restated Statement of Partners Capital Account

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Shareholders Fund				
(A) Partner's Capital Account				
Opening Balance	1868.30	1860.88	378.14	243.05
Add : Fresh Capital Introduced during the year	0.00	79.25	875.51	17.97
Less : Capital Withdrawn during the year	0.00	97.50	0.00	52.29
Add : Remuneration/Salary	0.00	0.00	108.00	75.00
Add: Interest on Partners Capital	0.00	0.00	45.22	22.10
Add : Share of Profit from the firm	0.00	25.67	454.01	81.61
Less: Adjustment due to change in method of Depreciation	0.00	0.00	0.00	8.05
Add: Deferred Tax Assets upto 31.03.2018 Transferred to Capital	0.00	0.00	0.00	0.00
Less: Prior Period Items	0.00	0.00	0.00	1.25
Less: Capital Converted into Equity during the Period	350.00	0.00	0.00	
Less: Transferred to Loan	0.00	0.00	0.00	
Less : Capital Converted into Loan during the Period	1518.30	0.00	0.00	
Total	**0.00**	**1868.30**	**1860.88**	**378.14**

Annexure I.1.2: Restated Statement of Share Capital Account

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Share Capital				
Authorized Capital				
2,50,00,000 Equity Shares of Rs. 10 Each (Previous Year NIL)	2500.00	0.00	0.00	0.00
Paid-Up Capital				
91,00,300 Equity Shares of Rs. 10 Each (Previous Year NIL)	910.03	0.00	0.00	0.00
Total	**910.03**	**0.00**	**0.00**	**0.00**

ANNEXURE - I.3: Restated Statement of Share Capital, Reserves & Surplus

Reserves & Surplus

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Securities Premium Account	0.00	0.00	0.00	0.00
Opening Balance	0.00	0.00	0.00	0.00
Addition: During the year	525.08	0.00	0.00	0.00
Less : Bonus Issued during the year	455.02	0.00	0.00	0.00
Closing Balance	70.06	0.00	0.00	0.00
Surplus				
Profit During the year	**826.74**	0.00	0.00	0.00
Total	896.80	0.00	0.00	0.00

A.1.3 Restated Standalone Statement of Reconciliation of Number of Equity Shares

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Shareholders Fund				
(A) Partner's Capital Account				
Shares outstanding at the beginning of the Period	3,500,000	3,500,000	3,500,000	3,500,000
Shares issued during the Period	5,600,300	-	-	-
Share outstanding at the end of the Period	91,00,300	3,500,000	3,500,000	3,500,000

1) The Company has been formed from conversion of Partnership firm into company vide a certificate of incorporation dated 13.04.2022. The company has been converted with paid up equity share capital of Rs. 350,00,000 divided into 35,00,000 equity shares of Rs. 10 each. After the conversion company has made a rights issue of 10,50,150 Equity Share of Rs. 10 Each at an issue price of Rs. 60. The status of company prior to 13.04.2022 was that of partnership firm. Hence EPS, NAV per share of all years has been calculated by considering number of shares outstanding post conversion of partnership firm into company i.e. 91,00,300 Equity shares of Rs. 10 each.

2) The status of the company up to 12.04.2022 was partnership firm. For the purpose of Restated Financial Statements, the accounts of the partnership firm for the year ended on March 31 2021, 2022, and for the period ended on 12.04.2022 have been recast in accordance with the requirements of Schedule III of the Companies Act, 2013. Thus Share Capital disclosed for these years represents Partners' Capital in the Partnership Firm.

3) The above statements should be read with the significant accounting policies and notes to restated summary statements of assets & liabilities and statement of profit & loss appearing in Annexure IV, I, II III.

I.1.3 Details of Shareholding more than 5% of the aggregate shares in the company

Name of Shareholder	31.03.2023		12.04.2022		31.03.2022		31.03.2021	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Niranjan Mundra	3033000	33.33	-	-	-	-	-	-
Shiv Shankar Mundra	3033000	33.33	-	-	-	-	-	-
Mahesh Kumar Mundra	3033000	33.33	-	-	-	-	-	-
Total	**9,099,000.00**	**99.99**	**-**	**-**	**-**	**-**	**-**	**-**

Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

I.1.3 Shareholding of Promoters

Name of Shareholder	31.03.2023		12.04.2022		31.03.2022		31.03.2021	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Niranjan Mundra	3033000	33.33	-	-	-	-	-	-
Shiv Shankar Mundra	3033000	33.33	-	-	-	-	-	-
Mahesh Kumar Mundra	3033000	33.33	-	-	-	-	-	-
Total	**9,099,000.00**	**99.99**	**-**	**-**	**-**	**-**	**-**	**-**

I.1.3 Percentage change in Shareholding of Promoters

Name of Shareholder	31.03.2023		12.04.2022		31.03.2022		31.03.2021	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Niranjan Mundra	3033000	33.33	-	-	-	-	-	-
Shiv Shankar Mundra	3033000	33.33	-	-	-	-	-	-
Mahesh Kumar Mundra	3033000	33.33	-	-	-	-	-	-
Total	**9,099,000.00**	**99.99**	**-**	**-**	**-**	**-**	**-**	**-**

ANNEXURE – I.3: Restated Statement of Long Term Borrowings

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Secured				
From Banks & NBFC	4.33	8.33	8.33	79.83
Unsecured Loans	-	-	-	-
Total	**4.33**	**8.33**	**8.33**	**79.83**

Note I.3.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – 1.3.2 - STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Amount in Lakhs)

Name of Lender	Amount Sanctioned	Purpose	Rate of interest	Security Officered	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
							31.03.2023
Axis Bank Limited	1900.00	Cash Credit	8.65%	1. Primary Security - Hypothecation of entire Current Assets 2.Colleteral Securities - Land measuring an area of 4 cottahs, 12 Chitthaks 10 Sq. Ft. be the same little more or less together with residential and partly cemented sixth stories and partly seventh storied pucca building measuring about 1715 Sq. Ft. standing thereon	Due for Renewal after 1 Year	NIL	1794.70
HDFC Bank	1500.00	Business Loan	7.65%	Commercial Office 6 and 6/1, Gurgola Ghat Road, Mouza, malipanchghora Sheet	Due for Renewal after 1 Year	NIL	1518.77
Kotak Mahindra Bank Limited	500.00	Cash Credit	REPO rate plus Spread @ 2.35%	All That piece and parcel of land measuring 14 Cottahs 1 Chittacks 34 Sft. (equivalent to 10158.83 Sft.) be the same a little more or less together with pucca very old dilapidated godown and labour quarters measuring 720 Sft. together with right to use common passage on the south thereof in common together with all its easement rights annexed thereto and appurtenances there with situate lying at and being part of the former holding / premises no. 66/2 now separate premises / holding no. 66/2/P. Salkia School Road, P.O. Salkia, P.S. Golabari. District Howrah PIN - 711 106. Under H.M.C. Ward No. 11 (corresponding to part of RS/LR Dag No. 123 under L.R. Khatian Nos & Sheet No. 5 of Mouja Golabari) and butted and bounded by On the North: Shed of Tirupathi Laminators, On the South: Common Passage, On the East: Shed of Tirupathi Laminators, On the West: Salkia School Road, owned by Niranjan Mundhra, Shiv Shankar Mundhra and Mahesh Kumar Mundhra	Due for Renewal after 1 Year	NIL	496.81

HDFC Bank		Vehicle Loan	8.50%	By way of Hypothecation of Vehicle	Repayable in 60 EMI of Rs 37735	NIL	8.30
Total							3818.58

Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – 1.3.3 - STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS

A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities:

(Amount in Lakhs)

Name of Lender	Amount Sanctioned	Purpose	Rate of interest	Security offered	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
							31.03.2023
Ambey Vinimay Pvt Ltd	NIL	Business	9.00%	NIL	On Demand	NIL	15.83
Amul Y Suppliers Pvt Ltd	NIL	Business	12.00%	NIL	On Demand	NIL	58.96
Arnav Financial Services Pvt Ltd	NIL	Business	12.00%	NIL	On Demand	NIL	264.50
Garima Leasing Co Ltd	NIL	Business	12.00%	NIL	On Demand	NIL	97.50
Greatfin Leasing Credit Limited	NIL	Business	12.00%	NIL	On Demand	NIL	24.92
Highland Transport Pvt.Ltd.	NIL	Business	12.00%	NIL	On Demand	NIL	18.91
Inherent Vincom Pvt Ltd	NIL	Business	9.00%	NIL	On Demand	NIL	16.36
Matrix Media Solution Pvt Ltd	NIL	Business	12.00%	NIL	On Demand	NIL	25.81
Midpoint Comodeal Pvt Ltd	NIL	Business	12.00%	NIL	On Demand	NIL	3.89
Mukesh Commercial Pvt Ltd	NIL	Business	12.00%	NIL	On Demand	NIL	528.45
Niksan Vincom Pvt Ltd	NIL	Business	12.00%	NIL	On Demand	NIL	12.12
Nilkamal Vanijya Pvt Ltd	NIL	Business	9.00%	NIL	On Demand	NIL	10.55
Roshni Vintrade Pvt.Ltd.	NIL	Business	9.00%	NIL	On Demand	NIL	35.35
Symbiox Investment & Trading Co LTD	NIL	Business	12.00%	NIL	On Demand	NIL	73.69
Venkateshwara Industrial Promotion Co Ltd	NIL	Business	12.00%	NIL	On Demand	NIL	84.07
Yamini Investments Company Ltd	NIL	Business	12.00%	NIL	On Demand	NIL	140.87
Sub Total							**1411.75**

Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – I.4: Restated Statement of Long Term Provisions

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Provision for Gratuity Expenses	11.92	5.36	5.36	3.06
Grand Total	**11.92**	**5.36**	**5.36**	**3.06**

ANNEXURE – I.5: Restated Statement of Short Term Borrowings

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Secured				
From Banks & NBFC	3,810.28	1,609.25	1,375.39	931.77
Current Maturities of Long Term Debt	3.98	68.91	71.50	23.33
Unsecured Loans				
From Promoters & Promoter Group	15.19	0.00	0.00	0.00
From Others	1411.75	807.09	768.91	536.02
Total	**5,241.20**	**2,485.25**	**2,215.80**	**1,491.11**

Note I.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – I.6: Restated Statement of Trade Payables

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Trade Payables due to				
- Micro and Small Enterprises	-		-	-
- Others				
- Promotor/Promotor Group				
- Others*	2,564.29	1,619.35	1,542.65	1,059.74
Total	**2,564.29**	**1,619.35**	**1,542.65**	**1,059.74**

Note I.6.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – I.7: Restated Statement of Other Current Liabilities

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Statutory Dues Payable	99.96	11.93	9.33	11.13
Provision for Expenses	27.79	0.00	14.91	4.59
Salary Payable	49.08	0.00	16.01	18.22
Audit Fees Payable	4.10	0.00	2.30	1.55
Advance from Customers	0.98	20.02	22.48	2.63
Other Payables	0.00	0.00	0.05	0.65
Grand Total	**181.91**	**31.96**	**65.08**	**38.75**

Note I.7.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – I.8: Restated Statement of Short Term Provisions

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Provision for Income Tax*	260.37	235.00	223.29	5.16
Provision for Gratuity Expenses	0.18	0.04	0.04	0.08
Grand Total	**260.55**	**235.03**	**223.33**	**5.24**

Note I.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.
* Provision for Income Tax is calculated in Statement of Tax Shelter considering the Allowance & Disallowance of Income & Expenditure in the Income Tax Return filed by the company

Annexure I.9: Restated Statement of Property Plant & Equipments

As at 31.03.2023

Name of the asset	Gross Block				Accumulated Depreciation				Net block	
	Balance on 13th April 2022	Additions	Deletions	Balance on 31st March 2023	Balance on 13th April 2022	Additions	Deletions	Balance on 31st March 2023	Balance on 31st March 2023	Balance on 13th April 2022
Building	0.79	-	-	0.79	0.16	0.03	-	0.19	**0.60**	0.63
Computer & Printers	14.28	9.10	-	23.37	8.77	6.28	-	15.05	**8.33**	5.51
Furniture & Fixtures	21.36	13.47	-	34.83	9.41	5.05	-	14.46	**20.38**	11.95
Air Conditioner	1.94	0.56	-	2.50	1.05	0.36	-	1.41	**1.09**	0.88
Plant & Machinery	54.68	54.90	-	109.58	17.30	11.31	-	28.60	**80.98**	37.39
Motor Car	21.10	-	-	21.10	13.09	2.42	-	15.51	**5.59**	8.01
Mobile	7.74	9.75	-	17.49	3.53	4.41	-	7.94	**9.54**	4.21
CCTV Camera	7.92	4.14	-	12.06	3.99	1.49	-	5.48	**6.58**	3.92
Electrical Fittings	8.57	2.54	-	11.11	1.92	2.11	-	4.02	**7.09**	6.66
Television	0.21	-	-	0.21	0.08	0.03	-	0.11	**0.10**	0.13
Computer Software	5.24	0.31	-	5.55	1.67	0.75	-	2.41	**3.13**	3.57
Total	**143.82**	**94.77**	**-**	**238.59**	**60.96**	**34.23**	**-**	**95.19**	**143.40**	**82.87**
Previous Year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

As at 12.04.2022

Name of the asset	Gross Block				Accumulated Depreciation				Net block	
	Balance on 01 April 2022	Additions	Deletions	Balance on 12th April 2022	Balance on 01 April 2022	Additions	Deletions	Balance on 12th April 2022	Balance on 12th April 2022	31 March 2022
Building	0.79		-	0.79	0.16	0.00	-	0.16	**0.63**	0.63
Computer & Printers	13.59	0.69	-	14.28	8.65	0.12	-	8.77	**5.51**	4.94
Furniture & Fixtures	21.36		-	21.36	9.31	0.10	-	9.41	**11.95**	12.05
Air Conditioner	1.94		-	1.94	1.05	0.01	-	1.05	**0.88**	0.89
Plant & Machinery	50.71	3.97	-	54.68	17.07	0.22	-	17.30	**37.39**	33.64
Motor Car	21.10		-	21.10	13.01	0.08	-	13.09	**8.01**	8.09
Mobile	7.13	0.61	-	7.74	3.47	0.06	-	3.53	**4.21**	3.66
CCTV Camera	7.92		-	7.92	3.96	0.03	-	3.99	**3.92**	3.96
Electrical Fittings	8.57		-	8.57	1.86	0.06	-	1.92	**6.66**	6.72
Television	0.21		-	0.21	0.08	0.00	-	0.08	**0.13**	0.13

Computer Software	5.24		-	5.24	1.64	0.02	-	1.67	**3.57**	3.60
Total	**138.56**	**5.26**	**-**	**143.82**	**60.24**	**0.71**	**-**	**60.96**	**82.87**	**78.32**

As at 31.03.2022

Name of the asset	Gross Block				Accumulated Depreciation				Net block	
	Balance on 01 April 2021	Additions	Deletions	Balance on 31 March 2022	Balance on 01 April 2021	Additions	Deletions	Balance on 31 March 2022	31 March 2022	31 March 2021
Building	0.79	-	-	0.79	0.13	0.03	-	0.16	0.63	0.66
Computer & Printers	9.43	4.17	-	13.59	4.44	4.21	-	8.65	4.94	4.98
Furniture & Fixtures	12.24	9.12	-	21.36	7.02	2.29	-	9.31	12.05	5.22
Air Conditioner	1.37	0.56	-	1.94	0.75	0.30	-	1.05	0.89	0.62
Plant & Machinery	31.67	19.04	-	50.71	12.08	4.99	-	17.07	33.64	19.59
Motor Car	21.10	-	-	21.10	9.33	3.68	-	13.01	8.09	11.77
Mobile	4.96	2.17	-	7.13	1.09	2.38	-	3.47	3.66	3.87
CCTV Camera	5.04	2.88		7.92	2.76	1.20	-	3.96	3.96	2.28
Electrical Fittings	5.28	3.30	-	8.57	0.05	1.81	-	1.86	6.72	5.23
Television	0.21	-	-	0.21	0.03	0.05	-	0.08	0.13	0.17
Computer Software	5.24	-	-	5.24	0.74	0.90	-	1.64	3.60	4.50
Total	**97.33**	**41.23**	**-**	**138.56**	**38.42**	**21.83**	**-**	**60.24**	**78.32**	**58.91**

As at 31.03.2021

Name of the asset	Gross Block				Accumulated Depreciation				Net block	
	Balance on 01 April 2020	Additions	Deletions	Balance on 31 March 2021	Balance on 01 April 2020	Additions	Deletions	Balance on 31 March 2021	31 March 2021	31 March 2020
Building	0.79	-	-	0.79	0.09	0.04	-	0.13	0.66	0.70
Computer & Printers	4.19	5.24	-	9.43	3.29	1.15	-	4.44	4.98	0.90
Furniture & Fixtures	11.04	1.20	-	12.24	5.55	1.47	-	7.02	5.22	5.49
Air Conditioner	1.14	0.23	-	1.37	0.60	0.15	-	0.75	0.62	0.54
Plant & Machinery	26.92	4.75	-	31.67	8.67	3.41	-	12.08	19.59	18.25
Motor Car	21.10	-	-	21.10	3.98	5.35	-	9.33	11.77	17.12
Mobile	1.14	3.82	-	4.96	0.46	0.63	-	1.09	3.87	0.68
CCTV Camera	4.15	0.89	-	5.04	2.15	0.61	-	2.76	2.28	2.00
Electrical Fittings	-	5.28	-	5.28	-	0.05	-	0.05	5.23	-
Television	-	0.21	-	0.21	-	0.03	-	0.03	0.17	-
		-	-	-			-	-	-	-
		-	-	-			-	-	-	-
Computer Softwares	0.24	5.00	-	5.24	0.10	0.64	-	0.74	4.50	0.14
Total	**70.71**	**26.62**	**-**	**97.33**	**24.89**	**13.53**	**-**	**38.42**	**58.91**	**45.82**

ANNEXURE – I.10: Restated Statement of Long Term Loans & Advances

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
West Bengal Hosiery Park Infra Private Limited	10.00	10.00	10.00	10.00
Advance to Supplier for Machinery	29.66	-	-	-
Total	**39.66**	**10.00**	**10.00**	**10.00**

Note I.10.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – I.11: Restated Statement of Deferred Tax Liability/(Assets)

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Deferred Tax Assets				
Related to Fixed Assets & Gratuity Expenses	8.53	5.04	4.99	3.09
Total (a)	8.53	5.04	4.99	3.09
Deferred Tax Liability				
Related to Fixed Assets	-	-	-	-
Total (b)	**0.00**	**0.00**	**0.00**	**0.00**
Net deferred tax (asset)/liability{(b)-(a)}	**(8.53)**	**(5.04)**	**(4.99)**	**(3.09)**

Note I.11.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – I.12: Restated Statement of Other Non-Current Assets

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Security Deposits	20.67	8.16	8.16	0.61
	-			
Total	**20.67**	**8.16**	**8.16**	**0.61**

Note I.12.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – I.13: Restated Statement of Inventories

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Raw Material	1,358.20	613.98	472.89	298.60
Work in Progress	2,042.02	1,576.43	1,660.90	-
Finished Goods & Stock in Trade	1,453.44	479.63	628.69	830.49
Total	**4,853.66**	**2,670.04**	**2,762.48**	**1,129.09**

Note I.13.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

* Closing Stock of Stock in Trade is physically verified, reconciled with the stock records & Certified by the management at the end of the reporting period

ANNEXURE – I.14: Restated Statement of Trade Receivables

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Outstanding for a period exceeding six months (Unsecured and considered Good)				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-		-	-
Others	240.60	32.61	32.61	63.29
Outstanding for a period not exceeding 6 months (Unsecured and considered Good)				

From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-		-	-
Others*	3780.91	3065.82	2668.06	1,613.94
Total	**4,021.51**	**3,098.43**	**2,700.68**	**1,677.23**

Note I.14.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.
* Trade Receivables are subject to Third Party Confirmation.

