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Prospectus

Dated: May 06, 2024

Please read Section 26 & 32 of the Companies Act, 2013

Fixed Price Issue



**PIOTEX INDUSTRIES LIMITED**  
CIN: U17299PN2019PLC187464

Registered Office	Contact Person	Email and Telephone	Website
F/II Block, Plot No. 16/2, M.I.D.C., Pimpri, Pune Maharashtra - 411018, India.	Mr. Mahendra Singh Rajpoot, Company Secretary and Compliance Officer.	Tel. No.: +91-9156744401 E-mail: <a href="mailto:office@piotex.in">office@piotex.in</a>	<a href="http://www.piotexindustries.com">www.piotexindustries.com</a>

**PROMOTERS OF THE COMPANY:**

**MR. ABHAY SHRIRAM ASALKAR AND MR. YOGESH OMPRAKASH NIMODIYA**

**DETAILS OF THE ISSUE**

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	15,39,600 Equity Shares of ₹ 94/- each.	Nil	1447.22 Lakhs	The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 As Amended

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

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10/- each and the Issue Price is 9.40 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. 72 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. 20 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 BSE Limited (BSE SME) 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 BSE Limited (“BSE”).

**LEAD MANAGER TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 BEELINE CAPITAL ADVISORS PRIVATE LIMITED	Mr. Nikhil Shah	Email: <a href="mailto:mb@beelinemb.com">mb@beelinemb.com</a> Tel. No.: +91-79-48407357

**REGISTRAR TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 CAMEO CORPORATE SERVICES LIMITED	Ms. K Sreepriya	Email: <a href="mailto:ipo@cameoindia.com">ipo@cameoindia.com</a> Tel. No.: +91-044-40020700/28460390

**ISSUE PROGRAMME**

ISSUE OPENS ON	ISSUE CLOSES ON
FRIDAY, MAY 10, 2024	TUESDAY, MAY 14, 2024



## PIOTEX INDUSTRIES LIMITED

CIN: U17299PN2019PLC187464

Our Company was originally incorporated on October 24, 2019 as "Piotex Industries Private Limited" under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently our Company was converted into Public Limited Company and name of company was changed from "Piotex Industries Private Limited" to "Piotex Industries Limited" vide fresh certificate of incorporation dated August 11, 2023 issued by the Registrar of Companies, Pune. For further details, please refer to chapter titled "History and Corporate Structure" beginning on page 111 of this Prospectus.

**Registered Office:** F/II Block, Plot No. 16/2, M.I.D.C., Pimpri, Pune Maharashtra - 411018, India

**Tel No.:** +91-9156744401; **Email:** [office@piotex.in](mailto:office@piotex.in), **Website:** [www.piotexindustries.com](http://www.piotexindustries.com)

**Contact Person:** Mr. Mahendra Singh Rajpoot, Company Secretary and Compliance Officer.

### OUR PROMOTERS: MR. ABHAY SHRIRAM ASALKAR AND MR. YOGESH OMPRAKASH NIMODIYA

#### THE ISSUE

INITIAL PUBLIC ISSUE OF 15,39,600 EQUITY SHARES OF RS. 10/- EACH ("EQUITY SHARES") OF PIOTEX INDUSTRIES LIMITED ("PIOTEX" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 94/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. 84/- PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. 1447.22 LAKHS ("THE ISSUE"), OF WHICH 78,000 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. 94/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. 84/- PER EQUITY SHARE AGGREGATING TO RS. 73.32 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 14,61,600 EQUITY SHARES OF RS. 10/- EACH INCLUDING A SHARE PREMIUM OF RS 84/- PER EQUITY SHARE AGGREGATING TO RS. 1373.90 LAKHS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.17 % AND 28.64%, 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. 165 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. 172 of this Prospectus.

THE FACE VALUE OF THE EQUITY SHARE IS RS. 10/- AND THE ISSUE PRICE IS RS.94/- THE ISSUE PRICE IS 9.40 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 9.40 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. 72 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. 20 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 SME Platform of BSE Limited ("BSE SME"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle Approval letter dated April 16, 2024 from BSE Limited ("BSE") for using its name in this offer document for listing our shares on the SME Platform of BSE Limited ("BSE SME"). For the purpose of this Issue, the designated Stock Exchange is the BSE Limited.

#### LEAD MANAGER 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](mailto:mb@beelinemb.com)

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

**Investor Grievance Email:** [ig@beelinemb.com](mailto:ig@beelinemb.com)

**Contact Person:** Mr. Nikhil Shah

**SEBI Registration No.:** INM00012917

#### REGISTRAR TO THE ISSUE



#### CAMEO CORPORATE SERVICES LIMITED

No.01, Club House Road, Mount Road,  
Chennai-600002, India.

**Tel. No.:** 044 40020700/28460390

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

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

**Investor Grievance Email:** <https://wisdom.cameoindia.com>

**Contact Person:** Ms. K Sreepriya

**SEBI Registration No.:** INR000003753

#### ISSUE OPENS ON

FRIDAY, MAY 10, 2024

#### ISSUE CLOSES ON

TUESDAY, MAY 14, 2024

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## 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 79, 103, 76,132, 72, 111, 154, 142 and 217 respectively, shall have the meaning ascribed to such terms in such sections.*

#### General Terms

Term	Description
“PIL”, “the Company”, “our Company” and Piotex Industries Limited	Piotex Industries Limited, a company incorporated in India under the Companies Act, 2013 having its Registered office at F/II Block, Plot No. 16/2, M.I.D.C., Pimpri, Pune Maharashtra-411018, India
“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 Piotex 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/ Peer Review Auditors	The Auditors of Piotex Industries Limited being M/s. S V J K & Associates., Chartered Accountant.
Bankers to the Company	Axis 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 115 of this Prospectus.
Chairman/ Chairperson	The Chairman/ Chairperson of Board of Directors of our Company being Mr. Abhay Shriram Asalkar
CIN	Corporate Identification Number of our Company i.e. U17299PN2019PLC187464
Chief Financial Officer/CFO	The Chief Financial Officer of our Company being Mr. Yogesh Omprakash Nimodiya
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 Mr. Mahendra Singh Rajpoot
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
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 152 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 INE0R4W01015



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 115 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 72.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on September 20, 2023, in accordance with the requirements of the SEBI (ICDR) Regulations, 2018.
MD or Managing Director	The Managing Director of our Company being Mr. Abhay Shriram Asalkar
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Piotex Industries Limited as amended from time to time.
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
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.
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. Abhay Shriram Asalkar and Mr. Yogesh Omprakash Nimodiya. For further details, please refer to section titled “Our Promoters and Promoter Group” beginning on page 127 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 127 of this Prospectus.
Registered Office	F/II Block, Plot No. 16/2, M.I.D.C., Pimpri, Pune Maharashtra-411018, 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 years ended March 31, 2024, 2023 and 2022 together with the annexure and notes thereto.
RoC/ Registrar of Companies	Registrar of Companies, Pune.
Shareholders	Shareholders of our Company
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited.
Subscriber to MOA/Initial Promoters	Initial Subscriber to MOA & AOA being Mr. Abhay Shriram Asalkar and Mr. Yogesh Omprakash Nimodiya
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.