ANNEXURE – I.15: Restated Statement of Cash and Cash Equivalents

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Cash & Cash Equivalents				
Cash in hand (As Certified by the management)	7.09	2.78	6.59	5.52
Balances with Banks:				
Current Accounts	147.84	0.00	0.00	73.03
Deposits Accounts	0.26	0.00	0.00	0.02
Total	**155.19**	**2.78**	**6.59**	**78.56**

Note I.15.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – I.16: Restated Statement of Short Term Loans & Advances

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Advance to Staff	2.64	2.48	1.71	1.38
Advance to Promoters	0.00	0.00	-	0.00
Advance to Suppliers	68.11	65.61	36.23	6.86
Other Advances	0.51	30.70	32.81	0.00
Total	**71.26**	**98.79**	**70.75**	**8.24**

Note I.16.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – I.17: Restated Statement of Other Current assets

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As At April 12, 2022	As at 31st March	
			2022	2021
Balance With Revenue Authorities	756.70	276.83	278.80	88.01
Other Current Assets	0.44	0.66	0.66	2.13
Total	**757.14**	**277.49**	**279.46**	**90.14**

Note I.17.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – II.1: Restated Statement of Revenue from Operations

(Rs. In Lakhs)

Particulars	For the Period from 13th April 2022 to 31st March 2023	For the Period from 01 April 2022 to 12th April 2022	As at 31st March	
			2022	2021
Turnover from the sale of Products				
Domestic	10393.82	636.71	9870.49	4,746.41
Export	2,065.42	-	10.44	-
Revenue from operations	**12459.24**	**636.71**	**9880.93**	**4746.41**

Note II.1.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – II.2: Restated Statement of Other Income

(Rs. In Lakhs)

Particulars	For the Period from 13th April 2022 to 31st March 2023	For the Period from 01 April 2022 to 12th April 2022	As at 31st March	
			2022	2021
Insurance Claim Received	-	-	8.15	32.90
Interest Received	0.06	-	3.45	-
Duty Drawback	42.97	-	-	-
Forex Gain	17.60	-	-	-
ROSCTL Export	85.75			
Other Incomes	-	1.60	-	-
Total	146.38	1.60	11.60	32.90

Note II.2.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – II.3: RESTATED STATEMENT OF COST OF MATERIAL CONSUMED

(Rs. In Lakhs)

Particulars	For the Period from 13th April 2022 to 31st March 2023	For the Period from 01 April 2022 to 12th April 2022	As at 31st March	
			2022	2021
Opening Stock of Raw Material	613.76	472.89	298.60	136.64
Add: Purchases during the Period	6719.14	276.72	5357.33	2,165.29
Add: Direct Expenses	3434.21	78.54	3407.62	1,963.09
Less: Closing Stock of Raw Material	1358.20	613.76	472.89	298.60
Total	**9,408.91**	**214.38**	**8,590.66**	**3,966.42**

Note II.3.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – II.4: RESTATED STATEMENT OF PURCHASE OF STOCK IN TRADE

(Rs. In Lakhs)

Particulars	For the Period from 13th April 2022 to 31st March 2023	For the Period from 01 April 2022 to 12th April 2022	As at 31st March	
			2022	2021
Purchase of Stock in Trade	1646.43	125.18	1093.53	476.58
Total	**1,646.43**	**125.18**	**1,093.53**	**476.58**

Note II.4.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – II.5: RESTATED STATEMENT OF CHANGE IN INVENTORIES OF WIP, FINISHED GOODS & STOCK IN TRADE

(Rs. In Lakhs)

Particulars	For the Period from 13th April 2022 to 31st March 2023	For the Period from 01 April 2022 to 12th April 2022	As at 31st March	
			2022	2021
Opening Stock of WIP, Finished Goods & Stock in Trade	2056.27	2289.59	830.49	542.59
Closing Stock of WIP, Finished Goods & Stock in Trade	3495.46	2056.27	2289.59	830.49
Total	**(1,439.19)**	**233.32**	**(1,459.10)**	**(287.90)**

Note II.5.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – II.6: RESTATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES

(Rs. In Lakhs)

Particulars	For the Period from 13th April 2022 to 31st March 2023	For the Period from 01 April 2022 to 12th April 2022	As at 31st March	
			2022	2021
Salaries & Wages	287.40	8.09	169.33	89.53
Gratuity Expenses	0.00	0.00	-	
Director/Partners Remuneration	278.40	0.00	108.00	75.00
Staff Welfare	25.96	0.64	14.29	5.86
Gratuity Expenses	6.71	0.00	2.26	1.89
Contribution of Statutory Funds	12.23	0.31	5.44	1.09
Total	**610.70**	**9.04**	**299.32**	**173.37**

Note II.6.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – II.7: Restated Statement of Finance Cost

(Rs. In Lakhs)

Particulars	For the Period from 13th April 2022 to 31st March 2023	For the Period from 01 April 2022 to 12th April 2022	As at 31st March	
			2022	2021
Interest on Borrowings	503.91	0.59	177.24	80.86
Bank Charges	12.72	0.00	10.95	0.92
Interest on Partner's Capital	0.00	0.00	45.22	22.10
Total	**516.63**	**0.60**	**233.41**	**103.87**

Note II.7.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – II.8: Restated Statement of Depreciation & Amortization

(Rs. In Lakhs)

Particulars	For the Period from 13th April 2022 to 31st March 2023	For the Period from 01 April 2022 to 12th April 2022	As at 31st March	
			2022	2021
Depreciation	34.23	0.71	21.83	13.53
Total	**34.23**	**0.71**	**21.83**	**13.53**

Note II.8.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – II.9: Restated Statement of Other Expenses

(Rs. In Lakhs)

Particulars	For the Period from 13th April 2022 to 31st March 2023	For the Period from 01 April 2022 to 12th April 2022	As at 31st March	
			2022	2021
Business Promotion	62.88	1.09	41.77	28.53
Brokerage & Commission	39.82	0.00	86.96	64.11
Electric Expenses	0.00	0.00	26.09	19.49
Sample Expenses	0.00	0.00	2.75	1.61
General Expenses	8.30	0.47	2.70	4.98
Insurance Expenses	5.24	0.00	3.30	2.08
Loading & Unloading Charges	28.67	0.00	0.00	0.00
Membership & Subscription	2.13	0.00	0.00	0.00
Motor Car Expenses	0.22	0.00	0.22	2.98
Security Expenses	20.55	0.60	5.70	2.08
Printing & Stationary	9.38	0.03	6.95	2.47
Postage & Courier	9.56	0.00	0.62	0.25
Rebate & Discount	71.32	0.78	51.16	13.50
Professional Fees	45.95	0.00	26.98	12.36
Trade License	0.00	0.00	0.08	0.08
Provision for doubtful Debts	6.34	0.00	0.00	0.00
Professional Tax	0.00	0.00	0.03	0.03

Rates & Taxes	1.37	0.00	0.87	0.46
Rent	208.57	6.56	93.00	36.00
Repair & Maintenance	54.91	4.66	11.45	10.93
Travelling & Conveyance	27.23	1.63	6.37	5.48
Audit Fees	2.00	0.00	0.75	0.75
Freight & Carriage	60.77	1.93	15.68	0.00
Donation	0.00	0.00	1.00	0.00
Sundry Balance Written off	2.64	0.00	11.41	0.00
Telephone Expneses	0.43	0.00	0.03	0.00
Power & Fuel	25.67	0.00	0.00	0.00
ROC Filing	20.39	0.00	0.00	0.00
Total	**714.35**	**17.76**	**395.87**	**208.15**

Note II.9.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – II.10 : Restated Statement of Deferred Tax (Assets)/Liabilities

(Rs. In Lakhs)

Particulars	For the Period from 13th April 2022 to 31st March 2023	For the Period from 01 April 2022 to 12th April 2022	As at 31st March	
			2022	2021
WDV as per Companies Act, 2013 (A)	143.40	82.87	78.32	58.91
WDV as per Income tax Act, 1961 (B)	165.18	97.48	92.74	68.05
Difference in WDV (A-B)	(21.78)	(14.61)	(14.42)	(9.14)
Timing Difference due to Provision for Gratuity (C)	12.10	5.40	5.40	3.14
Total Timing Difference (D)	(33.88)	(20.01)	(19.82)	(12.28)
Deferred Tax (Asset)/ Liability '(E)	(8.53)	(5.04)	(4.99)	(3.09)
Restated Closing Balance of Deferred Tax (Asset)/ Liability (E)	(8.53)	(5.04)	(4.99)	(3.09)
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(3.49)	(0.05)	(1.90)	(3.09)

Note II.10.1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – V: MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

1 Material Regrouping

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

2. Material Adjustments:

The Summary of results of restatement made in the Audited Standalone Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

Particulars	For the Period from 13 April 2022 to 31st March 2023	For the Period from 01 April 2022 to12th April 2022	For The Year Ended March 31,	
			2022	2021
(A) Net Profits as per audited financial statements (A)	818.21	25.81	424.33	86.65
Add/(Less) : Adjustments on account of -				
1) Difference on Account of Provision for Gratuity Expenses	0.00	0.00	-2.26	-1.89
2) Difference on Account of Change in Deferred Tax	0.47	0.05	1.90	3.09
3) Difference on Account of Change in Depreciation Method	4.80	-0.19	-5.29	-1.08
4) Difference on Account of Provision for Income Tax	3.25	(0.00)	35.33	(5.16)

Total Adjustments (B)	**8.52**	**(0.14)**	**29.69**	**(5.05)**
Restated Profit/ (Loss) (A+B)	**826.73**	**25.67**	**454.01**	**81.61**

3. Notes on Material Adjustments pertaining to prior years

(a) Difference on Account of Provision for Gratuity Expenses: Gratuity Expenses not recognized in Audited Financials which has been corrected in Restated Financial Statements

(b) Difference on Account of Change in Deferred Tax: Deferred Tax Assets is not recognized in Audited Financials which has been recognized in Restated Financial Statements

(c) Difference on Account of Change in Method of Depreciation: Since Partnership Firm is converted into company w.e.f. 13th April 2022, So that all the depreciation charged for earlier period has been restated as per the Method Provided in Schedule II.

(d) Difference on Account of Change in Provision for Income Tax: Since the Restated Profit is changed so that Provision for income Tax also got changed.

Reconciliation of Equity

Particulars	For the Period from 13 April 2022 to 31st March 2023	For the Period from 01 April 2022 to12th April 2022	As at March 31	
			2022	2021
(A) Total Equity as per audited financial statements (A)	1,792.90	1,853.11	1,845.55	392.49
Add/(Less) : Restatement Adjustments	8.52	24.49	24.63	(5.05)
Add/(Less) : Prior Period Items	5.40	(9.30)	(9.30)	(9.30)
Total Equity as per Restated Financial Statements (A+B)	**1,806.82**	**1,868.30**	**1,860.88**	**378.14**

ANNEXURE - VI: RESTATED STATEMENT OF TAX SHELTERS

(Rs. In Lakhs)

Sr. No	Particulars	As At Mar 31, 2023	As At April 12, 2022	As at 31st March	
				2022	2021
A	**Restated Profit before tax**	1,113.55	37.33	717.01	125.29
	Short Term Capital Gain at special rate	-		-	-
	Normal Corporate Tax Rates (%)	25.17%	31.20%	34.94%	34.94%
	Short Term Capital Gain at special rate	15.60%	15.60%	15.60%	15.60%
	MAT Tax Rates (%)	15.60%	0.00%	0.00%	0.00%
B	**Tax thereon (including surcharge and education cess)**				
	Tax on normal profits	280.28	11.65	250.52	43.78
	Short Term Capital Gain at special rate	-	-	-	-
	Total	**280.28**	**11.65**	**250.52**	**43.78**
	Adjustments:				
C	**Permanent Differences**				
	Deduction allowed under Income Tax Act	-	-	1.33	-
	Exempt Income	-	-	-	-
	Allowance of Expenses under the Income Tax Act	-	-	-	-
	Disallowance of Income under the Income Tax Act	-	-	-	-
	Disallowance of Expenses under the Income Tax Act	-	-	-	-
	Total Permanent Differences	-	-	-	-
D	**Timing Differences**	**-**	**-**	**1.33**	**-**
	Difference between tax depreciation and book depreciation	33.12	0.19	5.29	1.08
	Gratuity Expenses Disallowed	6.71	-	2.26	1.89
	Total Timing Differences	**39.83**	**0.19**	**7.54**	**2.98**
E	**Net Adjustments E= (C+D)**	**39.83**	**0.19**	**7.54**	**2.98**
F	**Tax expense/(saving) thereon**	10.03	0.06	2.64	1.04
G	**Total Income/(loss) (A+E)**	**1,153.38**	**37.52**	**725.89**	**128.27**
	Taxable Income/ (Loss) as per MAT	1,113.55	-	-	-

I	**Income Tax as per normal provision**	290.31	11.71	253.63	44.82
J	**Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act**	173.71	-	-	-
	Net Tax Expenses (Higher of I or J)	290.31	11.71	253.63	44.82
K	Relief u/s 90/91	-	-	-	-
	Total Current Tax Expenses	**290.31**	**11.71**	**253.63**	**44.82**
L	Adjustment for Interest on income tax/ others	-	-	11.28	1.95
	Total Current Tax Expenses	**290.31**	**11.71**	**264.90**	**46.77**

Note: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE - VII: RESTATED STATEMENT OF CAPITALISATION

(Rs. In Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	Debts		
A	Long Term Debt*	4.33	4.33
B	Short Term Debt*	5,241.20	5,241.20
C	**Total Debt**	**5,245.53**	**5,245.53**
	Equity Shareholders Funds		
	Equity Share Capital*	910.03	-
	Reserves and Surplus*	896.80	-
D	**Total Equity**	**1,806.83**	**-**
E	**Total Capitalization**	**7,052.36**	**5,245.53**
	Long Term Debt/ Equity Ratio (A/D)	0.00	#DIV/0!
	Total Debt/ Equity Ratio (C/D)	2.90	#DIV/0!

Notes:

* The amounts are consider as outstanding as on March 31, 2023

ANNEXURE - VIII: RESTATED STATEMENT OF CONTINGENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As at 12th April 2022	As at 31st March	
			2022	2021
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	-	-	-	-
2. Capital Commitment	-	-	-	-
3. Income Tax Demand	-	-	-	-
4. TDS Demands	-	-	-	-
Total	-	-	-	-

ANNEXURE - IX : RESTATED STATEMENT OF ACCOUNTING RATIOS

Particulars	As at 31st March 2023	As at 12th April 2022	As at 31st March	
			2022	2021
Restated PAT as per P& L Account (Rs. in Lakhs)	826.74	25.67	454.01	81.61
Actual No. of Equity Shares outstanding at the end of the year	9,100,300	3,500,000	3,500,000	3,500,000
Weighted Average Number of Equity Shares at the end of the Year (Note -2)	8,555,888	7,000,000	7,000,000	7,000,000
Net Worth	1806.83	1868.30	1860.88	378.14
Current Assets	9858.76	6147.52	5819.96	2983.26
Current Liabilities	8247.96	4371.59	4046.85	2594.84
Earnings Per Share				
Eps (Pre Bonus)	9.08	0.73	12.97	2.33
Eps (Post Bonus)	9.66	0.37	6.49	1.17
EBIDTA	1664.41	38.64	972.25	242.69

Return on Net Worth (%)	45.76%	1.37%	24.40%	21.58%
Net Asset Value Per Share (Rs)	19.85	53.38	53.17	10.80
Current Ratio	1.20	1.41	1.44	1.15
Nominal Value per Equity share after Share split (Rs.)	10	10	10	10

* The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earning per share of the company remain the same.

Notes:

1) The ratios have been calculated as below:
   a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the six months/year.
   b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the six months/year.
   c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
   d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the six months/year/ Total Number of Equity Shares outstanding during the six months/year.

2) Weighted Average Number of equity shares is the number of equity shares outstanding at the time of conversion of partnership firm i.e. April 12, 2022.
3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss) - Fictitious Assets
5) The figures disclosed above are based on the Restated Financial Statements of the Company.

ANNEXURE - X: RESTATED STATEMENT OF RELATED PARTY DISCLOSURES AS RESTATED

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.

A. List of Related Parties and Nature of Relationship:

Relationship with Related party	Name of related parties
Key Managerial Personnel	Niranjan Mundhra
	Shiv Shankar Mundhra
	Mahesh Kumar Mundhra
	Saroj Mundhra
	Jagdish Prasad Mundhra
	Priyanka Mundhra
	Kirti Mundhra
	Poonam Mundhra
	Sitaram Karnani
	Deepak Karnani
	Krishan Kumar Karnani HUF
	Deepak Karnani HUF
	Kanta Devi Ladha
	Neeraj Ladha
	Krishan Kumar Karnani
Associate Concerns	Niranjan Mundhra HUF
	Q Bazaar India LLP
	Sri Karni Apparels Private Limited
	Shree Garments
	Shree International

Note: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

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

(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	As at 31st March 2023	As at 12th April 2022	As at March 31	
				2022	2021
1. Partners/Directors Remuneration	Niranjan Mundhra	92.80	-	36.00	25.00
	Shiv Shankar Mundhra	92.80	-	36.00	25.00
	Mahesh Kumar Mundhra	92.80	-	36.00	25.00
Total		**278.40**	**-**	**108.00**	**75.00**
2. Interest Expenses	Niranjan Mundhra	**16.62**	**-**	15.40	**7.85**
	Shiv Shankar Mundhra	34.97	-	16.39	7.79
	Mahesh Kumar Mundhra	24.31	-	13.42	6.45
	Saroj Mundhra	1.45			
	Jagdish Prasad Mundhra	0.02			
	Priyanka Mundhra	1.98			
	Kirti Mundhra	0.02			
	Q Bazaar India LLP	-	-	-	0.90
	Poonam Mundhra	0.02	-	3.79	-
	Sitaram Karnani	-	-		0.19
	Total	**79.38**	**-**	**49.00**	**23.18**
3. Rent Expenses	Niranjan Mundhra HUF	21.71	0.80	18.00	12.00
	Niranjan Mundhra	38.46	1.39	12.00	-
	Shiv Shankar Mundhra	60.16	2.19	30.00	12.00
	Mahesh Kumar Mundhra	60.16	2.19	30.00	12.00
4. Commission Expneses	Deepak Karnani			-	4.80
	Krishan Kumar Karnani HUF			4.53	4.08
	Deepak Karnani HUF			5.07	-
	Kanta Devi Ladha			4.11	-
	Neeraj Ladha			4.12	-
5. Professional Fees	Krishan Kumar Karnani	19.00	-	12.00	12.00
6. Designing Charges	Kirti Mundhra			4.89	4.82
	Poonam Mundhra			-	5.01
	Kanta Devi Ladha	4.97	-	-	-
7. Purchases	Sri Karni Apparels Private Limited	24.29	0.19	38.82	75.09
	Q Bazaar India LLP	182.09	-	52.98	66.18
	Shree Garments	0.37	-	0.46	0.18
	Shree International	0.17			
8. Sales	Q Bazaar India LLP	179.68	8.81	54.25	63.55
	Shree Garments	1,802.18	97.75	2,524.74	1,196.94
	Shree International	524.60	25.88	114.29	17.50
9. Salary	Kirti Mundhra	0.50	-	1.50	-
10. Interest Received	Q Bazaar India LLP		-	3.45	-
11. Director Sitting Fees	Kirti Mundhra	1.00	-	-	-

4. Unsecured Loans/(Advances)	**Saroj Mundhra**				
	Opening Balance	-	-	-	(0.50)

	Add: Loan Received during the year	-	-	-	0.50
	Less : Loan Repaid during the year	-	-	-	-
	Closing Balance	-	-	-	-
	Sitaram Karnani				
	Opening Balance	-	-	-	3.06
	Add: Loan Received during the year	-	-	-	1.99
	Less : Loan Repaid during the year	-	-	-	5.04
	Closing Balance	-	-	-	-
	Q Bazaar India LLP				
	Opening Balance	46.89	(3.11)	0.83	-
	Add: Loan Received during the year	0.06	50.00	658.51	1,198.90
	Less : Loan Repaid during the year	46.95	-	662.45	1,198.07
	Closing Balance	-	46.89	(3.11)	0.83
	Shree Garments				
	Opening Balance		-	-	-
	Add: Loan Received during the year		-	159.00	100.00
	Less : Loan Repaid during the year		-	159.00	100.00
	Closing Balance		-	-	-
	Kirti Mundhra				
	Opening Balance	-	-	-	-
	Add: Loan Received during the year	0.17	-	-	-
	Less : Loan Repaid during the year	0.17	-	-	-
	Closing Balance	-	-	-	-
	Priyanak Mundhra				
	Opening Balance	-	-	-	-
	Add: Loan Received during the year	19.64	-	-	-
	Less : Loan Repaid during the year	19.64	-	-	-
	Closing Balance	-	-	-	-
	Jagdish Prasad Mundhra				
	Opening Balance	-	-	-	-
	Add: Loan Received during the year	0.17	-	-	-
	Less : Loan Repaid during the year	0.17	-	-	-
	Closing Balance	-	-	-	-
	Saroj Mundhra				
	Opening Balance	-	-	-	-
	Add: Loan Received during the year	14.35	-	-	-

	Less : Loan Repaid during the year	14.35	-	-	-
	Closing Balance	-	-	-	-
	Mahesh Kumar Mundhra				
	Opening Balance	-	-	-	-
	Add: Loan Received during the year	682.01	-	-	-
	Less : Loan Repaid during the year	682.01	-	-	-
	Closing Balance	-	-	-	-
	Shiv Shankar Mundhra				
	Opening Balance	-	-	-	-
	Add: Loan Received during the year	760.46	-	-	-
	Less : Loan Repaid during the year	760.46	-	-	-
	Closing Balance	-	-	-	-
	Niranjan Mundhra Loan				
	Opening Balance	-	-	-	-
	Add: Loan Received during the year	497.41	-	-	-
	Less : Loan Repaid during the year	497.41	-	-	-
	Closing Balance	-	-	-	-
	Poonam Mundhra				
	Opening Balance	-	17.45	0.60	(2.25)
	Add: Loan Received during the year	0.17	18.00	52.79	3.30
	Less : Loan Repaid during the year	0.17	35.45	35.94	0.45
	Closing Balance	-	-	17.45	0.60

C. Outstanding Balance as at the end of the year

(Rs. In Lakhs)

Name of Related Party		31.03.2023	12.04.2022	31.03.2022	31.03.2021
1. Payables/(Receivable)	Niranjan Mundhra	6.98	541.51	570.75	163.88
	Shiv Shankar Mundhra	22.86	692.07	647.69	136.16
	Mahesh Kumar Mundhra	20.78	604.92	637.04	92.44
	Q Bazaar India LLP	(0.03)	57.44	16.69	0.83
	Sitaram Karnani	-	-	-	-
	Niranjan Mundhra HUF	0.12	2.02	1.80	-
	Deepak Karnani	-	-	-	4.62
	Deepak Karnani HUF	-	4.82	4.82	-
	Krishan Kumar Karnani	8.10	0.40	0.40	-
	Krishan Kumar karnani HUF	-	4.31	4.31	3.92
	Neeraj Ladha	-	3.92	3.92	
	Kanta Devi Ladha	0.81	3.90	3.90	-
	Kirti Mundhra	0.90	-	0.50	4.78
	Sri Karni Apparels Private Limited	-	1.78	1.59	3.04
	Shree International	(0.89)	(117.14)	(89.97)	(1.17)
	Saroj Mundhra	-	-	-	-
	Shree Garments	-	(361.36)	(258.72)	(8.37)

	Poonam Mundhra	-	-	17.45	5.61
Total		**59.63**	**1,438.60**	**1,562.16**	**405.74**

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II III.

As per our report of even date
For, M/s A Y & CO.
Chartered Accountants
Firm Registration Number: - 020829C
Peer Review No. –013225

For and on behalf of the Board of Directors

CA Arpit Gupta
(Partner)
Membership No.421544
UDIN -23421544BGSQCZ7914

Mr. Niranjan Mundhra
Managing Director
DIN: 05254448

Mr. Shiv Shankar Mundhra
Whole-Time Director
DIN: 02926873

Date: 26.06.2023
Place: Kolkata

Mr. Krishan Kumar Karnani
Chief Financial Officer

OTHER FINANCIAL INFORMATION

Particulars	As at 31st March 2023	As at 12th April 2022	As at 31st March	
			2022	2021
Restated PAT as per P& L Account (Rs. in Lakhs)	826.74	25.67	454.01	81.61
Actual No. of Equity Shares outstanding at the end of the year	91,00,300	35,00,000	35,00,000	35,00,000
Weighted Average Number of Equity Shares at the end of the Year (Note -2)	85,55,888	70,00,000	70,00,000	70,00,000
Net Worth	1806.83	1868.30	1860.88	378.14
Current Assets	9858.76	6147.52	5819.96	2983.26
Current Liabilities	8247.96	4371.59	4046.85	2594.84
Earnings Per Share				
Eps (Pre Bonus)	9.08	0.73	12.97	2.33
Eps (Post Bonus)	9.66	0.37	6.49	1.17
EBIDTA	1664.41	38.64	972.25	242.69
Return on Net Worth (%)	45.76%	1.37%	24.40%	21.58%
Net Asset Value Per Share (Rs)	19.85	53.38	53.17	10.80
Current Ratio	1.20	1.41	1.44	1.15
Nominal Value per Equity share after Share split (Rs.)	10	10	10	10

* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.

Notes :

1) The ratios have been calculated as below:

a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the six months/year.

b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the six months/year.

c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100

d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the six months/year/ Total Number of Equity Shares outstanding during the six months/year.

2) Weighted Average Number of equity shares is the number of equity shares outstanding at the time of conversion of partnership firm i.e. September 09, 2022.

3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss) - Fictitious Assets

5) The figures disclosed above are based on the Restated Financial Statements of the Company.

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Prospectus. You should also read the section entitled "Risk Factors" beginning on page 22 and "Forward Looking Statements" beginning on page 14, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the years ended March 31, 2023, April 12, 2022, March 31, 2022 and March 31, 2021 including the schedules and notes thereto and the reports thereto, which appear in the section titled "Financial Information of our company" on Page No. 142 of the Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.

Overview

Our Company was originally formed as a Partnership Firm under the Partnership Act, 1932 ("Partnership Act") in the name and style of "Karni International" pursuant to Deed of Partnership dated July 21, 2017. Karni International was thereafter converted from Partnership Firm to a Public Limited Company under Part I chapter XXI of the Companies Act, 2013 with the name and style of "Karnika Industries Limited" and received a Certificate of Incorporation from the Registrar of Companies, Kolkata.

Our Company is an ISO 14001:2015 certified manufacturer through job work, trader and exporter of garments. We basically manufacture through job work all types of kids wear i.e., shorts, joggers, capri, tees, rompers, sleep suits, pyjamas, winter wear, infant wear etc. We have constructed well-established manufacturing units for designing, preparation of sample, quality inspection, ironing and packing of Garments that is equipped with all the necessary hi-tech machines and tools that are required for a modern manufacturing unit. Machinery that is equipped in our infrastructure is operated by our highly experienced team of professionals. We are manufacturing majority of our products through job work, we are capable of undertaking bulk requirements of our clients and deliver within stipulated time schedule.

Our Registered Office of the company is situated at 6 & 6/1, Gurgola Ghat Road P.O. Salkia Howrah, West Bengal- 711106, India. Further below are details of our Manufacturing Unit:

Unit I - 6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah, West Bengal- 711106, India and Holding No.2, Hazarimall Shah Road in Ward No.1, 7, Gurgola Ghat Road, Salkia, Howrah 711 106, West Bengal, India

Unit II - Block B(III) Satyen Bose Road, Near N.C Pal Bridge, Hatgacha Banipur, Howrah – 711304, West Bengal, India

Our company majorly focuses in high quality of fabrics and garments across globe utilizing best technology, delivering quality textiles at the most competitive prices and maintaining long term association with our clients. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company. Our technical team is equipped with modern technology and processing techniques by virtue of which we are able to ensure quality output.

We sell our products under brand of KARNIKA and sub category as KARNIKA Care, KARNIKA Cool, KARNIKA Cube, KARNIKA Life, KARNIKA Key, KARNIKA Club.

Karnika has reputed client base which includes various reputed Commission Agents and retail sectors clients. Karnika is growing with rapid pace and making its presence in market with quality and professional work.

Our Business Process includes use of yarn and fabrics during the manufacturing process. Besides, we are also able to offer our customers fabric alternatives for their existing collections thus, create important added values in terms of pricing, quality and delivery terms. We endeavour to satisfy customers by continuous improvement through process innovation 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 have enabled us to maintain continuing customer relations, ensuring repeat order flows.

Karnika has been organising trade shows and exhibitions on a pan India basis from time to time. Through these exhibitions, we have not only magnified our brand visibility but also created opportunities for others to network and collaborate with us.

Karnika is not just one of the leading manufacturers in kids clothing but we have been organizing successful fashion shows as well. In the past, we have mesmerized audiences with our unique collections and imaginative themes. Every event has been a testament to our commitment to provide the best in KIDS fashion and has been a showcase of our creativity, quality and attention to detail.

We have been developing a marketing strategy for our products. Our Company's proficiency lies in understanding the prevailing trends in all the products which we market in addition to the buying preferences of our consumers and accordingly manufacture quality fabrics to assure them of product quality, comfort and fit uniformity. Further, our experience also lies in identifying the gaps and foraying into the untapped market of garment segments with distinct products.

Our Promoter and key managerial personnel have been instrumental in the growth of our business and actively advise us on corporate strategy and planning. We have a strong management team with significant industry experience. Our Managing Director, Mr. Niranjan Mundhra and Whole Time Directors, Mr. Shiv Shankar Mundhra and Mr. Mahesh Kumar Mundhra, have 7 years of experience each in garment industry, thus vast experience of the Directors have been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoter and senior management team and their experience of over a decade in the industry in which our Company operates.

For the period from April 13, 2022 to March 31, 2023, our Company's Total Income and Restated Profit after tax were Rs. 12605.62 Lakhs and Rs. 826.74 Lakhs. For the Period from April 01, 2022 to April 12, 2022, our Company's Total Income and Restated Profit after tax were Rs. 638.31 Lakhs and Rs. 25.67 Lakhs. For the year ended March 31, 2022, our Company's Total Income and Restated Profit after tax were Rs. 9892.52 Lakhs and Rs. 454.01 Lakhs, compared to our Company's Total Income and Restated Profit after tax were Rs. 4779.31 Lakhs and Rs. 81.61 Lakhs respectively, over previous year ended i.e. March 31, 2021.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to Restated Standalone Financial Statements under chapter titled "Restated Financial Statements" beginning on page 142 of this Prospectus.

Factors Affecting our Results of Operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factors" beginning on page 22 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
2. Disruption in our manufacturing process.
3. Fail to attract, retain and manage the transition of our management team and other skilled & unskilled employees;
4. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
5. Ability to respond to technological changes;
6. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
7. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
8. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
9. Recession in the market;
10. Changes in laws and regulations relating to the industries in which we operate;
11. Effect of lack of infrastructure facilities on our business;
12. Our ability to meet our capital expenditure requirements;
13. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
14. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
15. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
16. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. The performance of the financial markets in India and globally;
19. Any adverse outcome in the legal proceedings in which we are involved;
20. Our ability to expand our geographical area of operation;
21. Concentration of ownership among our Promoters.

RESULTS OF OUR OPERATION

(Rs. In Lakhs)

Particulars	For the Period from 13th April 2022 to March 31, 2023	% of Total Income	For the Period from 01 April 2022 to 12th April 2022	% of Total Income	For The Year Ended 31st March			
					2022	% of Total Income	2021	% of Total Income
Revenue:								
Revenue from Operations	12459.24	98.84	636.71	99.75	9880.93	99.88	4746.41	99.31
Other income	146.38	1.16	1.60	0.25	11.60	0.12	32.90	0.69
Total revenue	**12605.62**	100.00	**638.31**	100.00	**9892.52**	100.00	**4779.31**	100.00
Expenses:								0.00
Cost of Material Consumed	9,408.91	74.64	214.38	33.59	8,590.66	86.84	3,966.42	82.99
Purchase of Stock in Trade	1646.43	13.06	125.18	19.61	1093.53	11.05	476.58	9.97
Changes in Inventories of Finished Goods, WIP & Stock in Trade	(1,439.19)	-11.42	233.32	36.55	(1,459.10)	-14.75	(287.90)	-6.02
Employees Benefit Expenses	610.70	4.84	9.04	1.42	299.32	3.03	173.37	3.63
Finance costs	516.63	4.10	0.60	0.09	233.41	2.36	103.87	2.17
Depreciation and Amortization	34.23	0.27	0.71	0.11	21.83	0.22	13.53	0.28
Other expenses	714.35	5.67	17.76	2.78	395.87	4.00	208.15	4.36
Total Expenses	**11492.07**	91.17	**600.98**	94.15	**9175.51**	92.75	**4654.03**	97.38
Profit/(Loss) before exceptional items and tax	**1113.55**	8.83	**37.33**	5.85	**717.01**	7.25	**125.29**	2.62
Exceptional Items	-	-	-	-	-	-	-	-
Profit before tax	**1113.55**	8.83	**37.33**	5.85	**717.01**	7.25	**125.29**	2.62
Tax expense :								
Current tax	290.31	2.30	11.71	1.83	264.90	2.68	46.77	0.98
Deferred Tax	(3.49)	-0.03	(0.05)	-0.01	(1.90)	-0.02	(3.09)	-0.06
Total Tax Expenses	**286.81**	**2.28**	**11.66**	**1.83**	**263.00**	**2.66**	**43.68**	**0.91**
Profit/(Loss) for the period/ year	**826.74**	6.56	**25.67**	4.02	**454.01**	4.59	**81.61**	1.71

Review of Restated Financials,

Key Components of Company's Profit and Loss Statement

Revenue from operations: Revenue from operations mainly consists from Sales of products.

Other Income: Other Income Consist of Interest Income, Duty Drawback, Forex Gain & ROSCTL Export Income etc.

Expenses: Company's expenses consist of, Cost of Material Consumed, Purchase of Stock in Trade, Changes in Inventories of Finished Goods, Employee Benefit Expenses, Finance Cost & Other Expenses.

Cost of Material Consumed: Cost of Material Consumed consist of Opening Stock, Purchase of Raw Material, Direct Expenses & Closing Stock.

Purchase of Stock in Trade: Purchase of Stock in Trade Consist of Stock purchased for trading purpose.

Changes in inventories of Finished Goods, WIP & Stock in Trade: Changes in inventories of Finished Goods, WIP & Stock in Trade consist of difference between opening & closing Value of Stock.

Employee Benefits Expense: Employee benefit expenses includes Salaries and Wages, Directors Remuneration & Contribution to Statutory Funds, Gratuity Expenses etc.

Finance Cost: Finance Cost includes Interest paid on borrowings & Bank Charges.

Depreciation and Amortization Expense: We recognize Depreciation and Amortization expense on a WDV Basis as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

Other Expenses: Other expenses includes Business Promotion, Brokerage & Commission, Loading & Unloading Charges, Security Expense, Rebate & Discount, Professional Fees, Rent Expenses, Repair & Maintenance, Repair & Maintenance, Travelling & Conveyance, Freight & Cartage, Power & Fuel, ROC Filing etc.

Review of Operations for the period ended on March 31, 2023:

Revenue from Operation

Revenue from operations for the period ended on March 31, 2023 amounting to Rs. 12459.24 lakhs represent 98.84% of Total Revenue

Other Income

Other Income consisting of Interest Income, Duty Drawback, Forex Gain & ROSCTL Export Income amounting to Rs. 146.38 Lakhs represents 1.16% of Total Revenue.

Cost of Material Consumed

Cost of Material Consumed consist of Opening Stock, Purchase of Raw Material, Direct Expenses & Closing Stock amounting to Rs. 9408.91 Lakhs represents 74.64% of Total Revenue.

Purchase of Stock in Trade

Purchase of Stock in trade consist of Stock Purchased for trading purpose amounting to Rs. 1646.43 Lakhs represents 13.06% of Total Revenue.

Changes in Inventories of Finished Goods, WIP & Stock in Trade

Changes in Inventories of Finished Goods, WIP & Stock in Trade amounting to Rs. (1439.19) Lakhs represents (11.42)% of Total Revenue.

Employee Benefit Cost

Employee benefit expenses includes Salaries and Wages, Directors Remuneration & Contribution to Statutory Funds, Gratuity Expenses etc. amounting to Rs. 610.70 Lakhs represents 4.84% of Total Revenue.

Finance Cost

Finance Cost includes Interest on Borrowings & Bank Charges amounting to Rs. 516.63 Lakhs represents 4.10% of Total Revenue.

Depreciation

Depreciation charged on WDV method amounting to Rs. 34.23 Lakhs represents 0.27% of Total Revenue

Other Expenses

Other expenses include Business Promotion, Brokerage & Commission, Loading & Unloading Charges, Security Expense, Rebate & Discount, Professional Fees, Rent Expenses, Repair & Maintenance, Repair & Maintenance, Travelling & Conveyance, Freight & Cartage, Power & Fuel, ROC Filing etc amounting to Rs. 714.35 Lakhs represents 5.67% of Total Revenue.

Profit Before Tax

The Profit before tax for the period ended on March 31, 2023 was Rs. 1113.55 Lakhs representing 8.83% of Total Revenue.

Tax Expenses

Tax Expenses consisting of Current Tax & Deferred Tax for the period ended on March 31, 2023 was Rs. 286.81 Lakhs representing 2.28% of Total Revenue.

Profit After Tax

The Profit after tax for the period ended on March 31, 2023 was Rs. 826.74 Lakhs representing 6.56% of Total Revenue.

Review of Operations for the period ended on April 12, 2022:

Revenue from Operation

Revenue from operations for the period ended on April 12, 2022 amounting to Rs. 636.71 lakhs represent 99.75% of Total Revenue

Other Income

Other Income consisting of Other Misc. Incomes Income amounting to Rs. 1.60 Lakhs represents 0.25% of Total Revenue.

Cost of Material Consumed

Cost of Material Consumed consist of Opening Stock, Purchase of Raw Material, Direct Expenses & Closing Stock amounting to Rs. 214.38 Lakhs represents 33.59% of Total Revenue.

Purchase of Stock in Trade

Purchase of Stock in trade consist of Stock Purchased for trading purpose amounting to Rs. 125.18 Lakhs represents 19.61% of Total Revenue.

Changes in Inventories of Finished Goods, WIP & Stock in Trade

Changes in Inventories of Finished Goods, WIP & Stock in Trade amounting to Rs. 233.32 Lakhs represents 36.55% of Total Revenue.

Employee Benefit Cost

Employee benefit expenses includes Salaries and Wages, Contribution to Statutory Funds, etc. amounting to Rs. 9.04 Lakhs represents 1.42% of Total Revenue.

Finance Cost

Finance Cost includes Interest on Borrowings amounting to Rs. 0.60 Lakhs represents 0.09% of Total Revenue.

Depreciation
Depreciation charged on WDV method amounting to Rs. 0.71 Lakhs represents 0.11% of Total Revenue

Other Expenses

Other expenses include Business Promotion, Brokerage & Commission, Loading & Unloading Charges, Security Expense, Rebate & Discount, Professional Fees, Rent Expenses, Repair & Maintenance, Repair & Maintenance, Travelling & Conveyance, Freight & Cartage, Power & Fuel, ROC Filing etc amounting to Rs. 17.76 Lakhs represents 2.78% of Total Revenue.

Profit Before Tax

The Profit before tax for the period ended on April 12, 2022 was Rs. 37.33 Lakhs representing 5.85% of Total Revenue.

Tax Expenses

Tax Expenses consisting of Current Tax & Deferred Tax for the period ended on April 12, 2022 was Rs. 11.66 Lakhs representing 1.83% of Total Revenue.

Profit After Tax

The Profit after tax for the period ended on April 12, 2022 was Rs. 25.67 Lakhs representing 4.02% of Total Revenue.

Fiscal 2023 compared with Fiscal 2022

Revenue from Operation

Revenue from operations had increased by 32.54% from ₹9880.93 lakhs in Fiscal 2022 to ₹13095.95 lakhs in Fiscal 2023 was due to increase in sales of products during the year. The major reason for increase in sales in the FY 2022-23 is due to entering into international market. The company has started exporting its products in Doha, Dubai, Jeddah and Kuwait. Further the company regularly focus on adding few design and variety in line with ongoing fashion trends. Company is also increased its Marketing channels such as Social Medial, Digital Marketing, Hoardings, Events & Exhibitions etc.

Other Income

Other income had increase by from ₹11.60 lakhs in Fiscal 2022 to ₹147.98 lakhs in Fiscal 2023 due to duty drawback & ROSCTL received on exports of garments.

Profit after Tax

After accounting for taxes at applicable rates, our Company reported a net profit of ₹852.41 lakhs in Fiscal 2023 as compared to a net profit of ₹454.01 lakhs in Fiscal 2022. The increase in Profit after taxes is due to increase in sales remaining the fixed expenses constant for both the years. Also there is increase in margin of product due bulk orders and export orders.

Fiscal 2022 compared with Fiscal 2021

Revenue from Operation

Revenue from operations had increased by 108.18% from ₹ 4746.41 lakhs in Fiscal 2021 to ₹ 9880.93 lakhs in Fiscal 2022 was due to increase in sales of products during the year. The Company has increase in Variety of Products in girls & boys Section and also introduces infants section in the FY2021-22. Company has increases its marketing by participating in exhibitions and fashion shows. The company has introduced various new design in product category which ultimately effects the sales.

Other Income

Other income had decreased by from ₹ 32.90 lakhs in Fiscal 2021 to ₹ 11.60 lakhs in Fiscal 2022 due to Decrease in Insurance Claim Receipt in the year 2021.

Cost of Material Consumed

Cost of material consumed had increased by 116.58% from ₹ 3966.42 lakhs in Fiscal 2021 to ₹ 8590.66 lakhs in Fiscal 2022. This increase was primarily due to higher sales during the year.

Purchase of Stock in Trade

Purchase of Stock in Trade had increased by 129.45% from ₹ 476.58 lakhs in Fiscal 2021 to ₹ 1093.53 lakhs in Fiscal 2022. This increase was primarily due to higher purchases during the year.

Changes in Inventories of Finished Goods, WIP & Stock in trade

Changes in Inventories of Finished Goods, WIP & Stock in Trade had decreased by 406.81% from ₹ (287.90) lakhs in Fiscal 2021 to ₹ (1459.10) lakhs in Fiscal 2022. This decrease was primarily due to higher closing inventories during the year.

Employee Benefit Expenses

Employee benefit expenses had increased by 27.64% from ₹ 173.373 lakhs in Fiscal 2021 to ₹ 299.32 lakhs in Fiscal 2022. This increase was primarily due to higher salary expenses, Director/partner Remuneration & Gratuity Expenses.

Finance Cost

Finance Cost had increased by 124.72% from ₹ 103.87 lakhs in Fiscal 2021 to ₹ 233.41 lakhs in Fiscal 2022. This increase was primarily due to higher Interest paid during the year.

Depreciation and Amortization Expenses

Depreciation had increased by 61.35% from ₹ 13.53 lakhs in Fiscal 2021 to ₹ 21.83 lakhs in Fiscal 2022.

Other Expenses

Other expenses had increased by 90.18% from ₹ 208.15 lakhs in Fiscal 2021 to ₹ 395.87 lakhs in Fiscal 2022. The increase was primarily due to increase in Business Promotion Expenses, Brokerage & commission Expenses, Electric Expenses, Rebate & Discount, Professional Fees, Rent etc.

Tax Expenses

The Company's tax expenses had increased by ₹ 43.68 lakhs in the Fiscal 2021 to ₹ 263.00 lakhs in Fiscal 2022. This was primarily due to increase in current tax expenses during the year.

Profit after Tax

After accounting for taxes at applicable rates, our Company reported a net profit of ₹454.01 lakhs in Fiscal 2022 as compared to a net profit of ₹81.61 lakhs in Fiscal 2021. The increase in Profit after taxes is due to increase in sales remaining the fixed expenses constant for both the years. Also there is increase in margin of product due bulk orders.

Cash Flows

(₹ in lakhs)

Particulars	For the year ended March 31,			
	March 31, 2023	April 12, 2022	2022	2021
Net Cash from Operating Activities	(1,070.52)	(249.15)	(1,531.32)	(559.95)
Net Cash from Investing Activities	(136.89)	(5.26)	(45.33)	(36.62)
Net Cash used in Financing Activities	1,359.82	250.61	1,504.68	671.96

Cash Flows from Operating Activities

Net cash from operating activities for the period ended on march 31, 2023 was at ₹ (1070.52) lakhs as compared to the Profit Before Tax at ₹ 1113.55 lakhs This was primarily due to adjustments against adjustments against, changes in Working Capital & Income Tax Paid.

Net cash from operating activities for the period ended on April 12, 2022 was at ₹ (249.15) lakhs as compared to the Profit Before Tax at ₹ 37.33 lakhs This was primarily due to adjustments against adjustments against, changes in Working Capital & Income Tax Paid.

Net cash from operating activities for fiscal 2022 was at ₹ (1531.32) lakhs as compared to the Profit Before Tax at ₹ 717.01 lakhs while for fiscal 2021 Net cash from operating activities was at ₹ (559.95) lakhs as compared to the Profit Before Tax at ₹ 125.29 Lakhs. This was primarily due to adjustments against adjustments against, changes in Working Capital & Income Tax Paid.