Terms	Description
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 Axis Bank Limited.
Banker to the Issue Agreement	Agreement dated April 29, 2024 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 172 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.
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 <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> 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. <a href="http://www.bseindia.com">www.bseindia.com</a>
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

Terms	Description
	the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Intermediaries/Collecting Agent	An SCSSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	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	BSE Limited – SME Platform (BSE SME)
DP	Depository Participant
DP ID	Depository Participant's Identity Number
Draft Prospectus	Draft prospectus dated September 27, 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 depository 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 (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 SCSSBs 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 May 14, 2024.
Issue Opening Date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSSBs 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 May 10, 2024.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 94/- per equity share.

Terms	Description
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 15,39,600 Equity shares of Rs. 10/- each at issue price of Rs. 94/- per Equity share, including a premium of Rs. 84/- per equity share aggregating to Rs. 1447.22 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 67 of this Prospectus
LM/Lead Manager	Beeline Capital Advisors Private Limited
Market Making Agreement	The Market Making Agreement dated January 19, 2024 between our Company, Lead Manager and Market Maker.
Market Maker Reservation Portion	The reserved portion of 78,000 Equity Shares of Rs. 10 each at an Issue price of Rs. 94/- each aggregating to Rs. 73.32 Lakhs to be subscribed by Market Maker in this issue.
Memorandum of Understanding / MOU	The Memorandum of Understanding dated September 21, 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 14,61,600 equity Shares of Rs. 10/- each at a price of Rs. 94/- per Equity Share (the “Issue Price”), including a share premium of Rs. 84/- per equity share aggregating to Rs. 1373.90 Lakhs.
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
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.
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 Cameo Corporate Services Limited
Registrar Agreement	The agreement dated August 17, 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.

Terms	Description
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 <a href="https://www.bseindia.com/members/MembershipDirectory.aspx">https://www.bseindia.com/members/MembershipDirectory.aspx</a> .
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 <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
SME Exchange	SME Platform of the BSE Limited i.e. BSE SME
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 January 19, 2024 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 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
FCL	Full Container Load
FQI	Fibre quality index
TFO	Two for One Twisting
TPI	Twist per inch
TPM	Twist per meter
TP Cm	Twist per centimetre
YCP	Yarn Conditioning Process

### ABBREVIATIONS

Abbreviation	Full Form
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
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

Abbreviation	Full Form
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
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, 1999 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, 2017
FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio 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

Abbreviation	Full Form
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
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

Abbreviation	Full Form
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
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)(III) 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”, “Piotex Industries Limited”, “PIL”, and, unless the context otherwise indicates or implies, refers to Piotex 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 financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022 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 132 of this Prospectus. Our Company does not have any subsidiary, accordingly financial information relating to us is presented on Standalone basis only. 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 & Analysis of Financial Condition & 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 132 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 217 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.

### **Definitions**

For definitions, please refer the Chapter titled “Definitions and Abbreviations” on Page No. 01 of this Prospectus. In the Section titled “Description of Equity Shares and Terms of the Articles of Association” beginning on Page No. 217 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

### **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 72 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 business process.
2. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
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.

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 20, 92 & 134 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 in business of contract manufacturing and trading of yarn, fabric and cotton bales. Our Products are used for various purposes such as garments & home furnishings, etc. We engage in trading of cotton bales. We also manufacture cotton yarn through out-sourcing model (Job-work) which are almost always in demand by the garment manufacturing industry.

For further details, please refer chapter titled “Business Overview” beginning on Page no. 92 of this Prospectus.

#### Summary of Industry

India is the 5th largest producer of technical textiles in the whole world with a market size of nearly \$22 billion, which we hope to build up to \$300 billion when we turn 100 by 2047.

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

For further details, please refer chapter titled “Industry Overview” beginning on Page no. 79 of this Prospectus.

### B. OUR PROMOTERS

Our company is promoted by Mr. Abhay Shriram Asalkar and Mr. Yogesh Omprakash Nimodiya.

### C. SIZE OF THE ISSUE

Public Issue of 15,39,600 Equity Shares of Face Value of ₹10/- each of Piotech Industries Limited (“PIL” or “Our Company”) for Cash at a Price of ₹94/- Per Equity Share (Including a Share Premium of ₹84/- per Equity Share) (“Issue Price”) aggregating to ₹ 1447.22 Lakhs, of which 78,000 Equity Shares of Face Value of ₹ 10/- each at a price of ₹94/- aggregating to ₹73.32 Lakhs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”) and Net Issue to Public of 14,61,600 Equity Shares of Face Value of ₹10/- each at a price of ₹94/- aggregating to ₹1373.90 Lakhs (hereinafter referred to as the “Net Issue”) The Issue and the Net Issue will constitute 30.17% and 28.64% 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	1051.05	72.63%
2.	General Corporate Expenses	270.92	18.72%
3.	Public Issue Expenses	125.25	8.65%
<b>Gross Issue Proceeds</b>		<b>1447.22</b>	<b>100%</b>
<b>Less: Issue Expenses</b>		125.25	
<b>Net Issue Proceeds</b>		<b>1321.97</b>	

### 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
<b>A.</b>	<b>PROMOTER</b>				
1.	Mr. Yogesh Omprakash Nimodiya	16,82,670	47.21	16,82,670	32.97

2.	Mr. Abhay Shriram Asalkar	16,82,670	47.21	16,82,670	32.97
	<b>TOTAL (A)</b>	<b>33,65,340</b>	<b>94.42</b>	<b>33,65,340</b>	<b>65.94</b>
<b>B.</b>	<b>PROMOTER GROUP</b>				
1.	Mrs. Chaitali Abhay Asalkar	165	0.00	165	0.00
2.	Mrs. Sandhya Nimodiya	165	0.00	165	0.00
	<b>TOTAL (B)</b>	<b>330</b>	<b>0.01</b>	<b>330</b>	<b>0.01</b>
<b>C.</b>	<b>PUBLIC</b>				
1.	Mr. Hitesh Loonia	1,98,000	5.56	1,98,000	3.88
2.	Mr. Rupali Vinayak Hattikatti	165	0.00	165	0.00
3.	Mr. Bharat Rikhabchand Dugad	165	0.00	165	0.00
	<b>TOTAL (C)</b>	<b>1,98,330</b>	<b>5.57</b>	<b>1,98,330</b>	<b>3.89</b>
	<b>GRAND TOTAL (A+B+C)</b>	<b>35,64,000</b>	<b>100.00</b>	<b>35,64,000</b>	<b>69.83</b>

For further details, refer chapter titled “Capital Structure” beginning on page no. 50 of this Prospectus.

## F. SUMMARY OF RESTATED FINANCIAL STATEMENT

### Restated Financials

(Rs. in Lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
Total Share Capital	356.40	15.00	15.00
Total Net Worth	897.18	440.07	151.32
Total Revenue	11893.88	8,667.21	8,046.39
Profit After Tax	300.80	288.75	74.29
Earnings Per Share (Basis & Diluted)	8.48	11.67	3.00
Net Asset Value per equity shares	25.17	293.38	100.88
Total Borrowings	445.94	372.30	528.58

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:

### Litigation against Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Tax Proceedings	1	21.33
Other Litigation	--	--

### Litigation filed by Group Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	18	483.02
Statutory/ Regulatory Authorities	--	--
Tax Proceedings	--	--
Other Litigation	--	--

### Litigation against Group Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Tax Proceedings	2	1.73
Other Litigation	--	--



For further information, please refer chapter titled “Outstanding Litigations and Material Developments” on page no. 142 of this Prospectus.

**I. Investors should read chapter titled “Risk Factors” beginning on page no. 20 of this Prospectus to get a more informed view before making any investment decisions.**

**J. SUMMARY OF CONTINGENT LIABILITIES**

Particulars	For the year ended March 31,		
	2024	2023	2022
Contingent liabilities	--	--	--

For further information, please refer chapter titled “Financial Information of our Company” on page no. 132 of this Prospectus.

**K. SUMMARY OF RELATED PARTY TRANSACTIONS**

List of Related Parties where Control exists and Relationships:

Sr. No	Name of the Related Party	Relationship
1)	Piotex Ventures Private Limited	Entities in which Key Management Personnel (KMP)/relative of KMP exercise significant influence
2)	Piotex Textech Private Limited	
3)	Adler Bizsol LLP	
4)	Piotex Grover international Pvt Ltd	
5)	Mr. Abhay Asalkar	Director
6)	Mr. Yogesh Nimodiya	Director
7)	Mr. Sandeep Deore (Appointment date: 30th November, 2021)	Director
8)	Mr. Vijay Deore ( Appointed on 30/11/2021 & resigned on 14/12/2002)	Director

Transactions during the year:	(Amount in Lakhs)		
	For the year ended 31/03/2024	For the year ended 31/03/2023	For the year ended 31/03/2022
<b>Sale of Goods</b>			
Piotex Textech Private Limited	153.62	218.64	-
<b>Commission Income</b>			
Piotex Textech Private Limited	-	-	43.78
<b>Purchase of Goods</b>			
Piotex Textech Private Limited	25.99	-	83.23
<b>Loan received from Related Parties</b>			
Piotex Textech Private Limited	612.46	-	-
Mr. Vijay Deore	-	550.00	-
Mr. Sandeep Deore	200.00	342.00	-
Mr. Abhay Asalkar	-	-	60.00
Mr. Yogesh Nimodiya	-	-	60.00
<b>Loan Repaid to Related Parties</b>			
Piotex Textech Private Limited	420.46	-	-
Mr. Abhay Asalkar	0.30	67.30	-
Mr. Yogesh Nimodiya	0.30	67.30	-
Mr. Vijay Deore	-	557.72	-
Mr. Sandeep Deore	439.50	-	-
<b>Loan/Advances given to associate body corporate</b>			
Piotex Textech Private Limited	491.00	2,128.00	-
Piotex Ventures Private Limited	-	200.00	-

Adler Bizsol LLP	-	-	1.09
<b>Loan/Advances received back from associate body corporate</b>			
Adler Bizsol LLP		-	11.09
Piotex Textech Private Limited	829.18	1,802.45	-
<b>Interest Paid</b>			
Piotex Textech Private Limited	0.61	-	-
Mr. Abhay Asalkar	-	5.98	1.62
Mr. Yogesh Nimodiya	-	5.98	1.62
Mr. Sandeep Deore	24.00	29.70	-
Mr. Vijay Deore	-	8.58	-
<b>Interest Received</b>			
Piotex Textech Private Limited	-	14.03	-
Piotex Ventures Private Limited	30.00	20.22	-
<b>Facility Usage Charges</b>			
Piotex Textech Private Limited	2.20	2.75	1.72
Adler Bizsol LLP	0.84	-	-
<b>Purchase of Asset</b>			
Piotex Textech Private Limited	-	12.50	-
<b>Outstanding Balance Receivables / (Payable)</b>	<b>As At 31/03/2024</b>	<b>As At 31/03/2023</b>	<b>As At 31/03/2022</b>
<b>Trade receivables</b>			
Piotex Textech Private Limited	-	28.11	50.44
<b>Trade payable</b>			
Adler Bizsol LLP	0.84		
Piotex Textech Private Limited	24.07	-	-
Piotex Ventures Private Limited	-	-	-
<b>Outstanding Business Advances/Loans</b>			
Piotex Textech Private Limited	-	338.18	-
Piotex Ventures Private Limited	247.22	220.22	-
Adler Bizsol LLP	-	-	-
<b>Outstanding Unsecured Loan</b>			
Piotex Textech Private Limited	192.14	-	-
Mr. Sandeep Deore	153.80	371.70	-
Mr. Vijay Deore	-	-	-
Mr. Abhay Asalkar	-	0.30	61.62
Mr. Yogesh Nimodiya	-	0.30	61.62

For details of Restated related party transaction, please refer chapter titled “Restated Financial Statements” beginning on page no. 132 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 held	Average Cost of Acquisition per Share (In Rs.)*
Mr. Yogesh Omprakash Nimodiya	16,07,670	5.03
Mr. Abhay Shriram Asalkar	16,07,670	5.03

\*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 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.

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. Yogesh Omprakash Nimodiya	16,82,670	5.26
Mr. Abhay Shriram Asalkar	16,82,670	5.26

\*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 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.

- 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 92 and 134 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 20 and "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 134 respectively of this Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Financial Information of the 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. ***We are dependent on our vendors to procure our products and do not have any manufacturing facilities of our own. Our business is therefore dependent to a large extent on expected performance and operation of our vendor partners.***

We currently do not own any manufacturing facilities and manufacture our products through contract manufacturing which we distribute and sell. We are therefore dependent on third parties for the manufacturing of our products and maintenance of adequate inventory to ensure that we are able to procure products based on supply necessities. The operations of our vendors are subject to various operating risks, including some which are beyond their control, which may include breakdowns and failure of equipment, industrial accidents, employee unrest, severe weather conditions, natural disasters etc. We have not entered into any formal agreements with the vendors/manufacturers, except with two which is sole selling agreement and job work agreement. We may be unable to replace our existing vendors or manufacturers at short notice, or at all, and may face delays in procurement and added costs as a result of the time required to develop new vendors to undertake manufacturing in accordance with our standard processes and quality control standards. If our vendors are unable to expand their manufacturing capabilities or face stoppage of the manufacturing process, we may not be able to tap growth opportunities in the branded apparels market. While we endeavour to

have back-up arrangements in place to ensure adequate capacity and sourcing, we cannot assure you that we will always be able to arrange for alternate manufacturing capacity, or alternate sources of our raw materials, at prices acceptable to us, or at all, or that we will be able to pass on any increase in cost to our customers.