Net cash from operating activities for fiscal 2021 was at ₹ (559.95) lakhs as compared to the Profit Before Tax at ₹ 125.29 lakhs.

Cash Flows from Investment Activities

In the Period Ended on March 31, 2023 the net cash invested in Investing Activities was ₹ (136.89) lakhs. This was mainly on account of Purchases of Fixed Assets, increase in Long Term Loans & Advances & Other Non Current Assets.

In the Period Ended on April 12, 2022 the net cash invested in Investing Activities was ₹ (5.26) lakhs. This was mainly on account of Purchases of Fixed Assets.

In fiscal 2022, the net cash invested in Investing Activities was ₹ (45.33) lakhs. This was mainly on account of Purchases of Fixed Assets & Increase in Non Current Assets.

In fiscal 2021, the net cash invested in Investing Activities was ₹ (36.62) lakhs. This was mainly on account of Purchases of Fixed Asset & Increase in Long Term Loans & Advances.

Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. Unusual or infrequent events or transactions

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations except conversion of partnership firm into Company.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Except for any change in economic policy affecting our industry in India, there are no other significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section "Risk Factors" beginning on page 22 in the Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues

Our Company's future costs and revenues will be determined by growth of industry in which we operate.

5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices

Increases in revenues are by and large linked to increases in volume of our business.

6. Status of any publicly announced New Products or Business Segment

Our Company has not announced any new Product.

7. Seasonality of business

Our Company's business is not seasonal.

8. Dependence on few customers/ clients

The percentage of contribution of our Company's Top Customers/Clients for the period from April 13, 2022 to March 31, 2023 is as follows:

Particulars	Customers
Top Ten (%)	54.49%

9. Competitive conditions

Competitive conditions are as described under the Chapters "Industry Overview" and "Business Overview" beginning on pages 84 and 95, respectively of the Prospectus.

10. Details of material developments after the date of last balance sheet i.e. March 31, 2023

After the date of last Balance sheet i.e. March 31, 2023, the following material events have occurred after the last audited period:

1. Appointment of Company Secretary and Compliance Officer in board meeting held on June 27, 2023.

2. Our Company has sanctioned loan from SIDBI for Rs.200.00 Lakhs in March, 2023 which was disbursed after balance sheet date.

CAPITALIZATION STATEMENT

(Rs. In Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	Debts		
A	Long Term Debt*	4.33	4.33
B	Short Term Debt*	5,241.20	5,241.20
C	**Total Debt**	**5,245.53**	**5,245.53**
	Equity Shareholders Funds		
	Equity Share Capital*	910.03	1239.95
	Reserves and Surplus*	896.80	3024.27
D	**Total Equity**	**1,806.83**	**4264.22**
E	**Total Capitalization**	**7,052.36**	**9,509.75**
	Long Term Debt/ Equity Ratio (A/D)	0.00	0.00
	Total Debt/ Equity Ratio (C/D)	2.90	1.23
Notes :			
* The amounts are consider as outstanding as on March 31, 2023			

SECTION X – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPEMENT

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.

For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Prospectus:

a) *All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*

b) *All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of ₹ 1,00,000/- (Rupees one lakhs only) of the Company for the most recent audited fiscal period whichever is lower; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at www.karnikaindustries.com*

c) *Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

OUTSTANDING MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND GROUP COMPANIES

PART 1: LITIGATION RELATING TO OUR COMPANY

A. FILED AGAINST OUR COMPANY

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Indirect Tax : NIL

Direct Tax:

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

B. CASES FILED BY OUR COMPANY

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

M/s. Karni Internationsl (now converted into Karnika Industries Limited):

1. **M/s. Karni International through its Authorized representative Mr. Amit Jariwal (Complainant) V/s. Shri Ramesh Ji Agarwal (Proprietor M/s. Agarwal Collection) (Accused)**
   (Case no. 521C/2020 filed under Section 420/406 of the Indian Penal Code, 1860, with the Court of Learned Chief Judicial Magistrate, Howrah)

The Complainant herein being a manufacturer and supplier of Kids ready-made garments alleged to have supplied goods worth Rs. 7,65,664/- to the accused herein during the period between April 29, 2019 till August 12, 2019 through various invoices of different amounts on different dates. However as alleged, the accused have made a payment of Rs. 87,834/- out of the total value of invoices after several follow-ups and have held back the remaining amount of Rs. 6,77,830/- . As stated, after several follow-ups, a legal notice dated September 25, 2020 was served to the accused which was responded to by the accused in denial. Aggrieved by this, the Complainant filed the instant petition u/s. 420/ 406 of the Indian Penal Code and the same is pending before the Hon'ble Court.

PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY

A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER

1) Litigation involving Criminal Laws
NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Indirect Tax: NIL

Direct Tax: NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES AND GROUP COMPANIES

A. LITIGATION AGAINST OUR SUBSIDIARIES AND GROUP COMPANIES

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Indirect Tax: NIL

Direct tax:

Sri Karni Apparels Private Limited (Group Company)

1. A.Y. 2018-19:

As per details available on the website of the Income Tax Department M/s. Sri Karni Apparels Private Limited (hereinafter referred to as the "Assessee") have been issued with a Demand notice u/s. 143(1)(a) of the Income Tax Act, 1961 bearing reference no. 2016201637047413031C dated October 17, 2016 for an amount of Rs. 11,450/- for A.Y. 2016-17 and the same is pending.

2. Pending Demands/ Defaults of TDS:

As per details available on the TRACES an aggregate outstanding amount of **Rs. 33,551/-**from Previous years till 2019-20 is pending against M/s. Sri Karni Apparels Private Limited (hereinafter referred to as the "Assessee") as default on account of late filing of returns, late deposit of taxes and mismatch of PAN details. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable.

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

B. LITIGATION FILED BY OUR SUBSIDIARIES AND GROUP COMPANIES

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

Q Bazar India LLP (Group Company):

M/s. Q Bazar India LLP through its Authorized representative Mr. Amit Jariwal (Complainant) V/s. Mr. Chandan Agarhari of M/s. Aashi Trading
(Case no. 522C/2020 filed under Section 420/406 of the Indian Penal Code, 1860, with the Court of Learned Chief Judicial Magistrate, Howrah)

As alleged, the accused herein represented to be a salvage buyer of various insurance companies and accordingly induced the complainant herein to enter into business relationship with one M/s. Acknit Industries Limited of Falta (the seller), West Bengal which was represented to have placed their demurrage claimed from the insurance company for products damaged by the Cyclone. As alleged, induced by the representations, the Complainant placed an order for a total value of Rs. 10,00,000/- and accordingly made the payment through NEFT to the account of the seller on June 23, 2020 in addition to a cash payment of Rs. 90,000/- towards sorting charges.

Further as alleged, the complainant however on not having received any goods against the order, received back only the amount of Rs. 9,10,000/- after serving legal notices to the seller. Aggrieved by this, the complainant filed the present petition accusing the accused and the seller herein for fraudulent and mischievous acts and misappropriation of the sum of Rs. 1,80,000/- by way of cheating to gain wrongfully causing wrongful loss towards the Complainant's Company. The matter is pending before the Hon'ble Chief Judicial Magistrate, Howrah.

DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this Prospectus in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Prospectus

OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of the Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES

There are no proceedings initiated against our Company for any economic offences.

NON-PAYMENT OF STATUTORY DUES

As on the date of the Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

MATERIAL FRAUDS AGAINST OUR COMPANY

There have been no material frauds committed against our Company in the five years preceding the year of this Prospectus.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters, nor Group Companies and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

DISCLOSURES PERTAINING TO FRAUDULENT BORROWER

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

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 177 there have been no material developments that have occurred after the Last Balance Sheet Date.

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 are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on March 31, 2023: -

Name	No. of Cases	Balance as on March 31, 2023 (in Lacs)
Total Outstanding dues to Micro and Small & Medium Enterprises	--	--
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	326	2564.29

GOVERNMENT AND OTHER 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 Issue 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 Issue 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:

Approvals In Relation to Our Company's incorporation

1. Originally formed as a partnership firm as M/s. Karni International vide Partnership Deed dated July 21, 2017

2. Certificate of Incorporation dated April 13, 2022 from the Registrar of Companies, West Bengal, RoC-Kolkata, under the Companies Act, 2013 as "KARNIKA INDUSTRIES LIMITED" (Company registration no. U17299WB2022PLC253035)

Approvals in relation to the Issue

Corporate Approvals

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on January 20, 2023 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.

2. Our shareholders have, pursuant to a resolution dated March 31, 2023 under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.

3. Our Board of Directors has, pursuant to a resolution dated June 30, 2023 and September 22, 2023 authorized our Company to take necessary action for filing the Draft Prospectus and Prospectus respectively with NSEEMERGE.

Approvals from Stock Exchange

1. Our Company has received in- principle listing approval from the NSE EMERGE dated September 15, 2023 for listing of Equity Shares issued pursuant to the issue.

Other Approvals

1. The Company has entered into a tripartite agreement dated July 01, 2022 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Skyline Financial Services Private Limited, for the dematerialization of its shares.

2. The Company has entered into an agreement dated June 30, 2022 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Skyline Financial Services Private Limited, for the dematerialization of its shares.

APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS:

Tax Related Approvals

S.No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	NA	AAJCK4601M	Income Tax Department	April 13, 2022	Valid till Cancelled

2.	Tax Deduction Account Number (TAN)	M/s.Karnika Industries Limited 6&6/1, Gurgola Ghat Road P.O. Salkia, Howrah, Howrah-711106 West Bengal	CALK14227D	Income Tax Department	April 13, 2022	Valid till Cancelled
3.	GST Registration Certificate(West Bengal)	M/s.Karnika Industries Limited 6 And 6 /1, GurgolaGhat Road, Golabari, Howrah, Howrah, West Bengal, 711106	19AAJCK4601 M1Z8	Goods and Services Tax department	May 05, 2022	Valid till Cancelled
4.	Professions Tax Payer Registration certificate (P.T.R.C.)	M/s.Karnika Industries Limited 6 6/1, GurgolaGhat Road, P.O. Salkia, Howrah, West Bengal, 711106	191009116357	WB South Unit-I, Howrah, Directorate of commercial Taxes, Government of West Bengal	June 18, 2022	Valid till Cancelled
5.	Professions Tax Payer Enrolment certificate (P.T.E.C.)	M/s.Karnika Industries Limited 6 6/1, GurgolaGhat Road, P.O. Salkia, Howrah, West Bengal, 711106	192150506918	WB South Unit-I, Howrah, Directorate of commercial Taxes, Government of West Bengal	June 22, 2022	Valid till Cancelled

Registrations related to Labour Laws:

S.No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Factory License	M/s. Karnika Industries Limited 6 & 6/1, Gurgola Ghat Road, Post Office- Salkia, Police Station- Malipanch ghara, District- Howrah, Pin- 711106, Ward-1, Howrah Municipal Corporation, Howrah Sadar, Ps – Malipanch ghara, Po - Salkia H.O, Howrah , Pin- 711106, West Bengal	License No. 23291 Reg. No. 0277-HW/X/2023 Classification of Factory No.: 14101	Joint Chief Inspector of Factories, Directorate of Factories	January 24, 2023	May 01, 2027
2.	Registration under The West Bengal Shops and Establishments Act, 1963	6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah, West Bengal- 711106, India and Holding No.2, Hazarimall Shah Road in Ward No.1, 7, Gurgola Ghat Road, Salkia, Howrah 711 106, West Bengal, India	HW03432N20230 00011	LabourDepartment, Government of West Bengal	August 22, 2023	Valid till Cancelled
3.	Registration under Employee State Insurance Act (ESIC)	M/s. Karnika Industries Limited 6 6/1, Gurgola Ghat Road, Post Office- Salkia, Howrah, Pin- 711106	410009404300001 08	Regional Office, Employee's State Insurance Corporation	May 31,2022	Valid till Cancelled
4.	Registration under the Employees Provident fund (EPF)	M/s. Karnika Industries Limited,6 6/1, Gurola Ghat Road, P.O. Salkia, Howrah Haora, West Bengal-711106	WBHLO2632567 000	Employee's Provident Fund	April 13,2022	Valid till Cancelled

5.	License under the Contract Labour (Regulation and Abolition), Act 1970	6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah, West Bengal- 711106, India and Holding No.2, Hazarimall Shah Road in Ward No.1, 7, Gurgola Ghat Road, Salkia, Howrah 711 106, West Bengal, India	HWH01/CLR/000820	Office of Deputy Labour Commissioner, Government of West Bengal	September 01, 2023	July 31, 2024

Business Related Approvals:

S.No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Import Export Code (IEC)	M/s. Karnika Industries Limited 6&6/1, GurgolaGhat Road, 711106, Howrah	AAJCK4601M	Ministry of Commerce and Industry Directorate General of Foreign Trade, Kolkata	May 16, 2022	Valid till Cancelled
2.	LEI Certificate	M/s. Karnika Industries Limited 6&6/1, GurgolaGhat Road, 711106, Howrah	984500CED0A9D7CC9429	Central Depository Services (India) Limited	May 16, 2022	May 17, 2027
3.	ISO 14001:2015	M/s. Karnika Industries Limited 6&6/1, GurgolaGhat Road, Howrah, Howrah,West Bengal - 711106, India	ECI58522	Manufacturer And Exporter Of Garments	May 30, 2022	May 29, 2025
4.	Udyam Registration Certificate	M/s. Karnika Industries Limited 6 & 6/1 Howrah Block 1 Gurgola Ghat Road Howrah West Bengal Howrah-711106	UDYAM-WB-08-0019331	Ministry of Micro Small & Medium Enterprises	May 21, 2022	Valid till Cancelled
5.	Trade License	Karnika Industries Limited NiranjanMundhra, Mahesh Kumar Mundra& Shiv Shankar Mundra GurgolaGhat Road	HMC/W01/293833/22 Nature of Business: Business Office	Howrah Municipal Corporation License Department	Renewed on May 17, 2023	March 31, 2026
6.	Trade License	Karnika Industries Limited NiranjanMundhra, Mahesh Kumar Mundra& Shiv Shankar Mundra GurgolaGhat Road	HMC/W01/293844/22 Nature of Business: Manufacturing/ Trading Goods (Cat-1) Sub Category: Readymade Garments	Howrah Municipal Corporation License Department	Renewed on May 17, 2023	March 31, 2026
7.	Trade License	Karnika Industries Limited Niranjan Mundhra, Mahesh Kumar Mundra, Hazari Mal Shah Road	HMC/WO1/296018/23 Nature of Business: Manufacturing/ Trading Goods (Cat-1)	Howrah Municipal Corporation License Department	Renewed on May 17, 2023	March 31, 2026

			Sub Category: Readymade Garments			
8.	Registration-cum-membership certificate issued by the Apparel Export Promotion Council, Ministry of Textiles, Government of India (AEPC)	Karnika Industries Limited 6&6/1, Gurgola Ghat Road, 711106, Howrah	02EAEPC05339AM23	Office of the Additional Director General of Foreign Trade, Kolkata	March 27, 2023	Import Validity – March 27, 2025 EO Period – March 27, 2029

Intellectual Property

Trademarks registered/Objected/Abandoned in the name of our company

S. No	Brand Name/Logo Trademark	Class	Nature of Trademark and registration number	Owner	Date of Registration	Authority	Current Status
1.	Word" Karnika"	25	1955055	M/s. Karni International, Niranjan Mundhra	April 23, 2010	Trademark Kolkata, West Bengal	Registered and valid upto April 23, 2030
2.	Device" Karnika" Karnika	35	5460739	M/s. Karnika Industries Limited	May 24, 2022	Trademark Kolkata, West Bengal	Registered and valid upto May 24, 2032

Domains:

S. No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Registrant URL and Name	Creation Date	Registration Expiry Date
1.	www.karnikaindustries.com	Registrar: GoDaddy.com, LLC Registrar IANA ID: 146	Registrar URL: www.godaddy.com Registrar Name – Karnika Industries Limited	26.02.2022	26.02.2024
2.	www.karnikaindustries.in	Registrar: GoDaddy.com, LLC Registrar IANA ID: 146	Registrar URL: www.godaddy.com Registrar Name – Karnika Industries Limited	26.02.2022	26.02.2024
3.	www.karnikaindustries.co.in	Registrar: GoDaddy.com, LLC Registrar IANA ID: 146	Registrar URL: www.godaddy.com Registrar Name – Karnika Industries Limited	26.02.2022	26.02.2024
4.	www.karnika.in	Registrar: GoDaddy.com, LLC Registrar IANA ID: 146	Registrar URL: www.godaddy.com Registrar Name – Karnika Industries Limited	26.02.2022	26.02.2024

LICENSES APPLIED FOR:

S. No.	Description	Address of Premises	Authority to which application to be made	Date of Application
1.	Factory License	Block B(III) Satyen Bose Road, Near N.C Pal Bridge, Hatgacha Banipur, Howrah – 711304, West Bengal, India	Directorate of Factories, Government of West Bengal	August 22, 2023
2.	Registration under Water (Prevention and Control of Pollution) Act, 1974	6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah, West Bengal-711106, India and Holding No.2, Hazarimall Shah Road in Ward No.1, 7, Gurgola Ghat Road, Salkia, Howrah 711 106, West Bengal, India	West Bengal Pollution Control Board	August 21, 2023
3.	Registration under Water (Prevention and Control of Pollution) Act, 1974	Block B(III) Satyen Bose Road, Near N.C Pal Bridge, Hatgacha Banipur, Howrah – 711304, West Bengal, India	West Bengal Pollution Control Board	August 21, 2023

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities.

INFORMATION WITH RESPECT TO GROUP COMPANIES

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group companies with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated March 31, 2023 for the purpose of disclosure in relation to Group companies in connection with the Issue, a company shall be considered material and disclosed as a Group companies if such company fulfills both the below mentioned conditions: -

i. Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations; and

ii. Our Company has entered into one or more transactions with such company in in any of the last three financial years and stub period as the case of the company as per Restated Financial Statements.

Based on the above, the following Companies are identified as our Group Companies: -

1. Q Baazar India LLP
2. Sri Karni Apparels Private Limited

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Company for the previous three financial years, extracted from its audited financial statements (as applicable) is available at the website indicated below.

Our Company is providing a link to such website solely to comply with the requirements specified under the SEBI ICDR Regulation.

Details of our Group Companies:

1. Q Baazar India LLP

Corporate Information

Q Baazar India LLP was incorporated on December 26, 2018 under the Limited Liability Partnership Act, 2008. The LLPIN of Capbridge Venture LLP is AAN-8366. The Registered Office is situated at 6 & 6/1 Gurgola Ghat Road, Na Howrah, West Bengal-711106, India.

Financial Information

The details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of Q Baazar India LLP for financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 available in terms of the SEBI ICDR Regulations are available on its website at www.karnikaindustries.com

2. Sri Karni Apparels Private Limited (SKAPL)

Corporate Information

Sri Karni Apparels Private Limited was incorporated on March 22, 2010 under the Companies Act, 1956 as a Private Limited Company, bearing Registration No. 144183. The CIN of Sri Karni Apparels Private Limited is U18109WB2010PTC144183. The Registered Office is situated at 1/C Jorabagan Street (Manna Dey Sarani), Kolkata-700006, West Bengal, India

Financial Information

The details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of SKAPL for financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 available in terms of the SEBI ICDR Regulations are available on its website at www.karnikaindustries.com

Litigations

Except as disclosed in the chapter titled 'Outstanding Litigations and Material developments' on page 186 of this prospectus, there is no other pending litigations against our Group Companies which can have a material impact on our Company.

Common Pursuits

As on the date of this Prospectus, our Group Companies are engaged in similar line of business.

Related business transactions within our Group Companies and significance on the financial performance of the Company

Except as disclosed in the Related Party Transactions in the chapter titled "Financial Information of our company" on page 142 of this prospectus, there are no other related business transactions between Group Companies and our company.

Business Interest

Except as disclosed in the Related Party Transactions in the chapter titled "Financial Information of our company" on page 142 of this prospectus, our Group Companies do not have any business interest in our company.

For further details on risks in relation to transactions being entered into with related parties, see "Risk Factors"-We have in the past entered into related-party transactions and may continue to do so in the future" on page 22 of this Prospectus.

Nature and Extent of Interest of Group Companies

a) In the promotion of our Company:

Our Group Companies does not have any interest in the promotion of our Company.

b) In the properties acquired or proposed to be acquired by our Company in the past three years before filing the Prospectus with stock exchange:

Our Group Companies does not have any interest in the properties acquired or proposed to be acquired by our Company in the past three years before filing the Prospectus with Stock Exchange.

c) In transactions for acquisition of land, construction of building and supply of machinery:

Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

SECTION XII - OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Fresh Issue

This Issue in terms of this Prospectus has been authorized by the Board of Directors pursuant to a resolution dated January 20, 2023 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on March 31, 2023 under section 62 (1) (c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the NSE Emerge for using its name in the Prospectus/Prospectus pursuant to letter dated September 15, 2023. NSE is the Designated Stock Exchange.

Prohibition by the SEBI or other Governmental Authorities

Our Company, our Group Company, our Promoters, our Promoter Group, our Directors, Person in control of Promoter or Company, have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

Association with Securities Market

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as promoters or directors.

Prohibition by RBI

Neither our Company, our subsidiary, our Promoter, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "Outstanding Litigations And Material Development" beginning on page 186 of the Prospectus.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("SBO Rules"), to the extent applicable, as on the date of the Prospectus.

Eligibility for the Issue

Our Company is eligible in terms of Regulations 230 of SEBI ICDR Regulations for this Issue.

Our Company is eligible for the Issue in accordance with the Regulation 229 (2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue paid-up capital is less than ten crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of NSE i.e. NSE EMERGE).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations.

We confirm that:

1. In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Issue was 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total Issue size. For further details pertaining to underwriting please refer to chapter titled "General Information" beginning on page 47 of this Prospectus.

2. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus.

4. In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the LM and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the market making arrangement see chapter titled "General Information" beginning on page 47 of this Prospectus.