Any inability on our part to arrange for alternate vendors, on commercially acceptable terms, may have an adverse effect on our business, results of operations and financial condition. While we strive to ensure that our outsourced manufacturers meet stringent quality requirements, we cannot guarantee that the outsourced manufacturers will duly comply with all required processes to ensure the maintenance of quality standards. Any adverse situation will impact our business of the company.

**2. *We face substantial competition in the textile business, both from Indian and international companies, which may adversely affect our revenues.***

We face significant competition from existing players and potential entrants in the Indian textile industry. The Indian textile industry is highly competitive both in the cotton yarn and cotton knitted fabrics. Increased competition could result in price reductions, decreased sales, lower profit margins or losses in market share, any of which could have an adverse effect on our business, results of operations and financial condition. We cannot be certain that we will continue to compete successfully against either current or potential competitors in the future.

**3. *Any increase in the prices of our raw material and any decrease in the supply of our raw materials, primarily cotton, will materially and adversely affect our business, results of operations and financial condition.***

The primary raw material for our business operations is cotton. We are purchasing our cotton primarily from the domestic market. Being an agricultural commodity, there can be fluctuations in price of cotton due to the vagaries of weather among other factors. Any increase in cotton prices may have an adverse effect on our business and a consequent negative impact on our Company, financial condition and results of operations. Any material shortage or interruption in the domestic supply or deterioration in quality of cotton due to natural causes or other factors could also result in increased costs that we may not be able to pass on to customers.

**4. *Our company has entered into Sole selling and Job work Agreements with the various spinning units for manufacturing and trading the products. Any termination of such agreements may have adverse effect on our business, prospects, results of operations and financial condition.***

Our company has entered into Sole selling and Job work Agreements with the various spinning units for manufacturing and trading the products in accordance with purchase order raised by our company. Any termination or expiration of agreement will affect our business operations which will affect our future prospects, growth and profitability of our company.

For further details, please refer section titled “Business Overview” beginning on Page 92 of Prospectus

**5. *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 97.74%, 98.59% and 88.65% of our revenues for the period ended March 31, 2024, March 31, 2023 and March 31, 2022 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. Further majority of our business is concentrated in one customer. 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.

**6. *We rely on outsourcing of our production processes and activities to third-parties. Any inability to obtain sufficient quantities of processed material of the requisite quality in a timely manner and at acceptable prices, or a slowdown,***



***shutdown or disruption in such third parties' operations and performance, could adversely affect our business, results of operations and financial condition.***

Currently, we outsource our production process of converting cotton into yarn to third party manufacturers. We rely on these third parties to provide us with an uninterrupted supply of our products. However, we cannot assure you that they may do so in a timely manner, or if at all. These third parties may decide not to accept our future orders on the same or similar terms, or at all. We may face the risk of our competitors offering them better terms, which may cause them to cater to our competitors alongside, or even instead of us. They may discontinue their work on short notice and our production process may be stalled or hindered due to this. Conversely, due to increased customer demand for our products, we may need to obtain more products from more third parties, and any inability to do so may render us unable to execute our growth strategy.

Additionally, our job workers manufacturing facilities may be subject to operating risks, such as performance below expected levels of efficiency, excessive wastage of raw materials, delays in production, decrease in quality of products made, labor disputes, natural disasters, industrial accidents, interruptions in power supply and statutory and regulatory restrictions. Any non-compliance by our jobbers with the applicable laws which may result in a shutdown of their facilities, could result in the delay or non-availability of the delivery of our products. In addition, we cannot ensure that the processes done by them on products will be of satisfactory quality. Any failure to adhere with quality may damage our reputation, and adversely affect our business, results of operations and financial condition. Any defects in the products they supply could expose us to product liability or damage our reputation and reduce demand for our products. If our jobbers perform unsatisfactorily, substantially reduce their volume of supply, substantially increase their prices or terminate their business relationship with us, the cost and time required to manufacture our products would increase. We may also need to replace jobbers or take other remedial actions. Any deficiency in the quality of products that our jobbers supply to us may adversely affect our business, financial condition and results of operations.

***7. Any failure in our quality control processes may have an adverse effect on our business, results of operations and financial condition.***

Our products may contain quality issues or undetected errors or defects. We experience sales returns and quality compensation in our normal course of business. We have implemented quality checks & tests and regularly conduct inspections of raw materials sourced from suppliers and finished products manufactured by us through job work on the basis of our internal quality standards. However, we cannot assure you that our quality control processes will not fail or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality assurance procedures, negligence, human error or otherwise, may damage our products and result in deficient products. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs in defending such claims.

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

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

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

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

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

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

**10. If we are unable to procure raw materials, finished products and packing material of the required quality and quantity, at competitive prices, our business, results of operations and financial condition may be adversely affected.**

We source our raw materials from the local markets and outsources its job work to the various vendors/manufacturers. Under the supervision of company personnel for designs and quality control. Our business operations require a sufficient and stable supply of raw materials and other goods. However, the amount of raw materials and other goods we require may fluctuate from time to time. We depend on third-party vendors for raw materials and goods used in the manufacture of our products. We also obtain certain finished products, for trading from third party Contract Manufacturers in India. Our financial performance depends largely on our ability to arrange from the sellers of such materials in sufficient quantities at competitive prices. We are not assured of continued provision or adequate pricing of raw materials. Any of our contract manufacturers could discontinue or seek to alter their relationship with us. Further, the supply of raw materials and fabric may be impacted by force majeure events like war, epidemics, natural calamities, fires, floods, strikes (excluding strikes by its vendor's employees), acts/omissions of State, insurrection or riots, embargoes or delays in transportation, Court or Government Orders, etc, which can restrict/prevent the movement of vehicles and the general public, thereby leading to short supply or absence of the supply of raw materials and fabric. However, given the vast network of contract manufacturers, we may be confident of identifying alternates both within and outside of the geographic locations that we operate from.

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

Our Group company is 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 favor of our group company. 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 Group Company is provided below:

#### Litigation against Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Tax Proceedings	1	21.33
Other Litigation	--	--

#### Litigation filed by Group Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	18	483.02
Statutory/ Regulatory Authorities	--	--
Tax Proceedings	--	--
Other Litigation	--	--

#### Litigation against Group Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Tax Proceedings	2	1.72
Other Litigation	--	--

For further details of legal proceedings involving the Group Company, please see “Outstanding Litigations and Material Developments” beginning on page 142 of this Prospectus

**12. *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 is located at F/II Block, Plot No. 16/2, M.I.D.C., Pimpri, Pune, Maharashtra- 411018, India and the same is not owned by us. We have obtained this property from our promoters group company i.e. Piotech Textech Private Limited through Leave and License Agreement dated May 30, 2023. Any termination of the lease in connection with this property 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 Companies i.e. Piotech Textech Private Limited, Piotech Ventures Private limited and Adler Bizsol LLP.

If we are required to vacate the current premise, 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. 92 of this Prospectus.

**13. *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 61.80%, 48.46% and 53.93% of our total purchases for the period ended March 31, 2024, March 31, 2023 and March 31, 2022 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.

**14. *There are certain discrepancies and non-compliances noticed in some of our financial reporting and/or records relating to filing of returns and deposit of statutory dues with the taxation and other statutory authorities.***

In the past, our company has at several instances, delayed in filing our GST returns, EPF returns and deposit of statutory dues, as a result of which, we have been required to pay the late filing fees along with interest on delayed deposit of due taxes and statutory dues. Although the late filing fees and interest on late deposits levied are small but if we continue this practice, the accumulated amounts of each delay may adversely affect our cash flows. Further no-show cause notice has been issued against our Company till date, in respect of above. In the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected.

For further details of certain material legal proceedings involving our Company, our Promoter, our directors, see “Financial Information” beginning on page 132 of this Prospectus.

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

We 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. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or need to update pursuant to change in name and conversion of company from private to public Company.

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.

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, see “Government and Other Approvals” on page 149 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.

***16. 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, 2024, our long term borrowings were ₹ 345.94 Lakhs & short term borrowings were ₹ 100.00 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 132 of this Prospectus.

***17. If we are not successful in managing our growth, our business may be disrupted and our profitability may be reduced.***

We have experienced sustainable growth in recent years and expect our businesses to continue to grow significantly. Our future growth is subject to risks arising from a rapid increase in volume, and inability to retain and recruit skilled staff. We may not grow at a rate comparable to our growth rate in the past, either in terms of income or profit.

Our future growth may place significant demands on our management and operations and require us to continuously evolve and improve our financial, operational and other internal controls within our Company. In particular, continued expansion may pose challenges in:

- maintaining high levels of quality control and cost effective manufacturing, and customer satisfaction;
- recruiting, training and retaining sufficient skilled management and technical personnel for our manufacturing process;
- developing and improving our internal administrative infrastructure, particularly our financial,
- operational, communications, internal control and other internal systems;
- making accurate assessments of the resources;
- adhering to the standards of health, safety and environment and quality and process execution to meet clients’ expectations;
- strengthening internal control and ensuring compliance with legal and contractual obligations;
- Managing relationships with customers, suppliers and lenders.

If we are not successful in managing our growth, our business may be disrupted and profitability may be reduced. Our business, prospects, financial condition and results of operations may be adversely affected.

***18. The unsecured loan availed by our Company from Directors may be recalled at any given point of time.***

Our Company has been availing unsecured loans from Directors from time to time. The total outstanding payable to them as on March 31, 2024 amounts to Rs. 445.94 Lakhs. Although there are no terms and condition prescribed for repayment of unsecured

loan regarding repayment 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 132 of this Prospectus

***19. 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 Promoters and Group Companies. These transactions, inter-alia includes loans and advances, commission, sale and purchase and interest etc. Our Company entered into such transactions at arm length price due to easy proximity and quick execution.

However, there is no assurance that we could not have obtained better and more favourable terms that our Company not entered into such related party transactions. Our Company may enter into such transactions in future also and we cannot assure that in such an event there would be no adverse effect on results of our operations. For details please refer to chapter titled “Financial Information of the Company” beginning on page no. 132 of this Prospectus

***20. Our success is dependent on our Promoter, senior management 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 Directors may have an adverse effect on our business prospects.***

Our Promoter, Managing Director and senior management have significantly contributed to the growth of our business, and our future success is dependent on the continued services of our senior management team. Our Managing Director Mr. Abhay Shiram Asalkar and Executive Director Mr. Yogesh Omprakash Nimodiya, have been employed with our Company since our incorporation. They are having experience of 25 years 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, 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.

The success of our business is also dependent upon our ability to hire, retain, and utilize qualified personnel and corporate management professionals who have required experience and expertise. From time to time, it may be difficult to attract and retain qualified individuals with the requisite expertise and we may not be able to satisfy the demand from customers for our Products because of our inability to successfully hire and retain qualified personnel.

For further details of our Promoters and Management, please refer chapter titled “Our Promoters and Promoter Group” and “Our Management” beginning on Page 127 & 115 of this Prospectus.

***21. 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 76 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.

***22. The present promoter 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. Abhay Shriram Asalkar and Mr. Yogesh Omprakash Nimodiya have vast experience of around 25 years each.

For further details of our Director, Please refer chapter titled “Our Promoter and Promoter Group” beginning on Page 125 of Prospectus.

**23. We have applied for the registration of our logo but yet not get it registered. If we fail to obtain registration our brand building efforts may be hampered which might lead to adverse effect on our business.**

Our Company is currently using the logo which is not yet registered in the name of our Company but we have made an application dated June 13, 2023 for the registration of the trademark with the respective authorities. If we are unable to get the same registered with the trademark authorities then, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks in future could have a material adverse effect on our business and goodwill, which in turn could adversely affect our results of operations.

For further details, please refer to section titled “Government and Other Approvals” on page 149 of this Prospectus.

**24. If we are not able to successfully manage our growth, our business and results of operations may be adversely affected.**

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

We cannot assure you that we will be able to effectively manage our growth, that our current personnel, infrastructure, systems, procedures and controls or any measures to enhance them will be adequate and successful to support our expanding operations or that our strategies and new business initiatives will be executed successfully. Our failure to manage our anticipated growth effectively could reduce our ability to execute our business strategies, recruit and retain personnel, innovate, and manage costs all of which could adversely affect our business, results of operations, cash flows and financial condition. In addition, the availability of funds plays a crucial role for growth and expansion of the business. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs and adversely affect our access to capital. Further, in case we decide to raise additional funds through the issuance of equity or equity linked instruments, the interests of our shareholders may be diluted. Further, if we decide to meet our capital requirements through debt financing, our interest obligations shall increase and we may be subject to additional restrictive covenants under our respective financing arrangements. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected.

**25. 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 from our operating, investing activities and financing activities in the previous years as per the Restated Financial Statements and the same are summarized as under:

Particulars	For the year ended March 31,		
	2024	2023	2022
Cash flow from Operating Activities	(243.96)	282.97	(348.97)
Cash flow from Investing Activities	(42.05)	(12.50)	0.15
Cash flow from Financing Activities	246.99	(246.48)	268.90

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” beginning on Page 132 of this Prospectus.

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

Our business requires significant amount of working capital and major portion of our working capital is utilized towards inventories and trade receivables. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials. For further details regarding working capital requirement, please refer to the section “Objects of the issue” on page 67 of this Prospectus.

***27. 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. 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.

***28. Our Promoter Group Entities are engaged in similar line of business. Any conflict of interest in future may occur between the business of our promoter group entities and us which may adversely affect our business, prospects, results of operations and financial condition.***

As on date of this Prospectus, our Group Company Piotex Textech Private Limited, and entities i.e. Piotex Grover International Private Limited and Adler Bizsol LLP is engaged in similar line of business of cotton yarns & cotton fabrics. We have not entered into any non-compete agreement with any of our promoter group entities. We will endeavour to take adequate steps to address any conflict of interest by adopting the necessary procedures and practices as permitted by applicable law, to address any conflict which may arise in the future. We cannot assure you that our Promoters will not favour the interests of our promoter group entity over our interests in future or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations.