5. The Post Issue paid up capital of the company will be less than ₹ 25 Crore.

6. The Company along with the partnership firm has a track record of at least 3 years as on the date of filling Prospectus.

7. The Net-worth of our Company is Positive as per latest audited financial statement.

8. Our Company's net worth and Operating Profit (earnings before interest, depreciation and tax), based on the Restated Financial Statements included in this Prospectus are set forth below:

Particulars	As at March 31, 2023	As At April 12, 2022	As at March 31, 2022	As at March 31, 2021
Net Worth	1806.83	1868.30	1860.88	378.14
Operating Profit	1,518.03	37.04	960.66	209.78

(i) Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.
(ii) Operating Profit has been defined as the Earnings before interest, depreciation and tax from operations.

9. The Company will mandatorily facilitate trading in demat securities and has entered into agreement with both the depositories.

10. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

11. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.

12. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.

13. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.

14. Our Company has a website i.e., www.karnikaindustries.com

Other Disclosures:

1) We have Disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company in the Prospectus.

2) There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years. An auditor's certificate will be provided by the issuer to the exchange, in this regard.

3) We have Disclosed the details of the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation, For details, please refer the chapter "Outstanding Litigations & Material Developments" on page no. 186 of this Prospectus.

4) We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter "Outstanding Litigation & Material Developments" on page no. 186 of this Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the SME platform. NSE is the Designated Stock Exchange.
- Our Company has entered into an agreement dated June 30, 2022 with NSDL and agreement dated July 01, 2022 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters will be in dematerialized form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy-five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals – Not required as the object of Issue is working capital requirement, general corporate purpose and issue expenses, for details, please refer the chapter "Objects of the Issue" on page no. 70 of this Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

(a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
(b) None of our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
(c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrower.
(d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE LEAD MERCHANT BANKER, BEELINE CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS

BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, BEELINE CAPITAL ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 22, 2023.

THE FILING OF THE PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.

Note:

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Kolkata in terms of sections 26, 32 and 33 of the Companies Act,

Disclaimer from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the MOU entered between the LM (Beeline Capital Advisors Private Limited) and our Company on May 25, 2023 and the Underwriting Agreement dated September 20, 2023 entered into between the Underwriters and our Company and the Market Making Agreement dated September 20, 2023 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Howrah, West Bengal.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time

subsequent to this date.

Disclaimer Clause 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 under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer Clause of the SME Platform of 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 NSE/LIST/2505 dated September 15, 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 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."

Filing

This Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

The copy of the Prospectus will not have filed with SEBI and SEBI will not issue any observation on the Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary portal at https:\\siportal.sebi.gov.in.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata-700020, West Bengal, India

Listing

The Equity Shares of our Company are proposed to be listed on NSE Emerge. Our Company has obtained in-principle approval from NSE by way of its letter dated September 15, 2023 for listing of equity shares on NSE Emerge (NSE Emerge).

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities have been be obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s Uttam Agarwal & Associates, Chartered Accountants, Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in the Draft Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Prospectus.

Experts Opinion

Except for the reports in the section "Financial information of our Company" and "Statement of Possible Tax Benefits" on page 142 and 80 of this Prospectus from the Peer Review Auditors and Statutory Auditor, our Company has not obtained any expert opinions. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or abroad the five (5) years preceding the date of this Prospectus except as disclosed in this Prospectus.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to section titled "Capital Structure" beginning on page 55 of this Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies/ Subsidiaries and Associates of our Company

Except as stated in the chapter titled "Capital Structure" beginning on page 55 of this Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

Performance vis-a-vis objects - Last Issue of Group/Associate Companies

Except as disclosed in this Prospectus, all of our Group/ Associate are unlisted and have not made a public issue of shares.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares and other instruments

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Prospectus.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

Option to Subscribe

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Mechanism for Redressal of Investor Grievances

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not

routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on March 31, 2023. For further details on the Stakeholders Relationship Committee, please refer to section titled "Our Management" beginning on page 123 of this Prospectus.

Our Company has appointed Ms. Muskan Mundhra, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Muskan Mundhra
6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah,
Howrah, West Bengal-711106, India.
Tel. No.: 033-26558101
E-mail: cs@karnikaindustries.com
Website: www.karnikaindustries.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "**SCORES**". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Status of Investor Complaints

We confirm that we have not received any investor compliant 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 listed companies under the same management as our Company

We do not have any listed company under the same management.

Change in Auditors during the last three (3) years

Except as disclosed in Chapter titled "General Information" beginning on Page 47 of this Prospectus; there are no changes in the Auditors of the company during the last three years.

Capitalization of Reserves or Profits

Except as disclosed under section titled "Capital Structure" beginning on page 55 of this Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Revaluation of Assets

Our Company has not revalued its assets in five (5) years preceding the date of this Prospectus.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "Statement of Possible Tax Benefits" beginning on page 80 of this Prospectus.

Purchase of Property

Other than as disclosed in Section "Business Overview" on page 95 of the Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Prospectus, other than property, in respect of which:

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

Servicing Behavior

Except as stated in this Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation**.**

Except as disclosed in chapter titled "Our Management" beginning on page 123 and Restated Statement of Related Party Transactions" under chapter titled "Financial Information of our Company" beginning on page 142 of the Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Exemption from complying with any provision of security laws, if any granted by SEBI

As on date of Prospectus, our company has not availed any exemption from complying with any provision of security laws granted by SEBI

Statement on Price Information of Past Issues handled by Beeline Capital Advisors Private Limited:

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/-% change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Transvoy Logistics India Limited	5.11	71.00	02.02.2023	71.00	3.17% (1.67%)	-14.44% (2.37%)	9.58% (+11.00%)
2.	Viaz Tyres Limited	20.00	62.00	01.03.2023	68.00	-17.28% (-1.60%)	-15.40% (6.58%)	-20.08% (+10.40%)
3.	Vertexplus Technologies Limited	14.21	96.00	15.03.2023	101.00	0.74% (5.04%)	22.92% (9.38%)	139.58% (+16.78%)
4.	Dev labtech Venrure Limited	11.22	51	29.03.2023	51.20	18.32% (4.64%)	25.94% (9.41%)	NA
5.	Sotac Pharmaceuticals Limited	33.30	111	13.04.2023	115	+7.70% (+2.31%)	6.31% (8.73%)	NA
6.	Remus Pharmaceuticals Limited	47.69	1229	29.05.2023	1711.25	263.98% (1.01%)	74.54% (+3.59%)	NA
7.	Pentagon Rubber Limited	16.17	70.00	07.07.2023	130.00	-10.73% (-0.96%)	NA	NA
8.	Ahasolar Technologies Limited	12.85	157.00	21.07.2023	203.00	147.64% (-2.60%)	NA	NA
9.	Shri Techtex Limited	45.14	61.00	04.08.2023	81.15	59.67% (-0.42%)	NA	NA

10.	Vinsys It Service India Limited	49.84	128.00	11.08.2023	196.45	132.11% (+2.02%)	NA	NA

Source: Price Information www.bseindia.com and www.nseindia.com, *Issue Information from respective Prospectus.*

Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30th calendar days from listing			No. of IPOs trading at Premium- 30th calendar days from listing			No. of IPOs trading at discount- 180th calendar days from listing			No. of IPOs trading at Premium- 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	5	171.69	--	--	1	4	--	--	--	--	--	--	--	--
2022-23	12	232.94	--	1	2	3	2	4	--	1	1	3	2	3
2021-22	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note:

1. *Opening price information as disclosed on the website of BSE/NSE.*
2. *Change in closing price over the issue/offer price as disclosed on BSE/NSE.*
3. *Change in closing price over the closing price as on the listing date for benchmark index viz. BSE SENSEX/NIFTY 50.*
4. *In case of reporting dates falling on a trading holiday or a day on which there was no trading in the scrip, values for the trading day immediately preceding the trading holiday/ no trading day for the scrip/benchmark, have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*

Track Record of past issues handled by Beeline Capital Advisors Private Limited

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: www.beelinemb.com

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

SECTION XIII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2018 , our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

For details in relation to Issue expenses, see "Objects of the Issue" and "Other Regulatory and Statutory Disclosures" on pages 70 and 199, respectively.

Authority for the Issue

The present Public Issue of Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on January 20, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on March 31, 2023 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to "Description of Equity Shares and terms of the Articles of Association" on page 260 of the Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to "Dividend Policy" on page 141 of the Prospectus.

Face Value and Issue Price

The Equity Shares having a Face Value of ₹10.00 each are being offered in terms of the Prospectus at the price of ₹76.00 per equity Share (including premium of ₹66.00 per share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "Basis for Issue Price" on page 75 of the Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled "Description of Equity Shares and terms of the Articles of Association" beginning on page 260 of the Prospectus.

Allotment only in Dematerialised Form

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

1. Tripartite agreement dated June 30, 2022 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated July 01, 2022 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

Minimum Application Value, Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of 1,600 Equity Shares and the same may be modified by the SME platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 1,600 Equity Shares and is subject to a minimum allotment of 1,600 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

The minimum number of allottees in the Issue shall be 50 shareholders in case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or

- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Issue

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

Period of Operation of Subscription List of Public Issue

ISSUE OPENS ON	**FRIDAY, SEPTEMBER 29, 2023**
ISSUE CLOSES ON	**WEDNESDAY, OCTOBER 04, 2023**

Minimum Subscription

In accordance with Regulation 260 (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs. 1,00,000 (Rupees One Lakh) per application.

As per section 39 of the Companies Act 2013, if the "stated minimum amount" has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of 1,600 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

Application by Eligible NRIs, FPIs or VCFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled "Capital Structure" beginning on page 55 of the Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer sub-heading " Description of Equity Shares and terms of the Articles of Association " on page 260 of the Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform to inform the investors of any amendments or modifications 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.

Allotment of Securities in Dematerialised Form

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

Migration to Main Board

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME 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 the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 Crore by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board or

- If the Paid-Up Capital of our Company is more than ₹10.00 Crore and up to ₹25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this Issue are proposed to be listed on the SME platform of NSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "General Information - Details of the Market Making Arrangements for this Issue" on page 47 of the Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

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

Further, the Market Maker shall give (2) Two ways quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Howrah, West Bengal.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is more than Rs. 10 Crores but Upto Rs. 25 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 209 and 216 of the Prospectus.

The Issue comprise of a Public Issue of 32,99,200 Equity Shares of Face Value of ₹10/- each fully paid (The "Equity Shares") for cash at a price of ₹76/- per Equity Shares *(including a premium of ₹66/- per equity share)* aggregating to ₹2507.39 lakhs (*"the issue"*) by our Company of which 1,66,400 Equity Shares of ₹76/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of 31,32,800 Equity Shares of ₹76/- each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 26.61% and 25.27% respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	31,32,800 Equity Shares	1,66,400 Equity Shares
Percentage of Issue Size available for allocation	94.96% of the Issue Size	5.04% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 1,600 Equity Shares and further allotment in multiples of 1,600 Equity Shares each. For further details please refer to "Issue Procedure" on page 216 of this Prospectus.	Firm Allotment
Mode of Application	All the applications shall make the application (Online or Physical) through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	**For Other than Retail Individual Investors:** Such number of Equity Shares in multiples of 3,200 Equity Shares at an Issue price of ₹76/- each, such that the Application Value exceeds ₹2.00 Lakh. **For Retail Individuals Investors:** 1,600 Equity Shares at an Issue price of ₹76/- each	1,66,400 Equity Shares
Maximum Application Size	**For Other than Retails Individual Investors:** The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable. **For Retail Individuals Investors:** Such number of Equity Shares in multiples of 1,600 Equity Shares such that the Application Value does not exceed ₹2,00,000/-	1,66,400 Equity Shares
Trading Lot	1,600 Equity Shares	1,66,400 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Application lot Size	1,600 Equity Shares thereafter Equity Shares and in multiples of 1,600	

Terms of Payment	The entire Application Amount shall be blocked by the SCSBs in the bank account of the Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI Mechanism) at the time of the submission of the Application Form

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to "Issue Structure" on page 214 of the Prospectus.

*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue 'the allocation' in the net offer to the public category shall be made as follows:

a) Minimum fifty percent to retail individual investors; and
b) Remaining to
   (i) Individual Applicant other than retail Individual Investors; and
   (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

Withdrawal of the Issue

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

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

Issue Programme:

ISSUE OPENING DATE	**FRIDAY, SEPTEMBER 29, 2023**
ISSUE CLOSING DATE	**WEDNESDAY, OCTOBER 04, 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 Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by LM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

All Applicants shall review the "General Information Document for Investing in Public Issues" prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI, suitably modified from time to time, if any, and the UPI Circulars ("General Information Document"), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

The General Information Documents will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager, before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc shall be applicable to Public Issue opening on or after January 1, 2022 and October 1, 2021 respectively.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Applicants; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

SEBI through UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface (**UPI**) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days (**"UPI Phase I"**). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020.Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors ("UPI Phase III"), is be prescribed by SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 effective from issue opening on or after September 01, 2023 on voluntary basis and on or after December 01, 2023 on mandatory basis.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by NSE to act as intermediaries for submitting Application Forms are provided on www.nseindia.com For details on their designated branches for submitting Application Forms, please see the above mentioned website of NSE.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Prospectus and this Prospectus.

This section applies to all the Applicants.

FIXED PRICE ISSUE PROCEDURE

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 252 of SEBI (ICDR) Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via Fixed Price Issue method. In terms of Regulation 253(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be issued to Non Retail Category i.e. QIBs and Non Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at Issue Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange. However, if the retail individual investor category is entitled to more than fifty per cent of the net Issue on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI.

In case of QIB Applicants, the Company, in consultation with the Lead Manager, may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.

PHASED IMPLEMENTATION OF UPI FOR BIDS BY RETAIL INDIVIDUAL BIDDERS AS PER THE UPI CIRCULAR

SEBI has issued UPI Circular in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 and till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.
Phase II: This phase has become applicable from July 1, 2019 and the continuation of this phase has been extended until March 31, 2020. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

Phase III: The commencement period of Phase III is notified vide SEBI Circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 effective from issue opening on or after September 01, 2023 on voluntary basis and on or after December 01, 2023 on mandatory basis for listing in T+3 days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders into the UPI Mechanism.

For further details, refer to the General Information Document to be available on the website of the Stock Exchange and the Lead Manager.

Electronic registration of Bids

a) The Designated Intermediary registered the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries could also set up facilities for off-line electronic registration of Bids, subject to the condition that they would subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.
b) On the Bid/Offer Closing Date, the Designated Intermediaries uploaded the Bids till such time as were permitted by the Stock Exchanges and as disclosed in this Prospectus.
c) Only Bids that are uploaded on the Stock Exchanges Platform were considered for allocation/Allotment. The Designated Intermediaries were given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/Offer Period after which the Stock Exchange(s) sent the bid information to the Registrar to the Offer for further processing.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. An electronic copy of the Application Form will also be available for download on the website of the Stock Exchange (NSE) i.e. www.nseindia.com at least one day prior to the Issue Opening Date.

All the investors (except Retail Individual Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, Retail Individual Investors applying in public Issue through intermediaries shall use only UPI payment mechanism for application. The application form submitted by NIIs and QIBs must provide applicant's bank account details and authorization to block funds in the relevant space provided in the Application Form. Further, Retail Individual Investors submitting application form using UPI shall mention the UPI of his/her own Bank account in the application form in the relevant space. The Application Forms that do not contain applicant's bank account details or UPI of own Bank Account, as the case may be, are liable to be rejected. All the investors were also required to ensure that the ASBA Account had sufficient credit balance as an amount equivalent to the full Bid Amount which could have been blocked by the SCSB.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the syndicate member/ SCSBs/ RTA/ DPs/ stock brokers, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. Applications made by the
RIIs using third party bank account or using third party linked bank account UPI ID were liable for rejection.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

**excluding electronic Application Forms downloaded by the Applicants.*

SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account or UPI linked Bank Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

i. An SCSB, with whom the bank account to be blocked, is maintained

ii. A syndicate member (or sub-syndicate member)
iii. A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
iv. A depository participant ("DP") (Whose name is mentioned on the website of the stock exchange as eligible for this activity)
v. A registrar to an issuer and share transfer agent ("RTA") (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), shall enter their UPI ID in the application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the applicants has a bank account and shall not submit it to any non-SCSB Bank.

For applications submitted to Designated Intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of Stock Exchange. Further, Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer/ Registrar to the Issue. However, in case of Electronic forms, "printouts" of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

SCSB, after accepting the form, shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and blocked funds available in the bank account specified in the form, to the extent of the application money specified.

It is clarified that Retail Individual Investors may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the form submitted by RIIs (without using UPI for payment), NIIs and QIBs, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors (other than Retail Individual Investors) to intermediaries other than SCSBs without use of UPI for payment:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
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(s). Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis through API integration, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor shall accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.

Stock exchange(s) shall validate the electronic application details with depository's records for DP ID/Client ID and PAN Combination, on a real time basis through API Integration and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the application details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or Subsequent notice of such changes to the Applicants.

WHO CAN APPLY?

As per the existing RBI regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

Each Applicants should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
d) QIBs;
e) Mutual Funds registered with SEBI;
f) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
g) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
h) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
l) Foreign Venture Capital Investors registered with the SEBI;
m) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
p) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
q) Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
r) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
s) Insurance funds set up and managed by army, navy or air force of the Union of India;
t) Multilateral and bilateral development financial institution;
u) Eligible QFIs;

v) Insurance funds set up and managed by army, navy or air force of the Union of India;
w) Insurance funds set up and managed by the Department of Posts, India;
x) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER

The Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, in the Non-Institutional Category where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Lead Manager and syndicate members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Promoter and Promoter Group and any persons related to our Promoters and Promoter Group cannot participate in the Issue.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depositary), foreign nationals, trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

- No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company.

  Provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds.

- No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications, provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

APPLICATIONS BY ELIGIBLE NRIS ON REPATRIATION BASIS

ELIGIBLE NRIS APPLYING ON A REPATRIATION BASIS ARE ADVISED TO USE THE APPLICATION FORM MEANT FOR NON-RESIDENTS (BLUE IN COLOUR).

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants making application on a repatriation basis by using the Non Resident Forms, should authorize their SCSB to block their Non-Resident External (NRE) accounts, or Foreign Currency Non-Resident (FCNR) or ASBA Accounts.

Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non Resident Ordinary (NRO) accounts for the full Application Amount, at the time of the submission of the Application Form.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

APPLICATIONS BY ELIGIBLE FPIs INCLUDING FIIs ON REPATRIATION BASIS

FPIs INCLUDING FIIs WHO WISH TO PARTICIPATE IN THE ISSUE ARE ADVISED TO USE THE APPLICATION FORM FOR NON- RESIDENTS (BLUE IN COLOUR).

As per the current regulations, the following restrictions are applicable for investments by FPIs:

1. Foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.

2. Where a foreign institutional investor or a sub account, prior to commencement of FEMA Act, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.

3. In respect of investments in the secondary market, the following additional conditions shall apply:

   (a). A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;

   (b). Nothing contained in clause (a) shall apply to:

      i. Any transactions in derivatives on a recognized stock exchange;
      ii. Short selling transactions in accordance with the framework specified by the Board;

iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
iv. Any other transaction specified by the Board.

(c). No transaction on the stock exchange shall be carried forward;

(d). The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board;

Provided nothing contained in this clause shall apply to:

i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018;
v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
vi. Any Application for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
viii. Any other transaction specified by the Board.

(e). A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of FEMA Act, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

4. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.

6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.

7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

8. No foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

(a). Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;

(b). Such offshore derivative instruments are issued after compliance with ‘know your client’ norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

9. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

10. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

11. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.

12. A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

13. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

14. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.

15. The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.

16. In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.

17. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

18. In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Further, the SEBI, AIF Regulations prescribes, among others, the investment restrictions on AIFs.

The holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one

Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicants on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all such Applicants will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The "IRDA Investment Regulations"), are broadly set forth below:

(a.) Equity shares of a Company: the least of 10% of the investee Company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b.) The entire group of the investee Company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c.) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS

In case of applications made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

a.) With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

b.) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

c.) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

d.) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form , subject to such terms and conditions that the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.
The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

INDICATIVE PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE

ASBA PROCESS

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on www.sebi.gov.in. For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link.

https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35
https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

CHANNELS OF SUBMISSION OF APPLICATION FORMS

From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

Category of Investor	Channel I	Channel II	Channel III	Channel IV
Retail Individual Investor (RII)	Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.	Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.	Not Applicable	RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.
Non- Institutional Investor (NII) including Qualified Institutional Buyer (QIB)	For such applications the existing process of uploading the Application and blocking of finds in the RIIs account by the SCSB would continue.		Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds. For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.	Not Applicable

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall

verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such Applications with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Applications and shall not upload such Applications with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each Application into the electronic bidding system as a separate Application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be.

Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE SUBMITTED BY RETAIL INDIVIDUAL INVESTOR

In addition to application to be submitted to SCSB, with whom the bank account to be blocked, is maintained, a RII would also have the option to submit application form with any of the intermediary and use his / her bank account linked UPI ID for the purpose of blocking of funds with effect from January 01, 2019.

The detailed process in this regard is as detailed hereunder:

Application and validation process

(a). submission of the application with the intermediary, the RII would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).

(b). RII will fill in the Application details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediary.

(c). The intermediary upon receipt of form will upload the Application details along with UPI ID in the stock exchange bidding platform.

(d). Once the Application has been entered in the bidding platform, the exchange will undertake validation of the PAN and Demat Account details of RII with the depository.

(e). Depository will validate the aforesaid Application details on a real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.

(f). SMS from exchange to RII for applying: Once the Application details are uploaded on the stock exchange platform, the stock exchange shall send an SMS to the RII regarding submission of his / her application, daily at the end of day basis, during bidding period. For the last day of applying, the SMS may be sent out the next working day.