***29. Misconduct or errors by manpower engaged by us could expose us to business risks or losses that could affect our business prospects, results of operations and financial condition.***

Misconduct or errors by manpower engaged by us could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our business. Such misconduct includes breach of security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. The risks associated with the deployment of manpower include possible claims relating to:

- actions or inactions, including matters for which we may have to indemnify our customers;
- Our failure to adequately verify personnel backgrounds and qualifications resulting in deficient services;
- failure of manpower engaged by us to adequately perform their duties or absenteeism;
- errors or malicious acts or violation of security, privacy, health and safety regulations; and

These claims may give rise to litigation and claims for damages, which could be time-consuming. These claims may also result in negative publicity and effect our business. Any claims and proceedings for alleged negligence as well as regulatory actions may in turn materially and consequently, our business, financial condition, results of operations and prospects.

**30. *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 due to pandemic covid-19, or similar unforeseen events.***

Our overall performance depends in part on the global economic conditions. Certain economies have experienced periods of downturn due to the present situation prevailing in India and outside India due to pandemic disease of Covid-19 which impact financial markets, concerns regarding the stability and viability of major financial institutions, declines in gross domestic product, and increases in unemployment and volatility in commodity prices and worldwide stock markets, and excessive government debt.

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. During such downturns, many customers may delay or reduce digital marketing purchases. Contract negotiations may become more protracted or conditions could result in reductions in the sale of our services, longer sales cycles, pressure on our margins, difficulties in collection of accounts receivable or delayed payments, increased default risks associated with our accounts receivables, slower adoption of new technologies and increased price competition. Any of these events, as well as a general weakening of, or declining corporate confidence in the global economy, or a curtailment in government or corporate spending could delay or decrease our revenues and therefore have a material adverse effect on our business, operating results and financial condition.

**31. *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.

**32. *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 its Textile sector.

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.

**33. *Our Promoters 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 Promoters and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters 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 Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "Our Management" and "Our Promoters and Promoter Group" on pages 115 and 127 respectively of this Prospectus.

**34. *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 and services 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 the Company" beginning on Page 132 of this Prospectus.

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

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

**36. *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.

**37. *We are susceptible to risks relating to unionization of our employees employed by us.***

We cannot assure you that our employees 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.

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

Our Company is mainly engaged in Cotton Textile Industry 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 Litigation and Material Development" beginning on page 142 of this Prospectus. Any such penalty arising in future may lead to financial loss to our Company.

**39. *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 unfavourable 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 67 of this Prospectus.

**40. *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 67 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. 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.

**41. *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. 67 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 Promoters 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 Promoters 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.

**42. *Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute 18.72% 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 18.72% 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. 67 of this Prospectus.

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

Our Promoters 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 Promoters in our Company, please refer to the chapters "Capital Structure" beginning on pages 50 of this Prospectus.



***44. We have not paid any dividends in the last five Financial Years. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

Our ability to generate returns for Shareholders is dependent on a host of factors that impact our business and financial condition. Our Company has not paid any dividend on its Equity Shares during the last five Financial Years. The amount of future dividend payments, if any, will depend upon a number of factors, such as our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions, capital expenditures and cost of indebtedness.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into. Even in years in which we may have profits, we may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. There can therefore be no assurance that we will be able to pay dividends in the future. For further details, see section "Dividend Policy" on page 131 of this Prospectus.

***45. We will continue to be controlled by our Promoters 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 Promoters and Promoter Group hold 94.43% of the issued and outstanding paid-up share capital of our Company. Following the completion of the Issue, our Promoters and Promoter Group will continue to hold together 69.83% 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 50 of this Prospectus.

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

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

***47. 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 financial 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

**48. *Deployment of the Proceeds is not subject to any monitoring by any independent agency. The purposes for which the Proceeds of the Issue are to be utilized are based on management estimates and have not been appraised by any banks or financial institutions.***

We intend to use the Proceeds of the Issue for the purposes described in “Objects of the Issue” on page no. 67 of this Prospectus. Our management may revise estimated costs, fund requirements and deployment schedule owing to factors relating to our business and operations and external factors which may not be within the control of our management. The utilization of the Proceeds of the Issue and other financings will be monitored only by the Audit Committee of the Board and is not subject to any monitoring by any independent agency. Further, pending utilization of the Proceeds of the Issue, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934.

Our funding requirements and the deployment of the Proceeds of the Issue are based on management estimates and have not been appraised by any banks or financial institutions. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change.

**49. *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.

**50. *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 72 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.

**51. *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.



**52. *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.

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

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

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

**EXTERNAL RISK FACTORS**

**54. *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.

***55. 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.

***56. 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.

***57. 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.

***58. 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 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.

**59. 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.

**60. 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;

**61. 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.

***62. 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. Unfavourable 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 e-commerce, 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

<b>PRESENT ISSUE IN TERMS OF THIS PROSPECTUS</b>	
<b>Equity Shares Issued:</b> Public Issue of Equity Shares by our Company	15,39,600 Equity Shares of ₹ 10/- each for cash at a price of ₹94/- per share aggregating to ₹1447.22 Lakhs
<i>of which</i>	
<b>Issue Reserved for the Market Makers</b>	78,000 Equity Shares of ₹ 10/- each for cash at a price of ₹94/- per share aggregating ₹73.32 Lakhs
<b>Net Issue to the Public*</b>	14,61,600 Equity Shares of ₹ 10/- each for cash at a price of ₹94/- per share aggregating ₹1373.90 Lakhs
	<b>of which</b>
	7,30,800 Equity Shares of ₹ 10/- each for cash at a price of ₹94/- per share (including a premium of ₹84/- per Equity Share) will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lakhs
	7,30,800 Equity Shares of ₹ 10/- each for cash at a price of ₹94/- per share (including a premium of ₹84/- per Equity Share) will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lakhs
<b>Equity Shares outstanding prior to the Issue</b>	35,64,000 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	51,03,600 Equity Shares of face value of ₹10 each
<b>Objects of the Issue/ Use of Issue Proceeds</b>	Please see the chapter titled “Objects of the Issue” on page 67 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 September 14, 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 September 15, 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 165 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 170 of this prospectus.