The Block Process

(a). Post undertaking validation with depository, the stock exchange will, on a continuous basis, electronically share the Application details along with RIIs UPI ID, with the Sponsor Bank appointed by the issuer.

(b). The Sponsor Bank will initiate a mandate request on the RII i.e. request the RII to authorize blocking of funds equivalent to application amount and Subsequent debit of funds in case of allotment. For all pending UPI Mandate Requests, the Sponsor Bank will initiate requests for blocking of funds in the ASBA Accounts of relevant investors with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date **("Cut-Off Time").** Accordingly, RIIs using the UPI Mechanism need to accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests after the Cut-Off Time will lapse.

(c). The request raised by the Sponsor Bank, would be electronically received by the RII as a SMS / intimation on his / her mobile no. / Mobile app, associated with UPI ID linked bank account.

(d). The RII would be able to view the amount to be blocked as per his / her Application in such intimation. The RII would also be able to view an attachment wherein the IPO Application details submitted by RII will be visible. After reviewing the details properly, RII would be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the IPO.

(e). Upon successful validation of block request by the RII, as above, the said information would be electronically received by the RIIs' bank, where the funds, equivalent to application amount, would get blocked in RIIs account. Intimation regarding confirmation of such block of funds in RIIs account would also be received by the RII.

(f). The information containing status of block request (e.g. – accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with stock exchange. The block request status would also be displayed on stock exchange platform for information of the intermediary.

(g). The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.

(h). RIIs would continue to have the option to modify or withdraw the Application till the closure of the Issue period. For each such modification of Application, RII will submit a revised Application and shall receive a mandate request from sponsor bank to be validated as per the process indicated above.

Post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

NUMBER OF APPLICATIONS PER BANK ACCOUNT

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

HOW TO APPLY?

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

MODE OF PAYMENT

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by applicant and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount.

However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 and all related circulars issued thereafter, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

In case of applications made by using any of channels under UPI Payments Mechanism, post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

The RTA, based on information of Applications and blocking received from stock exchange, would undertake reconciliation of the Applications data and block confirmation corresponding to the Applications by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.
Upon approval of basis of allotment, RTA will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

Upon confirmation of receipt of funds in the public issue account, shares would be credited to the RII's account. RII will be notified for full/partial/no allotment. For partial allotment the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the RII.

UNBLOCKING OF ASBA ACCOUNT

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

In case of applications made by using any of channels under UPI Payments Mechanism, Registrar to the Issue will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

However, the Application Amount may be unblocked in the ASBA Account or Bank Account link in UPI Mechanism prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application or Application made through UPI Mechanism, as the case may be.

MAXIMUM AND MINIMUM APPLICATION SIZE

The applications in this Issue, being a fixed price issue, will be categorized into two;

1. For Retail Individual Applicants

The Application must be for a minimum of 1,600 Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed ₹ 2,00,000.

2. For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of 3,200 Equity Shares so as to ensure that the Application Amount exceeds ₹ 2,00,000 and in multiples of 1,600 Equity Shares thereafter.

A person shall not make an application in the net Issue category for a number of specified securities that exceeds the total number of securities offered to the public. Further, the maximum application by non-institutional investors shall not exceed total number of specified securities offered in the issue less total number of specified securities offered in the issue to qualified institutional buyers.

Further, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion.

Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

Furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.
Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

INFORMATION FOR THE APPLICANTS

a.) The Company will file the Prospectus with the RoC at least 3 (three) working days before the Issue Opening Date.

b.) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.

c.) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.

d.) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.

e.) Applications made in the name of Minors and/or their nominees shall not be accepted.

PRE-ISSUE ADVERTISEMENT

As provided in Section 30 of the Companies Act, 2013 and 264(2) of the SEBI (ICDR) Regulations, 2018, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English national daily newspaper; one widely circulated Hindi national daily newspaper and one widely circulated Gujarati newspaper.

SIGNING OF UNDERWRITING AGREEMENT

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on September 20, 2023.

FILING OF THE PROSPECTUS WITH THE ROC

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of Companies Act, 2013.

INFORMATION FOR THE APPLICANTS

a.) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs or Sponsor Bank shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

b.) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload it on its website. On the basis of approved basis of allotment, the Issuer shall make necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

c.) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.

d.) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 5 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within two working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date: On the Designated date, the SCSBs or Sponsor Bank shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 5 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

INTEREST AND REFUNDS
COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

GROUNDS FOR REFUND
NON-RECEIPT OF LISTING PERMISSION

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In case, our Company fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, our Company shall refund through verifiable means the entire monies received within seven days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities. The Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If any such money is not repaid within eight days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. per annum.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the Prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (1) shall be returned within such time and manner as may be prescribed under that section. If the Issuer does not received the subscription of 100% of the Issue through this Prospectus including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 39 of the Companies Act, 2013.

MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

MODE OF REFUND

Within six Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs or in case of Applications by RIIs applying through the UPI mechanism to the Sponsor Bank, to revoke the mandate and for unblocking the amount in ASBA Accounts of unsuccessful Applicants and also for any excess amount blocked on Applications.

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Applications or in the event of withdrawal or failure of the Issue.

LETTERS OF ALLOTMENT OR REFUND ORDERS OR INSTRUCTIONS TO THE SCSBS

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 6 Working Days from the Issue Closing Date. The Registrar shall instruct the Sponsor Bank or relevant SCSBs to, on the receipt of such instructions from the Registrar, revoke the mandate and for unblocking the amount in ASBA Accounts to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 6 Working Days of the Issue Closing Date.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

1. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.

2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Read all the instructions carefully and complete the Application Form in the prescribed form;

- Ensure that the details about the PAN, DP ID and Client ID, UPI ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Applicants in case of joint Applications, is included in the Application Forms;
- QIBs, Non-Institutional Applicants and the Retail Applicants should submit their Applications through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their Application by using UPI mechanism for payment.
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicants whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Application;
- Ensure that you have funds equal to the Application Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Application under power of attorney or by limited companies, corporates, trust etc, relevant documents are submitted;
- Ensure that Application submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
- Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
- Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
- Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form;

- Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not make Application on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not make Application at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);
- Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Do not make Application for Application Amount exceeding ₹ 2,00,000 (for Applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Net Issue Size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- Do not submit the General Index Register number instead of the PAN;
- Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- Do not submit Application on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicants;
- Do not submit Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not make Application if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- Do not submit Application by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 4, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker's Centre is available on the websites of NSE i.e. www.nseindia.com.

Applicants may note that forms not filled completely or correctly as per instructions provided in this Prospectus, the General Information Document which shall be made available on the website of the Stock Exchange, the Issuer and the BRLM, are liable to be rejected. Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below;

A. INSTRUCTION FOR FILLING THE APPLICATION FORM

Karnika®

COMMON APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Registered Office: Tel. No.: Fax No. : Email: Website: Contact Person: CIN:	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, NON INSTITUTIONAL INVESTORS, RETAIL INDIVIDUAL INVESTORS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

FIXED PRICE SME ISSUE
ISIN : XXXXXXX

Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/CDP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.

4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")

No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [•]/- per share[1] ☐ **"Cut-Off" Price**

(In Figures) (In Words)

ALLOTMENT WILL BE IN DEMAT MODE ONLY[2]

[1] Please note that applications must be made in minimum of [•] shares and further multiples of [•] shares accordingly.
[2] Please note that the equity shares on allotment will be alloted only in the dematerialized mode on the SME Platform of BSE.

5. CATEGORY

☐ **Retail Individual**
☐ **Non-Institutional**
☐ **QIB**

6. INVESTOR STATUS

☐ Individual(s)	- IND
☐ Non- Resident Indians (Non- Repatriation Basis)	- NRI
☐ Hindu Undivided Family*	- HUF
☐ Bodies Corporate	- CO
☐ Banks & Financial Institutions	- FI
☐ Mutual Funds	- MF
☐ National Investment Funds	- NIF
☐ Insurance Funds	- IF
☐ Insurance Companies	- IC
☐ Venture Capital Funds	- VCF
☐ Alternative Investment Funds	- AIF
☐ Others (Please Specify)	- OTH

*HUF Should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS | **PAYMENT OPTION : Full Payment**

Amount Blocked (₹ in Figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

OR

UPI Id

(Maximum 45 characters)

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

8 A. SIGNATURE OF SOLE / FIRST APPLICANT	8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1)	
Date: ....., 2019	2)	
	3)	

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA

Application Form No.

DPID / CLID

PAN of Sole/First Applicant

Amount Blocked (₹ in figures) ASBA Bank & Branch

ASBA Bank A/c No./UPI Id

Received from Mr./Ms.

Telephone / Mobile Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	In Figures	In Words
No. of Equity Shares		
Amount Blocked (₹)		

Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA

Name of Sole / First Applicant

Acknowledgement Slip for Applicant

ASBA Bank A/c No. / UPI Id:

Bank & Branch:

Application Form No.

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

Karnika®

COMMON APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Registered Office: Tel. No.: Fax No. : Email: Website: Contact Person: CIN:	FOR ELIGIBLE NRIs, FIIs/FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

FIXED PRICE SME ISSUE
ISIN : XXXXXXX

Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/CDP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.

4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")

No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [•]/- per share[1] ☐ **"Cut-Off" Price**

(In Figures) (In Words)

ALLOTMENT WILL BE IN DEMAT MODE ONLY[2]

[1] Please note that applications must be made in minimum of [•] shares and further multiples of [•] shares accordingly.
[2] Please note that the equity shares on allotment will be alloted only in the dematerialized mode on the SME Platform of BSE.

5. CATEGORY

- ☐ **Retail Individual**
- ☐ **Non-Institutional**
- ☐ **QIB**

6. INVESTOR STATUS

- ☐ Non-Resident Indians - NRI (Repatriation basis)
- ☐ Foreign Institutional Investor - FII/
- ☐ Foreign Portfolio Investor - FPI
- ☐ Foreign Venture Capital Investor - FVCI
- ☐ FII Sub Account Corporate / Individual - FIISA
- ☐ Others - OTH (please specify)

7. PAYMENT DETAILS | **PAYMENT OPTION : Full Payment**

Amount Blocked (₹ in Figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

OR

UPI Id

(Maximum 45 characters)

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

8 A. SIGNATURE OF SOLE / FIRST APPLICANT	8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1)	
	2)	
Date: ....., 2019	3)	

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA

Application Form No.

DPID / CLID

PAN of Sole/First Applicant

Amount Blocked (₹ in figures) ASBA Bank & Branch

ASBA Bank A/c No./UPI Id

Received from Mr./Ms.

Telephone / Mobile Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	In Figures	In Words
No. of Equity Shares		
Amount Blocked (₹)		

Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA

Name of Sole / First Applicant

Acknowledgement Slip for Applicant

ASBA Bank A/c No. / UPI Id:

Bank & Branch:

Application Form No.

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

1. FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT:

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

a.) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

b.) **Joint Applicants:** In the case of Joint Applicants, the Application should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

2. FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT:

a.) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

b.) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Application on behalf of the Central or State Government, Application by officials appointed by the courts and Application by Applicant residing in Sikkim ("PAN Exempted Applicant"). Consequently, all Applicants, other than the PAN Exempted Applicant, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Application by the Applicant whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

c.) The exemption for the PAN Exempted Applicant is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

d.) Application Forms which provide the General Index Register Number instead of PAN may be rejected.

e.) Applications by Applicant whose demat accounts have been "suspended for credit" are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

3. FIELD NUMBER 3: APPLICANT'S DEPOSITORY ACCOUNT DETAILS

a.) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.

b.) Applicants should ensure that the beneficiary account provided in the Application Form is active.

c.) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.

d.) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

4. FIELD NUMBER 4: APPLICATION OPTIONS

a.) Since, this is the Fixed Price Issue and the Price has already been disclosed in the Prospectus, the Applicants should make application at the Issue Price only. For the purpose of this Issue, the Price has been Determined as ₹76/- per equity shares (including premium of ₹66/- per equity share).

b.) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can make application at the Cut-off Price indicating their agreement to apply for and purchase the Equity Shares at the Issue Price as determined in terms of Prospectus. Making Application at the Cut-off Price is prohibited for QIBs and NIIs and such Applications from QIBs and NIIs may be rejected.

c.) **Minimum Application Value and Application Lot:** For Application made by Retail Individual Investors, minimum application of 1,600 Equity Shares to ensure that the minimum Application value is not exceeding ₹ 2,00,000 and not less than ₹ 1,00,000. For Application made by QIBs and Non – Institutional Investors, minimum application of 3,200 Equity Shares and in multiples of 1,600 Equity Shares thereafter to ensure that the minimum Application value is exceeding ₹ 2,00,000.

d.) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum application Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. Also, in case if the RII category is entitled to more than the allocated equity shares on proportionate basis, the RII category shall be allotted that higher percentage.

Maximum and Minimum Application Size

e.) The Applicants may apply for the desired number of Equity Shares in multiple of 1,600 equity shares at Issue Price. Applications by Retail Individual Investors and Retail Individual Shareholders must be for 1,600 equity shares, so as to ensure that the Application Amount, payable by the Applicants does not exceed ₹ 2,00,000.

In case the Application Amount exceeds ₹ 2,00,000 due to revision of the Application or any other reason, the Application may be considered for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected.

For NRIs, Application Amount of up to ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and Application Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.

f.) Application by QIBs and NIIs must be for 3,200 equity shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 1,600 Equity Shares thereafter, as may be disclosed in the Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to make application at Cut off Price.

g.) RII may revise or withdraw their application until Issue Closing Date. QIBs and NII's cannot withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after making application and are required to pay the Application Amount upon submission of the Application.

h.) In case the Application Amount reduces to ₹ 2,00,000 or less due to a revision of the Price, Application by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

i.) An Application cannot be submitted for more than the net issue size.

j.) The maximum application by any applicant including QIB applicant should not exceed the investment limits prescribed for them under the applicable laws.

Multiple Applications

k.) Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Application Forms bearing the same application number shall be treated as multiple Applications and are liable to be rejected.

l.) Applicants are requested to note the following procedures that may be followed by the Registrar to the Issue to detect multiple Applications:

i. All Applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple Application by Applicants and may be rejected.

ii. For Application from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Application on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. Such Applications which have the same DP ID and Client ID may be treated as multiple applications and are liable to be rejected.

m.) **The following Applications may not be treated as multiple Applications:**

i. Applications by Reserved Categories making application in their respective Reservation Portion as well as application made by them in the Issue portion in public category.

ii. Separate Applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.

iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

5. FIELD NUMBER 5: CATEGORY OF APPLICANTS

a.) The categories of Applicants are identified as per the SEBI (ICDR) Regulations, 2018 for the purpose of Applications, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

b.) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI (ICDR) Regulations, 2018. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.

c.) The SEBI (ICDR) Regulations, 2018, specify the allocation or allotment that may be made to various categories of Application in an issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form.

d.) For Issue specific details in relation to allocation, Applicants may refer to the Prospectus.

6. FIELD NUMBER 6: INVESTOR STATUS

a.) Each Applicants should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue follows the investment restrictions under applicable law.

b.) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

c.) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.

d.) Applicants should ensure that their investor status is updated in the Depository records.

7. FIELD NUMBER 7: PAYMENT DETAILS

a.) Applicants are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Applicants doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Applicants providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.

b.) The full Application Amount shall be blocked based on the authorization provided in the Application Form.

c.) RIIs who make application at Cut-off price shall be blocked on the Cap Price.

d.) All Applicants (other than Anchor Investors) can participate in the Issue only through the ASBA mechanism.
e.) RIIs submitting their applications through Designated Intermediaries can participate in the Issue through the UPI mechanism, through their UPI ID linked with their bank account.

f.) Application Amount cannot be paid in cash, cheque, and demand draft, through money order or through postal order.

Payment instructions for Applicants (other than Anchor Investors)

a.) From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

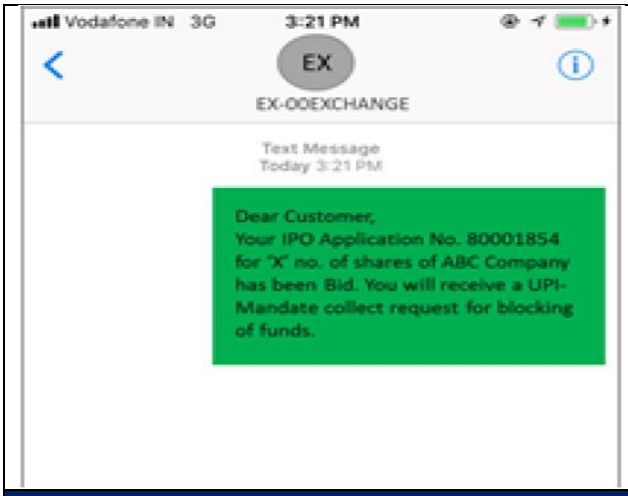
<table>
<tr><th>Category of Investor</th><th>Channel I</th><th>Channel II</th><th>Channel III</th><th>Channel IV</th></tr>
<tr><td>Retail Individual Investor (RII)</td><td rowspan="2">Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.

For such applications the existing process of uploading the Application and blocking of finds in the RIIs account by the SCSB would continue.</td><td rowspan="2">Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.</td><td></td><td>RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.</td></tr>
<tr><td>Non- Institutional Investor (NII)</td><td>Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.

For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.</td><td>Not Applicable</td></tr>
</table>

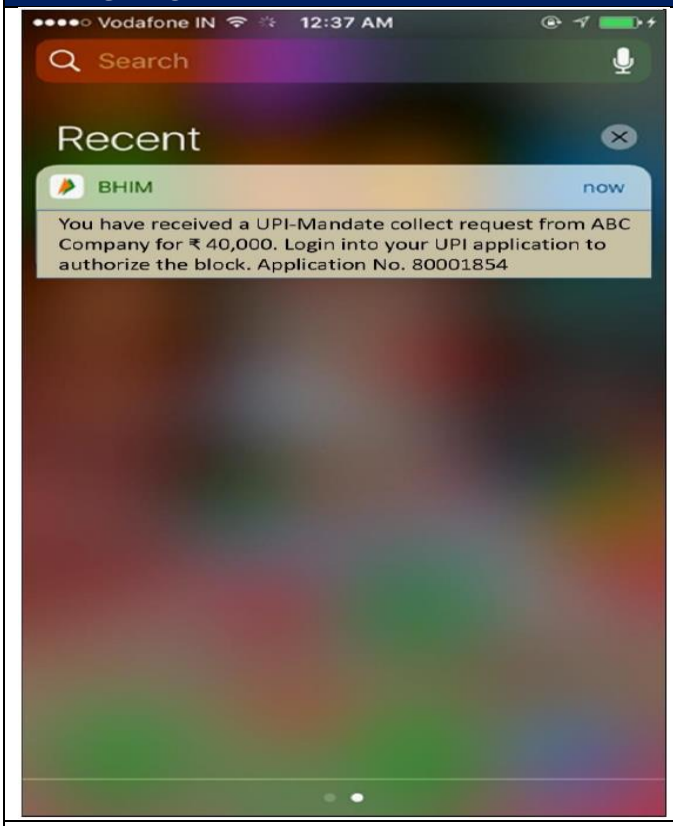
Please see below a graphical illustrative process of the investor receiving and approving the UPI mandate request:

ILLUSTRATIVE SMS	BLOCK REQUEST SMS TO INVESTOR

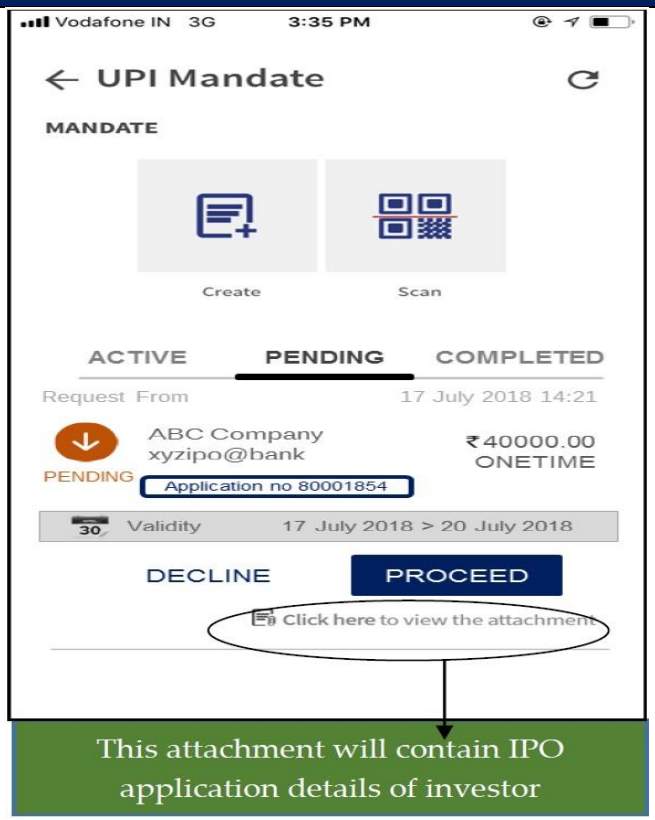


BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION

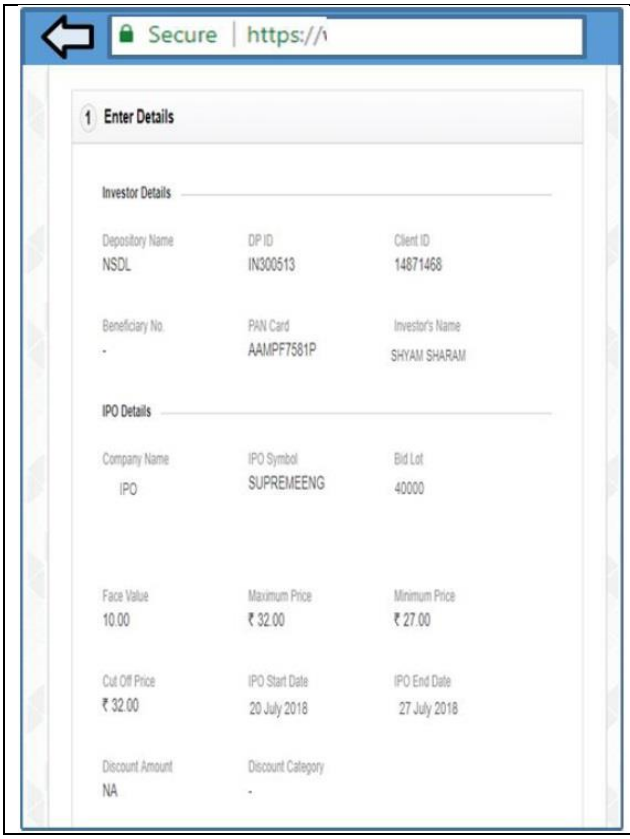
BLOCK REQUEST SMS TO INVESTOR

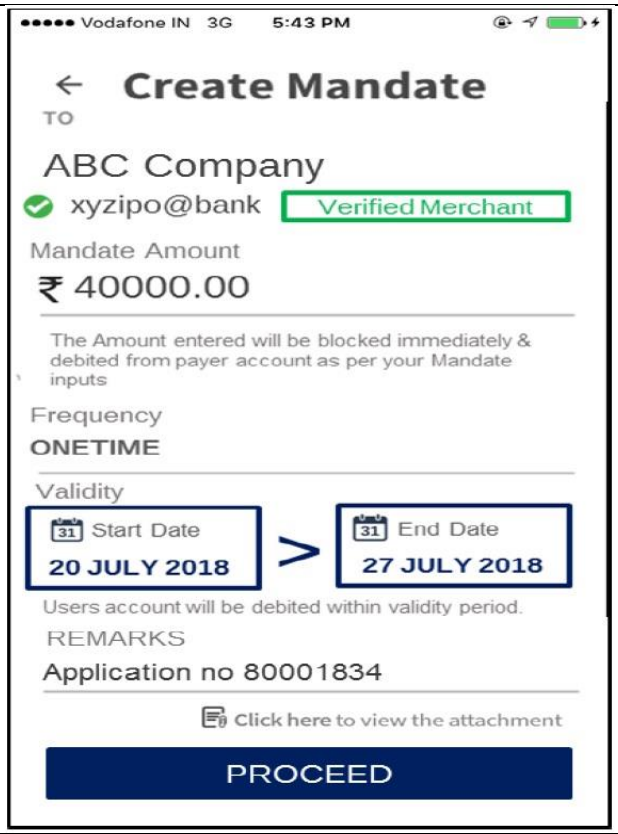


SAMPLE OF IPO DETAILS IN ATTACHMENT

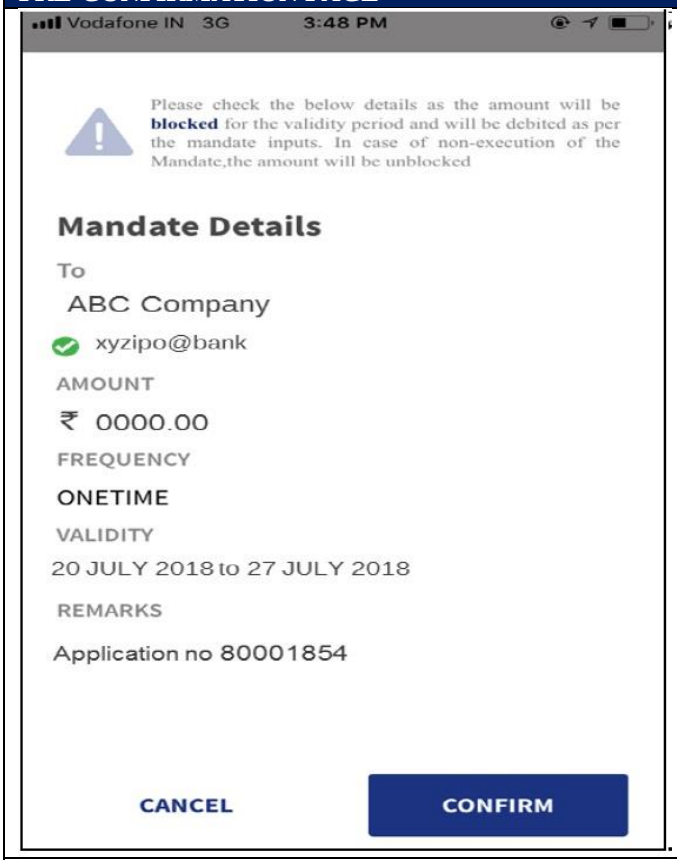


POST VERIFICATION OF DETAILS ABOVE

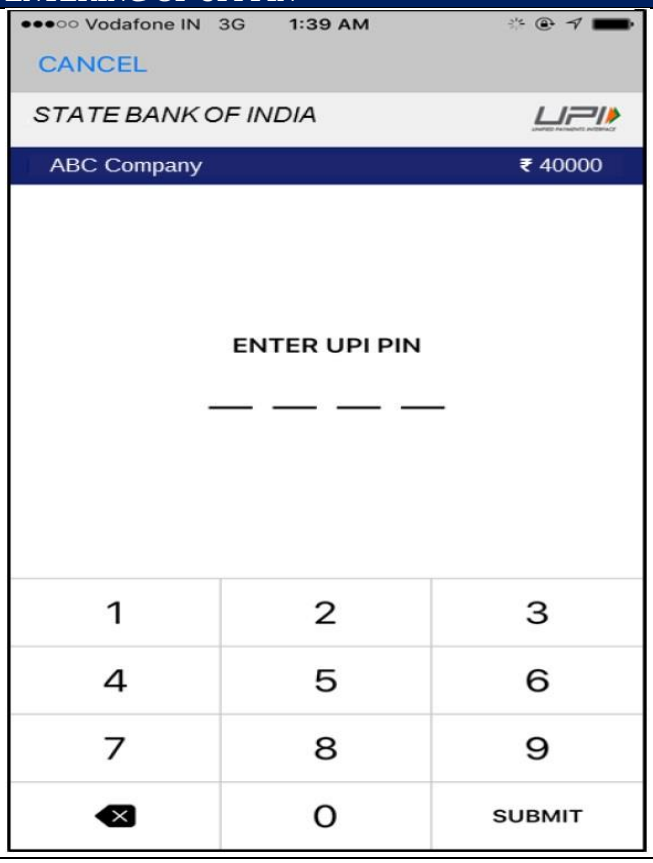


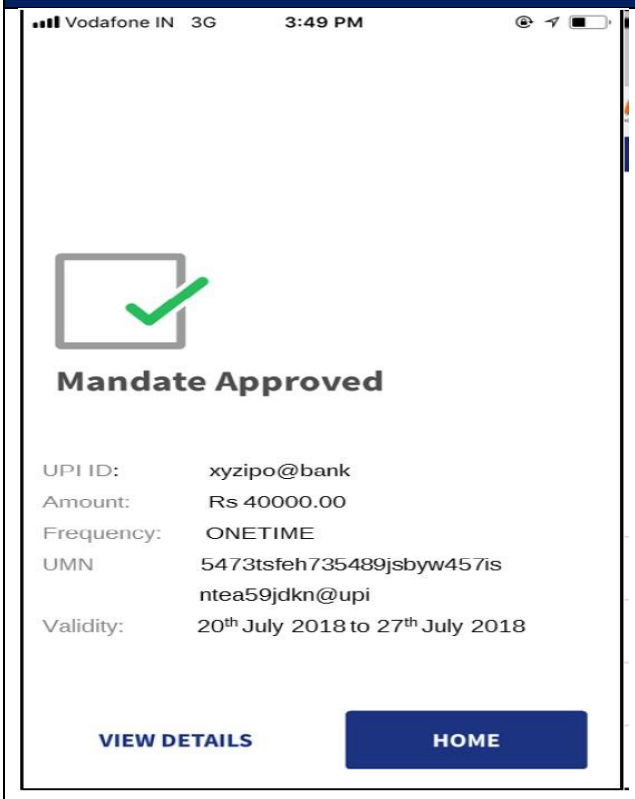
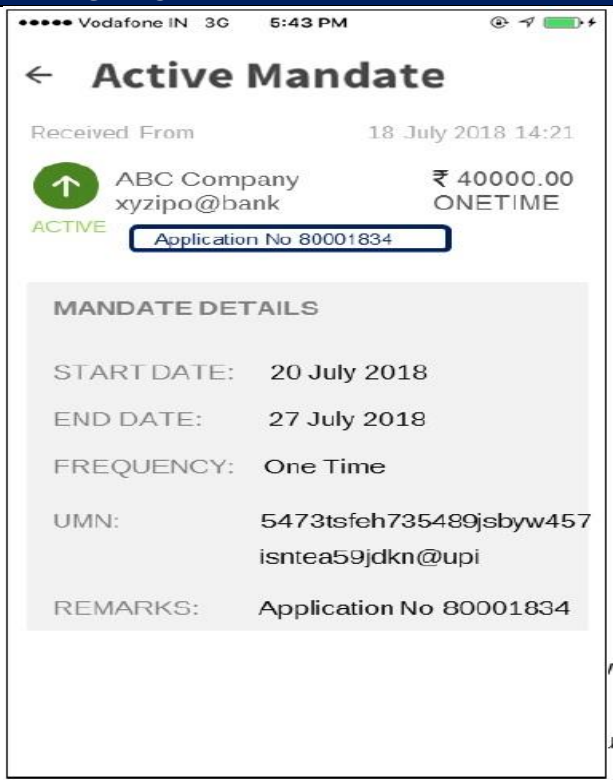


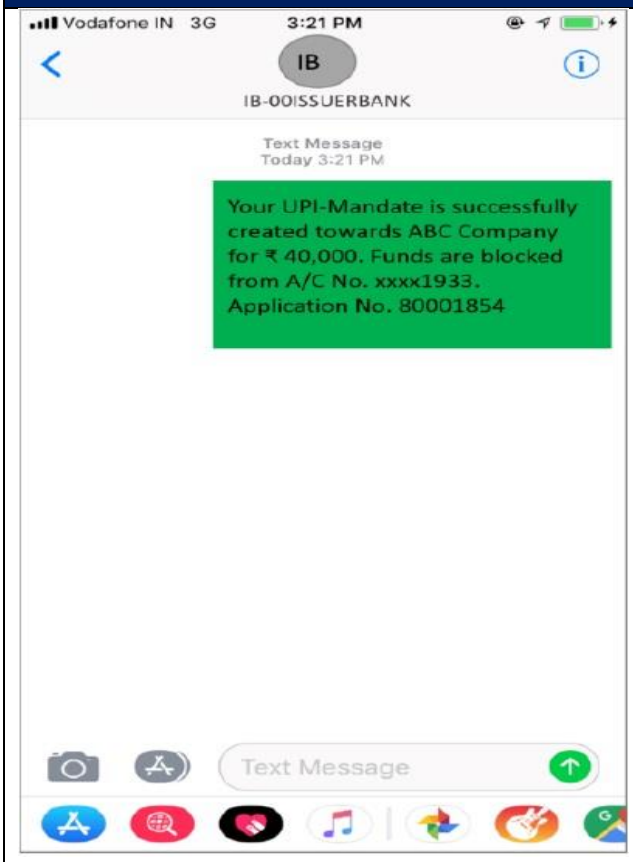
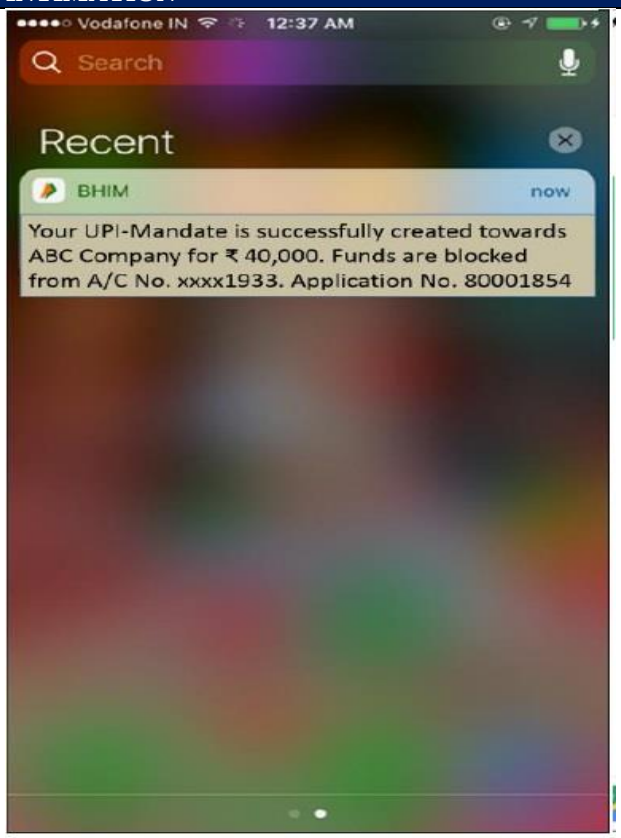
PRE-CONFIRMATION PAGE



ENTERING OF UPI PIN



CONFIRMATION PAGE	APPROVED MANDATES VISIBLE IN UPI APPLICATION
	

BLOCK CONFIRMATION SMS TO INVESTOR	BLOCK CONFIRMATION APPLICATION INTIMATION
	

b.) QIB and NII Applicants may submit the Application Form either;

i. to SCSB in physical or electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Application Form, or

ii. in physical mode to any Designated Intermediary.

c.) Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by Applicants and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted.

d.) Applicants should note that application made using third party UPI ID or ASBA Bank account are liable to be rejected.

e.) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA Account.

f.) Applicants should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centers, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.

g.) **Applicants making application through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

h.) **Applicants making application directly through the SCSBs** should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

i.) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

j.) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and for application directly submitted to SCSB by investor, may enter each application details into the electronic bidding system as a separate application.

k.) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Application on the Stock Exchange platform and such Applications are liable to be rejected.

l.) Upon submission of a completed Application Form each Applicants (not being a RII who has opted for the UPI payment mechanism and provided a UPI ID with the Application Form) may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs. For details regarding blocking of Application Amount for RIIs who have provided a UPI ID with the Application Form, please refer to graphical illustrative process of the investor receiving and approving the UPI mandate request provided in clause (a).

m.) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

n.) SCSBs making application in the Issue must apply through an Account maintained with any other SCSB; else their Applications are liable to be rejected.

8. FIELD NUMBER 8: UNBLOCKING OF ASBA ACCOUNT

a.) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB or the Sponsor Bank, as the case may be, along with instructions to unblock the relevant ASBA Accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant ASBA Account to the Public Issue Account, for each

Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs or the Sponsor Bank, as the case may be, to unblock the respective ASBA Accounts.

b.) On the basis of instructions from the Registrar to the Issue, the SCSBs or the Sponsor Bank, as the case may be, may transfer the requisite amount against each successful Applicants to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

c.) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB or to the Sponsor Bank to revoke the mandate and, as the case may be, to unblock the Application Amount in the Relevant Account within four Working Days of the Issue Closing Date.

Additional Payment Instructions for RIIs applying through Designated Intermediaries using the UPI mechanism

d.) Before submission of the application form with the Designated Intermediary, an RII shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.

e.) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40

f.) RIIs shall mention his / her UPI ID along with the application details in the Application Form in capital letters and submit the Application Form to any of the Designated Intermediaries.

g.) The Designated Intermediary upon receipt of the Application Form will upload the application details along with UPI ID in the stock exchange bidding platform.

h.) Once the application has been entered into the Stock Exchange bidding platform, the stock exchange will validate the PAN and Demat Account details of the RII with the Depository. The Depository will validate the aforesaid details on a real time basis and send a response to the stock exchange which will be shared by the stock exchange with the Designated Intermediary through its bidding platform, for corrections, if any.

i.) Once the application details have been validated by the Depository, the stock exchange will, on a continuous basis, electronically share the application details along with the UPI ID of the concerned RII with the Sponsor Bank appointed by the Issuer.

j.) The Sponsor Bank will validate the UPI ID of the RII before initiating the Mandate request.

k.) The Sponsor Bank after validating the UPI ID will initiate a UPI Mandate Request for valid UPI ID on the RII which will be electronically received by the RII as an SMS / intimation on his / her mobile number / mobile app associated with the UPI ID linked account. The RII shall ensure that the details of the application are correct by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire application Amount and authorized the Sponsor Bank to block the application Amount mentioned in the Application Form and Subsequent debit in case of allotment.

l.) Upon successful validation of the block request by the RII, the said information would be electronically received by the RII's bank, where the funds, equivalent to the application amount would get blocked in the ASBA Account of the RII. Intimation regarding confirmation of such blocking of funds in the ASBA Account of the RII would also be received by the RII. Information on the block status request would be shared with the Sponsor Bank which in turn would share it with the stock exchange which in turn would share it with the Registrar in the form of a file for the purpose of reconciliation and display it on the stock exchange bidding platform for the information of the Designated Intermediary.

m.) RIIs may continue to modify or withdraw the application till the closure of the Issue Period. For each modification of the application, the RII will submit a revised application and will receive a new UPI Mandate Request from the Sponsor Bank to be validated as per the process indicated above.

n.) RIIs to check the correctness of the details on the mandate received before approving the Mandate Request.

o.) Post closure of the Issue, the stock exchange will share the application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

Discount: NOT APPLICABLE

Additional Payment Instruction for NRIs

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

9. FIELD NUMBER 9: SIGNATURES AND OTHER AUTHORISATIONS

a.) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

b.) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.

c.) Applicants must note that Application Form without signature of Applicants and /or ASBA Account holder is liable to be rejected.

10. FIELD NUMBER 10: ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

a.) Applicant should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediary or SCSB, as applicable, for submission of the Application Form.

b.) All communications in connection with Application made in the Issue should be addressed as under:

i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicant should contact the Registrar to the Issue.

ii. In case of ASBA Application submitted to the Designated Branches of the SCSBs, the Applicant should contact the relevant Designated Branch of the SCSB.

iii. Applicants may contact the Company Secretary and Compliance Officer or Lead Manager in case of any other complaints in relation to the Issue.

iv. In case of queries relating to uploading of Application by a Syndicate Member, the Applicant should contact the relevant Syndicate Member.

v. In case of queries relating to uploading of Application by a Registered Broker, the Applicant should contact the relevant Registered Broker

vi. In case of Application submitted to the RTA, the Applicant should contact the relevant RTA.

vii. In case of Application submitted to the DP, the Applicant should contact the relevant DP.

viii. In case of queries relating to uploading of Application through the UPI Mechanism, the Applicant should contact the Sponsor Bank;

c.) The following details (as applicable) should be quoted while making any queries –

i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Application.

ii. name and address of the Designated Intermediary, where the Application was submitted; or

iii. Applications, ASBA Account number or the UPI ID (for RIIs who make the payment of Application Amount through the UPI mechanism) linked to the ASBA Account where the Application Amount was blocked in which the amount equivalent to the Application Amount was blocked.

iv. For further details, Applicants may refer to the Prospectus and the Application Form.

B. INSTRUCTIONS FOR FILLING THE REVISION FORM

a.) During the Issue Period, any Applicants (other than QIBs and NIIs, who can only revise their Application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.

b.) RII may revise / withdraw their Application till closure of the Issue period.

c.) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.

d.) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had made the original Application. It is clarified that RIIs whose original Application is made using the UPI mechanism, can make revision(s) to their Application using the UPI mechanism only, whereby each time the Sponsor Bank will initiate a new UPI Mandate Request. Applicants are advised to retain copies of the blank Revision Form and the Application(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

Karnika®

COMMON APPLICATION REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Registered Office: Tel. No.: Fax No. : Email: Website: Contact Person: CIN:	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, NON INSTITUTIONAL INVESTORS, RETAIL INDIVIDUAL INVESTORS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

FIXED PRICE SME ISSUE
ISIN : XXXXXXX

Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/CDP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT

Mr. / Ms.

Address

Tel. No (with STD code) / Mobile

2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS NSDL ☐ CDSL ☐

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY APPLICATION ☐ PHYSICAL

4. FROM (as per last Application or Revision)

Options	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures)							Price per Equity Share (₹) [•] (In Figures) Issue Price				Discount, if any				Net Price				"Cut-off" (Please ✓ tick)
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1	
Option 1			ORIGINAL APPLICATION					ORIGINAL APPLICATION												
(OR) Option 2																				
(OR) Option 3																				

5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off")

Options	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures)							Price per Equity Share (₹) [•] (In Figures) Issue Price				Discount, if any				Net Price				"Cut-off" (Please ✓ tick)
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1	
Option 1			REVISED APPLICATION					REVISED APPLICATION												
(OR) Option 2																				
(OR) Option 3																				

6. PAYMENT DETAILS | **PAYMENT OPTION : Full Payment**

Additional Amount Blocked (₹ in Figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

OR

UPI Id

(Maximum 45 characters)

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE / FIRST APPLICANT	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1)	
	2)	
Date: ....., 2019	3)	

TEAR HERE

LOGO

XYZ LIMITED
REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA

Application Form No.

DPID / CLID | PAN

Additional Amount Blocked (₹ in figures) | ASBA Bank & Branch

ASBA Bank A/c No./UPI Id

Received from Mr./Ms.

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Issue Price			
Additional Amount Blocked (₹)			

Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA

Name of Sole / First Applicant

Acknowledgment Slip for Applicant

ASBA Bank A/c No. / UPI Id:

Bank & Branch:

Application Form No.

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

Karnika®

COMMON APPLICATION REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	FOR ELIGIBLE NRIs, FIIs/FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS
	Registered Office: Tel. No.: Fax No. : Email: Website: Contact Person: CIN:	

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

FIXED PRICE SME ISSUE
ISIN : XXXXXXX

Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/CDP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT

Mr. / Ms.