**SUMMARY OF FINANCIAL INFORMATION**

**STATEMENT OF ASSETS & LIABILITIES, AS RESTATED**

(Rs. In Lakhs)

Particulars		Note	As At 31/03/2024	As At 31/03/2023	As At 31/03/2022
<b>I</b>	<b>EQUITY AND LIABILITIES</b>				
	1. Shareholders' funds				
	(a) Share Capital	I.1	356.40	15.00	15.00
	(b) Reserves and surplus	I.2	582.47	425.07	136.32
	2. Non-current liabilities				
	(a) Long-term borrowings	I.3	345.94	372.30	123.25
	(b) Other Non-current liabilities		-	-	-
	(d) Deferred tax liabilities	I.4	0.06	0.19	-
	(e) Long-term provisions		-	-	-
	3. Current liabilities				
	(a) Short-term borrowings	I.5	100.00	-	405.33
	(b) Trade payables	I.6			
	i) Due to MSME		1,598.64	396.79	-
	ii) Due to Others		374.26	533.55	561.53
	(c) Other current liabilities	I.7	242.90	1.63	114.66
	(d) Short-term provisions	I.8	9.91	13.15	29.38
	<b>TOTAL</b>		<b>3,610.59</b>	<b>1,757.68</b>	<b>1,385.47</b>
<b>II</b>	<b>ASSETS</b>				
	<b>1. Non-current assets</b>				
	(a) Property Plant & Equipment's				
	(i) Tangible Assets	I.9	10.08	12.31	-
	(ii) Capital work-in-progress		-	-	-
	(b) Non-current investments		-	-	-
	(c) Long-term loans and advances		-	-	-
	(d) Other Non Current Assets	I.10	42.05	-	-
	<b>2. Current assets</b>				
	(a) Inventories	I.11	19.88	8.02	855.89
	(b) Trade receivables	I.12	3,207.75	914.43	177.74
	(c) Cash and cash equivalents	I.13	6.14	45.16	21.17
	(d) Short-term loans and advances	I.14	321.73	762.19	329.60
	(e) Other Current Assets	I.15	2.95	15.57	1.08
	<b>TOTAL</b>		<b>3,610.59</b>	<b>1,757.68</b>	<b>1,385.47</b>



**STATEMENT OF PROFIT & LOSS, AS RESTATED**

(Rs. in lakhs)

	Particulars	Note	For the year ended 31/03/2024	For the year ended 31/03/2023	For the year ended 31/03/2022
I	Revenue from operations	II.1	11,845.92	8,600.58	8,022.18
II	Other Income	II.2	47.96	66.63	24.20
<b>III</b>	<b>Total Income (I+II)</b>		<b>11,893.88</b>	<b>8,667.21</b>	<b>8,046.39</b>
	<b>Expenses:</b>				
	(a) Cost of materials consumed	II.3	376.49	-	-
	(b) Purchases of stock-in-trade	II.4	11,004.39	7,308.96	8,567.93
	(c) Changes in inventories of finished goods and work-in- progress	II.5	8.02	847.86	(808.77)
	(d) Employee benefits expense	II.6	42.28	10.94	21.22
	(e) Finance costs	II.7	24.65	90.21	38.76
	(f) Depreciation and amortisation expense		2.23	0.19	-
	(g) Other expenses	II.8	33.86	17.03	127.36
<b>IV</b>	<b>Total expenses</b>		<b>11,491.92</b>	<b>8,275.20</b>	<b>7,946.49</b>
				-	
<b>V</b>	<b>Profit /(Loss) before tax and Exceptional Items (III-IV)</b>		<b>401.96</b>	<b>392.01</b>	<b>99.90</b>
<b>VI</b>	<b>Exceptional Items</b>		-	-	-
<b>VII</b>	<b>Profit /(Loss) before tax (V-VI)</b>		<b>401.96</b>	<b>392.01</b>	<b>99.90</b>
<b>VII I</b>	<b>Tax expense:</b>				
	(a) Current tax expense		101.29	103.07	25.61
	(b) Deferred tax charge/(credit)		(0.12)	0.19	-
			<b>101.17</b>	<b>103.26</b>	<b>25.61</b>
<b>IX</b>	<b>Profit after tax for the year (VII-VIII)</b>		<b>300.80</b>	<b>288.75</b>	<b>74.29</b>
<b>XII</b>	<b>Earnings per share (face value of ₹ 10/- each):</b>	II.9			
	(a) Basic (in ₹)		8.48	11.67	3.00
	(b) Diluted (in ₹)		8.48	11.67	3.00

**STATEMENT OF CASH FLOW, AS RESTATED**

(Rs. in Lakhs)

Particulars	For the year ended	For the year ended	For the year Ended
	31-03-2024	31-03-2023	31-03-2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before Extraordinary items	401.96	392.01	99.90
Adjustment For:			
(a) Depreciation and Amortization	2.23	0.19	-
(b) Interest Charges	24.65	90.21	38.76
Operating Profit before Working Capital Changes	<b>428.84</b>	<b>482.41</b>	<b>138.65</b>
Adjustment For :			
(a) (Increase)/Decrease in Inventories	(11.86)	847.86	(808.77)
(b) (Increase)/Decrease in Trade Receivables	(2,293.32)	(736.69)	129.09
(c) (Increase)/Decrease in Loans & Advances & Other Assets	453.07	(447.08)	(303.77)
(d) Increase /(Decrease) in Trade Payables & Other Liabilities	1,280.60	(165.78)	877.97
Cash Generated From Operations	(142.67)	(19.29)	33.17
Less : Direct Taxes Paid	(101.29)	(103.07)	(25.61)
Cash Flow Before Extraordinary Items	<b>(243.96)</b>	<b>(122.36)</b>	<b>7.56</b>
Net Cash From Operating Activities (A)	<b>(243.96)</b>	<b>(122.36)</b>	<b>7.56</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
(a) Sales / (Addition) in Fixed Assets & WIP	-	(12.50)	-
(b) (Increase ) / Decrease in Non Current Assets	(42.05)	-	0.15
Net Cash From Investing Activities (B)	<b>(42.05)</b>	<b>(12.50)</b>	<b>0.15</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
(a) Increase/(Decrease) in Borrowings	(26.36)	249.05	(48.88)
(b) Issue of Share Capital	100.00	-	-
(c) Issue of Share Capital	6.60		
(d) Proceeds from Security Premium	191.40		
(e) Interest Paid	(24.65)	(90.21)	(38.76)
Net Cash Flow in Financing Activities (C)	<b>246.99</b>	<b>158.84</b>	<b>(87.63)</b>
Net Increase In Cash & Cash Equivalents (A)+(B)+(C )	(39.02)	23.99	(79.92)
Opening Balance – Cash & Cash Equivalent	<b>45.16</b>	<b>21.17</b>	<b>101.10</b>
Closing Balance - Cash & Cash Equivalent	<b>6.14</b>	<b>45.16</b>	<b>21.17</b>

## SECTION – V - GENERAL INFORMATION

Our Company was originally incorporated on October 24, 2019 as “Piotex Industries Private Limited” under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently our Company was converted into Public Limited Company and name of company was changed from “Piotex Industries Private Limited” to “Piotex Industries Limited” vide fresh certificate of incorporation dated August 11, 2023 issued by the Registrar of Companies, Pune.

For further details, please refer to chapter titled “History and Corporate Structure” beginning on page 111 of this Prospectus.

### **Registered Office of our Company**

#### **Piotex Industries Limited**

F/II Block, Plot No. 16/2, M.I.D.C., Pimpri,  
Pune Maharashtra- 411018, India.

**Tel. No.:** +91-9156744401

**E-mail:** [office@piotex.in](mailto:office@piotex.in)

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

**Corporate Identification Number:** U17299PN2019PLC187464

**Reg. No.:** 187464

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 111 of this Prospectus.