Address

Tel. No (with STD code) / Mobile

2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS NSDL ☐ CDSL ☐

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY APPLICATION ☐ PHYSICAL

4. FROM (as per last Application or Revision)

Options	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures)							Price per Equity Share (₹) [•] (In Figures) Issue Price				Discount, if any				Net Price				"Cut-off" (Please ✓ tick)
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1	
Option 1			ORIGINAL APPLICATION					ORIGINAL APPLICATION												
(OR) Option 2																				
(OR) Option 3																				

5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off")

Options	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures)							Price per Equity Share (₹) [•] (In Figures) Issue Price				Discount, if any				Net Price				"Cut-off" (Please ✓ tick)
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1	
Option 1			REVISED APPLICATION					REVISED APPLICATION												
(OR) Option 2																				
(OR) Option 3																				

6. PAYMENT DETAILS | **PAYMENT OPTION : Full Payment**

Additional Amount Blocked (₹ in Figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

OR
UPI Id
(Maximum 45 characters)

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE / FIRST APPLICANT	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1)	
Date: ....., 2019	2)	
	3)	

TEAR HERE

LOGO

XYZ LIMITED
REVISION FORM - INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA

Application Form No.

DPID / CLID | PAN

Additional Amount Blocked (₹ in figures) | ASBA Bank & Branch

ASBA Bank A/c No./UPI Id

Received from Mr./Ms.

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Issue Price			
Additional Amount Blocked (₹)			

Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA

Name of Sole / First Applicant

Acknowledgment Slip for Applicant

ASBA Bank A/c No. / UPI Id:

Bank & Branch:

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

Application Form No.

11. FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT

Applicants should refer to instructions contained in paragraphs 1, 2 and 3 above under the heading "Instructions for Filling the Application Form".

12. FIELDS 4 AND 5: APPLICATION OPTIONS REVISION 'FROM' AND 'TO'

a.) Apart from mentioning the revised number of shares in the Revision Form, the Applicants must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form. For example, if Applicant has applied for 1,600 equity shares in the Application Form and such applicant is changing number of shares applied for in the Revision Form, the applicant must fill the details of 1,600 equity shares, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.

b.) In case of revision, applicants' options should be provided by applicants in the same order as provided in the Application Form.

c.) In case of revision of Applicants by Retail Individual Investors and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, Subsequent to revision, does not exceed ₹ 200,000. In case the Application Amount exceeds ₹ 200,000 due to revision of the Application or for any other reason, the Application may be considered, subject to eligibility, for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected. The Cut-off Price option is given only to the Retail Individual Investors and Retail Individual Shareholders indicating their agreement to apply for and purchase the Equity Shares at the Issue Price.

d.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Application or make additional payment and the Issue Price is higher than the price disclosed in the Prospectus, the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised application at Cut-off Price.

e.) In case of a downward revision in the Price, RIIs who have applied at the Cut-off Price could either revise their application or the excess amount paid at the time of application may be unblocked in case of applicants.

13. PAYMENT DETAILS

a.) All Applicants are required to make payment of the full Application Amount along with the Application Revision Form.

b.) Applicant may Issue instructions to block the revised amount based on the revised Price in the ASBA Account of the UPI Linked Bank Account, to the same Designated Intermediary through whom such applicant had placed the original application to enable the relevant SCSB to block the additional Application Amount, if any.

c.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the application or make additional payment and the Price is higher than Issue price disclosed in the Prospectus prior to the revision, the number of Equity Shares applied for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the applicant is deemed to have approved such revised application at the Cut-off Price.

d.) In case of a downward revision in the Price, RIIs and Retail Individual Shareholders, who have applied at the Cut-off Price, could either revise their application or the excess amount paid at the time of application may be unblocked.

14. FIELD NUMBER 7: SIGNATURES AND ACKNOWLEDGEMENTS

Applicants may refer to instructions contained at paragraphs 9 above under the heading "Instructions for Filling the Application Form" for this purpose.

APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details or UPI ID in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.
Please note that, furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code, occupation (hereinafter referred to as 'Demographic Details') or UPI ID (in case of Retail Individual Investors). These Bank Account or UPI ID details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

OTHER INSTRUCTIONS

JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

MULTIPLE APPLICATIONS

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

I. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications

II. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

III. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application or Application through UPI Mechanism either in physical or electronic mode, an Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected.

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.

2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the Income Tax Act, 1961. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the General Index Registration ("GIR") number instead of the PAN, as the Application is liable to be rejected on this ground.

Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

GROUNDS FOR REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and not firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 1,600;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;

- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations for "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account, UPI ID and/or Depositories Account;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
- ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form;
- Submission of Application Form(s) using third party ASBA Bank Account;
- Submission of more than one Application Form per UPI ID by RIIs applying through Designated Intermediaries;
- In case of Applications by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Application Form is linked to a third party bank account;
- The UPI Mandate is not approved by Retail Individual Investor; and
- The original Application is made using the UPI mechanism and revision(s) to the Application is made using ASBA either physically or online through the SCSB, and *vice versa*.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

a. a tripartite agreement dated June 30, 2022 with NSDL, our Company and Registrar to the Issue;
b. a tripartite agreement dated July 01, 2022 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE0MGA01012

a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
h) The trading of the Equity Shares of our Company would be only in dematerialized form.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc. at below mentioned addresses;

Ms. Muskan Mundhra 6&6/1, Gurgola Ghat Road, P.O. Salkia, Howrah, Howrah, West Bengal-711106, India. **Tel. No**.: 033-26558101 **E-mail**: cs@karnikaindustries.com **Website:** www.karnikaindustries.com	**To the Registrar to the Issue** **SKYLINE FINANCIAL SERVICES PRIVATE LIMITED** D-153A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi – 110020, India **Tel. No.:** 011-40450193-197 **Fax No.:** 011-26812683 **Email:** ipo@skylinerta.com **Website**: www.skylinerta.com **Investor Grievance Email:** grievances@skylinerta.com **Contact Person**: Ms. Rati Gupta **SEBI Registration No.:** INR000003241

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall make best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

a) 'Any person who: makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.

Section 447 of the Companies Act, 2013, is reproduced as below:

Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:

Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years. Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.

BASIS OF ALLOTMENT

Allotment will be made in consultation with NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).

2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

3. For applications where the proportionate allotment works out to less than 1,600 equity shares the allotment will be made as follows:

   a) Each successful applicant shall be allotted 1,600 equity shares; and

   b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 1,600 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 1,600 equity shares.

5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows;

   (a). minimum fifty per cent. to retail individual investors; and

   (b). remaining to:

      i) individual applicants other than retail individual investors; and

      ii) other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

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

   Explanation: If the retail individual investor category is entitled to more than fifty per cent of the net issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled "BASIS OF ALLOTMENT".

"Retail Individual Investor" means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the SME Platform of NSE.

BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in Page no. 47 under chapter titled "General Information" of this Prospectus shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the SME Platform of NSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

UNDERTAKING BY OUR COMPANY

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;

3. that funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;

4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and

5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or till the application monies are refunded on account of non-listing, under subscription etc.

6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

7. Adequate arrangements shall be made to collect all Application forms.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors certifies that:

1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively;
5) Our Company shall not have recourse to utilize the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI and Master Direction –Foreign Investment In India (updated upto March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted

basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION XIII - DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

ARTICLE NO.	INTERPRETATION	HEADING
1.	In these Articles unless there be something in the subject matter or context inconsistent therewith: i. "The Act" means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force. ii. "Articles" means Articles of Association of the Company as originally framed or altered from time to time iii. "Beneficial Owner" shall have the meaning assigned thereto by Section 2(1)(a) of the Depositories Act, 1996. iv. "Board" or "Board of Director" means the Collective body of the Board of Directors of the Company. v. "Chairman" means the Chairman of the Board of the Directors of the Company. vi. "The Company" means Karnika Industries Limited. vii. "Depositories Act, 1996" shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force. viii. "Depository" shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996. ix. "Directors" mean the Directors for the time being of the Company. x. "Dividend" includes any interim dividend. xi. "Document" means a document as defined in Section 2 (36) of the Companies Act, 2013. xii. ''Equity Share Capital'', with reference to any Company limited by shares, means all share capital which is not preference share capital; xiii. "KMP" means Key Managerial Personnel of the Company provided as per the relevant sections of the Act. xiv. "Managing Director" means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called. xv. "Month" means Calendar month. xvi. "Office" means the registered office for the time being of the Company. xvii. "Paid-up share capital" or "share capital paid-up" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called; xviii. "Postal Ballot" means voting by post or through any electronic mode. xix. "Proxy" includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll. xx. "Public Holiday" means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting. xxi. "Registrar" means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various	Interpretation

	functions under this Act. xxii. "Rules" means the applicable rules as prescribed under the relevant sections of the Act for time being in force. xxiii. "SEBI" means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992. xxiv. "Securities" means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) xxv. "Share" means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied. xxvi. "Seal" means the common seal of the Company. xxvii. "Preference Share Capital", with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to— (*i*) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and (*ii*) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company; xxviii. "Persons" include corporations and firms as well as individuals. Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company. 'In writing' and 'written' includes printing, lithography and other modes of representing or reproducing words in a visible form.	
2.	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.	Share Capital
3.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.	
4.	Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	Issue of Sweat Equity Shares
5.	The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.	Issue of Debentures

6.	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 fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,— a. one certificate for all his shares without payment of any charges; or b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first. ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary; iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.	Issue of Share Certificate
7.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.	
8.	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
9.	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company..	
10.	i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40. iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	Power to pay Commission In connection with the Securities issued
11.	i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or	Variations of Shareholder's rights

	with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.	
12.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.	
13.	Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.	Issue of Preference Shares
14.	(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered: (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act. (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62. (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62. (2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue. (3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.	Further Issue of shares
15.	i. The Company shall have a first and paramount lien— a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company: c. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.	Lien

16.	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made— a. unless a sum in respect of which the lien exists is presently payable; or b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.	
17.	i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer. iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.	
18.	i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.	
19.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles: - a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share. b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share. c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share. e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders. (i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares. (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.	Joint Holdings

	g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.	
20.	i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call. ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. iii. A call may be revoked or postponed at the discretion of the Board.	Calls on Shares
21.	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.	
22.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	
23.	i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine. ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.	
24.	i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	
25.	The Board— i. 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 ii. 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.	
26.	Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up. Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.	
27.	The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.	
28.	The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.	
29.	i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.	Tramsfer of Shares

	ii. Each share in the Company shall be distinguished by its appropriate number. iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.	
30.	i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	
31.	The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act- i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or ii. any transfer of shares on which the Company has a lien. iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.	
32.	The Board shall decline to recognise any instrument of transfer unless— i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; ii. 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 the instrument of transfer is in respect of only one class of shares. Provided that, transfer of shares in whatever lot shall not be refused. iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s), iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred; v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.	
33.	The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay	
34.	On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year	
35	The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.	
36.	The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.	Register of Transfers
37.	i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.	Dematerialisation of Securities

a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.

b. Option for Investors:

Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security

c. Securities in Depository to be in fungible form: -

- All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.
- Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

d. Rights of Depositories & Beneficial Owners: -

Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with

	Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media. vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.	
38.	i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	Transmission of Shares
39.	i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either— a. to be registered himself as holder of the share; or b. to make such transfer of the share as the deceased or insolvent member could have made. ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.	
40.	i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.	
41.	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.	
42.	The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company. No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.	
43.	If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.	Forfeiture of Shares
44.	The notice aforesaid shall—	

	i. 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 ii. 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.	
45.	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.	
46.	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.	
47.	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.	
48.	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 transfer of the shares in favour of the person to whom the share is sold or disposed off; iii. The transferee shall thereupon be registered as the holder of the share; and iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.	
49.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	
50.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	
51.	Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	
52.	The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	
53.	The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	
54.	The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	

55.	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.	Initial payment not to preclude forfeiture
56.	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.	Alteration of Share Capital
57.	Subject to the provisions of section 61, the Company may, by ordinary resolution,— i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.	
58.	Where shares are converted into stock,— i. 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. ii. 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. iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.	Conversion of Shares into Stock
59.	The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, — i. its share capital; ii. any capital redemption reserve account; or iii. Any share premium account.	Reduction of Capital
60.	The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.	Share Warrants

	The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants. Not more than one person shall be recognized as depositor of the share warrant. The Company shall, on two days written notice, return the deposited share warrants to the depositor. Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company. The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company. The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.	
61.	i. The Company in general meeting may, upon the recommendation of the Board, resolve— a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards— a. paying up any amounts for the time being unpaid on any shares held by such members respectively; b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid; c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b); d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; e. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation. iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.	Capitalization of Profits
62.	i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—	

	a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and b. generally to do all acts and things required to give effect thereto. ii. The Board shall have power— a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares; iii. Any agreement made under such authority shall be effective and binding on such members.	
63.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	Buy back of Shares
64.	All General Meetings other than annual general meeting shall be called extra-ordinary general meetings	General Meeting
65.	i. The Board may, whenever it thinks fit, call an extraordinary general meeting. ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting. iii. 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.	
66.	i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. ii. i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company. ii. In any other case, the quorum shall be decided as under: a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand; b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;	Proceedings at General Meetings
67.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	
68.	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.	

69.	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.	
70.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	
71.	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
72.	ii. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up. iii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.	Demand for Poll
73.	i. A poll demanded on a question of adjournment shall be taken forthwith. ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.	Time of taking Poll
74.	i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Adjournment of Meeting
75.	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— i. on a show of hands, every member present in person shall have one vote; and ii. 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.	Voting Rights
76.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	
77.	i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	
78.	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.	

79.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	
80.	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	
81.	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.	
82.	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.	
83.	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.	
84.	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	Casting Vote
85.	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.	Representation of Body Corporate
86.	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	Circulation of member's Resolution
87.	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	Resolution requiring special notice
88.	The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date	Resolutions passed at adjourned meeting
89.	The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.	Registration of resolutions and agreements
90.	i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered. ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed: A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting. B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that	Minutes of proceedings of general meeting and of Board and other meetings

	Chairman within that period, by a Director duly authorised by the Board for the purpose. C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise. D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat. E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting. F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain: a. the names of the Directors present at the meetings, and b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution. iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: a. is or could reasonably be regarded, as defamatory of any person b. is irrelevant or immaterial to the proceedings; or c. in detrimental to the interests of the Company. iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.	
91.	The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.	Minutes to be considered to be evidence
92.	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.	Publication of reports of proceeding of general meetings
93.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of `a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Proxy
94.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
95.	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.	
96.	The First Directors of the Company shall be: 1. Mr. Niranjan Mundhra 2. Mr. Shiv Shankar Mundhra 3. Mr. Mahesh Kumar Mundhra	Board of Directors
97.	The Directors need not hold any "Qualification Share(s)".	
98	Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the	

	Board may decide. The Senior Executive so appointed shall be governed by the following provisions: He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine. Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.	
99.	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.	
100.	The Board may pay all expenses incurred in getting up and registering the company.	
101.	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 thinks fit respecting the keeping of any such register.	
102.	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.	
103.	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.	
104.	i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.	
105.	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.	Retirement and Rotation of Directors
106.	The remaining Directors shall be appointed in accordance with the provisions of the Act.	
107.	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.	
108.	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the	

	provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.	
109.	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.	
110.	Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.	
111.	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.	Nominee Director
112.	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.	
113.	The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.	
114.	The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors. Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.	
115	Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.	
116.	The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.	Removal of Director

117.	Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	
118.	On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.	
119	Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-, (a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and (b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting: Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in party by the director notwithstanding that he is not a party to it.	
120.	A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.	
121	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.	
122.	If the vacancy is not filled under clause (5) above, it may be filled as a casual vacancy in accordance with the provisions of this Act: Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.	
123.	Nothing in this section shall be taken- a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contact or terms of his appointment as director, or of any other appointment terminating with that as director; or b) as derogating from any power to remove a director under other provisions of this Act.	
124.	Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company. In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them. a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or b. In connection with the business of the Company.	Remuneration and sitting fees to Directors including Managing and whole time Directors

125	Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/-(Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.	
126.	i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board. a. The power to make calls on shareholders in respect of money unpaid on their shares; b. The Power to authorize buy-back of securities under Section 68 of the Act. c. Power to issue securities, including debenture, whether in or outside India d. The power to borrow moneys e. The power to invest the funds of the Company, f. Power to Grant loans or give guarantee or provide security in respect of loans g. Power to approve financial statements and the Board's Report h. Power to diversify the business of the Company i. Power to approve amalgamation, merger or reconstruction j. Power to take over a Company or acquire a controlling or substantial stake in another Company k. Powers to make political contributions; l. Powers to appoint or remove key managerial personnel (KMP); m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel; n. Powers to appoint internal auditors and secretarial auditor; o. Powers to take note of the disclosure of director's interest and shareholding; p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company; q. Powers to invite or accept or renew public deposits and related matters; r. Powers to review or change the terms and conditions of public deposit; s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be. Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe. ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate. iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate. iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the	**Powers and duties of Directors:** **Certain powers to be exercised by the Board only at meeting**

	delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases. v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.	
127.	i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting: a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking; b) remit, or give time for the repayment of any debt, due by a Director; c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation; d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or e) contribute to *bona fide* charitable and other funds, aggregate of which ill in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings. ii. Nothing contained in sub-clause (a) above shall affect: a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing. iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act. iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.	**Restriction on powers of Board**
128.	Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.	
129.	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with	General powers of the Company vested in Directors

	the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.	
130.	Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers: i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013; ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory; iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory; iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged; v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company; vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit; vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;	Specific Power given to Directors

	viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit; ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit; x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit; xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act; xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees; xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company; xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments. xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company. xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit; xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities,	

	pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid; xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years. xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause. xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them. xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;	
131.	a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon .such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly	MANAGING DIRECTORS Power to appoint Managing or Whole-time Directors

	remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act. b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time. c) Subject to the provisions of Sections 197 & 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.	
132.	a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	Proceedings of the Board
133.	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
134.	a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	
135	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.	
136.	The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	
137.	a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.	
138.	a) 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. b) 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.	Delegation of Powers of Board to Committee
139.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	
140.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	
141.	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.	
142.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held	
143.	Subject to the provisions of the Act— a) 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 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; b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer
144.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, manager, Company Secretray 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.	
145.	a) The Board shall provide for the safe custody of the seal. b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.	The Seal
146.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	Dividends and Reserve
147.	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.	
148.	a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	
149.	a) 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. b) 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. c) 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.	

150	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.	
151.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	
152.	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.	
153.	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.	
154.	No dividend shall bear interest against the Company. Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;	
155.	Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof. The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.	
156.	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	
157.	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	
158.	a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors. b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.	Accounts
159.	Minutes Books of General Meetings a) The books containing the minutes of the proceedings of any general meeting of the Company shall; i. be kept at the registered office of the Company, and ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general	Inspection of Statutory Documents of the Company:

	meeting impose so however that not less than two hours in each day are allowed for inspection. Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance. b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.	
160.	Register of charges: a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act. b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours— a. by any member or creditor without any payment of fees; or b. by any other person on payment of such fees as may be prescribed, Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.	
161.	a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting. b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under. c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board. d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.	Audit
162.	Subject to the provisions of Chapter XX of the Act and rules made there under— i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.	Winding up
163.	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	Indemnity

	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 TribunalSubject to the provisions of Chapter XX of the Act and rules made there under—	
164.	(a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents. (b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.	Secrecy

SECTION XV – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the above-mentioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Prospectus until the Issue Closing Date and online at website of company i.e. www.karnikaindustries.com

Material Contracts

1. Memorandum of Understanding dated May 25, 2023 between our Company Lead Manager to the Issue.
2. Agreement dated May 25, 2023 executed between our Company and the Registrar to the Issue (Skyline Financial Services Private Limited)
3. Market Making Agreement dated September 20, 2023 between our Company, Lead Manager and Market Maker.
4. Banker to the Issue Agreement dated September 20, 2023 among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated September 20, 2023 between our Company, Lead Manager and Underwriters.
6. Tripartite Agreement dated July 01, 2022 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated June 30, 2022 among NSDL, the Company and the Registrar to the Issue.

Material Documents

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated April 13, 2022 issued by the Registrar of Companies, Kolkata.
3. Copy of the Board Resolution dated January 20, 2023 authorizing the Issue and other related matters.
4. Copy of Shareholder's Resolution dated March 31, 2023 authorizing the Issue and other related matters.
5. Copies of Audited Financial Statements of our Company for the stub period ended December 31, 2022.
6. Peer Review Auditors Report dated June 26, 2023 on Restated Financial Statements of our Company for the year ended March 31, 2023, April 12, 2023, March 31, 2022 and March 31, 2022.
7. Copy of the Statement of Tax Benefits dated June 26, 2023 from the Statutory Auditor.
8. Certificate from the Statutory Auditor of the Company dated June 26, 2023 with respect to the KPIs disclosed in this Prospectus.
9. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to our Company, Banker to the Issue, Sponsor Bank, Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, as referred to, in their respective capacities.
10. Board Resolution dated June 30, 2023 for approval of Draft Prospectus, dated September 22, 2023 for approval of Prospectus
11. Due Diligence Certificate from Lead Manager dated September 22, 2023 filed with SEBI.
12. Approval from NSE vide letter dated September 15, 2023 to use the name of NSE in the Prospectus for listing of Equity Shares on the NSE Emerge.

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, with the consent of shareholder's subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Mr. Niranjan Mundhra
Managing Director
DIN: 05254448

Mr. Shiv Shankar Mundhra
Whole-Time Director
DIN: 02926873

Mr. Mahesh Kumar Mundhra
Whole-Time Director
DIN: 08577538

Ms. Kirti Mundhra
Non-Executive Director
DIN: 09549207

Mrs. Kirti Taparia
Independent Director
DIN: 10083439

Mr. Parmeshwar Lal Sharma
Independent Director
DIN: 09798016

SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY: -

Mr. Krishan Kumar Karnani
Chief Financial Officer

Ms. Muskan Mundhra
Company Secretary and Compliance Officer

Date – September 22, 2023

Place – Howrah, West Bengal

.