### **Address of Registrar of Companies**

#### **Registrar of Companies, Pune**

PCNTDA Green Building, Block A,  
1st & 2nd Floor, Near Akurdi Railway Station,  
Akurdi, Pune-411044, Maharashtra, India

**Tel No.** + 020-27651375

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

**Website:** <http://www.mca.gov.in>

### **Designated Stock Exchange**

#### **BSE Limited**

25th Floor, P. J. Towers, Dalal Street,  
Fort, Mumbai – 400001, Maharashtra, India  
Website – [www.bseindia.com](http://www.bseindia.com)

### **Board of Directors of our Company**

The Board of Directors of our Company consists of:

<b>Name</b>	<b>Designation</b>	<b>Address</b>	<b>DIN</b>
Mr. Abhay Shriram Asalkar	Chairman cum Managing Director	C2/1001, Mahindra Antheia Society, Nehru Nagar Road, Sr No.6017, Pimpri, Pune-411018, Maharashtra, India.	06851614
Mr. Yogesh Omprakash Nimodiya	Executive Director and CFO	C2/401, Mahindra Antheia Society, Nehru Nagar Road, Sr No.6017, Pune-411018, Maharashtra, India.	06851606
Mr. Sandeep Vitthalrao Deore	Non Executive Director	143, Jai Hind Colony, Devpur, Dhule-424002, Maharashtra, India	05138825
Mr. Sandeep Narayanrao Deore	Independent Director	Pimple Nilakh, C-304, Waters Edge, S.No.18/1/1, Vishal Nagar, Pune-411027, Maharashtra, India	00870467
Mrs. Bhavisha Kunal Chauhan	Independent Director	37, Sahjanand Park, Opp. Vaibhav Hall, Near Royal Enfield Showroom, Ghodasar, Ahmedabad, Gujarat, India	10092854



For further details of the Directors of our Company, please refer to the chapter titled “Our Management” on page 115 of this Prospectus.

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

**Mr. Mahendra Singh Rajpoot**

F/II Block, Plot No. 16/2, M.I.D.C., Pimpri,

Pune Maharashtra- 411018, India.

**Tel. No.:** +91-9156744401

**E-mail:** [cs@piotex.in](mailto:cs@piotex.in)

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

#### **Chief Financial Officer**

**Mr. Yogesh Omprakash Nimodiya**

F/II Block, Plot No. 16/2, M.I.D.C., Pimpri,

Pune Maharashtra- 411018, India.

**Tel. No.:** +91-9156744401

**E-mail:** [cfo@piotex.in](mailto:cfo@piotex.in)

**Website:** [www.piotexindustries.com](http://www.piotexindustries.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, Thirteenth Floor, Shilp Corporate Park,

Rajpath Rangoli Road, Thaltej, Ahmedabad- 380054,

Gujarat, India.

**Tel. No.:** +91-7948407357

**Email:** [mb@beelinemb.com](mailto:mb@beelinemb.com)

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

**Investor Grievance Email:** [ig@beelinemb.com](mailto: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](mailto:anaadvisors22@gmail.com)

**Tel No.:** +91-9887906529

**Contact Person:** Kamlesh Kumar Goyal

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

##### **CAMEO CORPORATE SERVICES LIMITED**

No.01, Club House Road, Mount Road,  
Chennai-600002, India.

**Tel. No.:** 044 40020700/28460390

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

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

**Investor Grievance Email:** <https://wisdom.cameoindia.com>

**Contact Person:** Ms. K Sreepriya

**SEBI Registration No.:** INR000003753

#### **BANKERS TO THE COMPANY**

##### **AXIS BANK LIMITED**

Ground Floor, Kalyani Chambers, Sector 27A, Plot No.80,  
PCNT, PCMC, Pune-411044, Maharashtra, India.

**Tel. No.:** 020-27642025

**Email:** [nigdi.branchhead@axisbank.com](mailto:nigdi.branchhead@axisbank.com)

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

**Contact Person:** Mr. Rhishikesh Bodhe

#### **STATUTORY AUDITORS OF THE COMPANY**

**M/S. S V J K & Associates.,** Chartered Accountants

813, I Square Business Park, Near Shukan Mall,  
Besides CIMS Hospital, Science City Road,  
Sola, Ahmedabad-380060, Gujarat, India

**Tel No.:** +79-46041102

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

**Contact Person:** Ankit Singhal

**Membership No.:** 151324

**Firm Registration No.:** 135182W

M/s S V J K & Associates Chartered Accountants hold a peer review certificate dated November 28, 2022, issued by the Institute of Chartered Accountants of India.

#### **BANKERS TO THE ISSUE AND REFUND BANKER/SPONSOR BANK**

##### **AXIS BANK LIMITED**

Gurukul Branch, Shop No. 6 to 8, Gr Floor, Harvy Complex, Memnagar, Gurukul, Ahmedabad, Gujarat – 380052

**Tel No:** +91 9879531661

**E-mail:** [gurukul.branchhead@axisbank.com](mailto:gurukul.branchhead@axisbank.com)

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

**Contact Person:** Ms. Arpita Gajjar

**SEBI Registration Number:** INBI00000017

#### **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](http://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](http://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=yes&intmId=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 BSE Limited at [www.bseindia.com](http://www.bseindia.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.bseindia.com](http://www.bseindia.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.bseindia.com](http://www.bseindia.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 BSE Limited, 25th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400001, Maharashtra, India.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be filed online with Registrar of Companies PCNTDA Green Building, Block A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune-411044, Maharashtra, India.

#### **EXPERTS OPINION**

Except for the reports in the section “Financial Information of our Company” and “Statement of Possible Tax Benefits” on page 132 and page 76 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 January 19, 2024 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
<b>BEELINE CAPITAL ADVISORS PRIVATE LIMITED</b> <b>SEBI Registration Number:</b> INM000012917 <b>Address:</b> B 1311-1314, Thirteenth Floor, Shilp Corporate Park, Rajpath Rangoli Road, Thaltej, Ahmedabad- 380054, Gujarat, India. <b>Telephone Number:</b> +91 7948407357 <b>Email Id:</b> <a href="mailto:mb@beelinemb.com">mb@beelinemb.com</a> <b>Investors Grievance Id:</b> <a href="mailto:ig@beelinemb.com">ig@beelinemb.com</a> <b>Website:</b> <a href="http://www.beelinemb.com">www.beelinemb.com</a> <b>Contact Person:</b> Mr. Nikhil Shah <b>CIN:</b> U67190GJ2020PTC114322	15,39,600 Equity Shares of ₹ 10/- being Issued at ₹94/- each	₹1447.22	100.00

\*Includes 78,000 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

Except as mentioned below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Prospectus:

S.No.	Date	From	To	Reason for Change
1.	Date of Resignation- August 25, 2023 Date of Appointment- August 30, 2023	<b>M/S. ACHYUT EKHE &amp; CO.,</b> Chartered Accountants Flat No.3, Seoul-ACo-op Hsg,Soc., Gandhibhavan Road, Kothurd, Pune-411038, India <b>Tel No.:</b> 020-25382207/9823038118, <b>Email:</b> <a href="mailto:achyutpramod@gmail.com">achyutpramod@gmail.com</a> <b>Firm Registration No.:</b> 114973W	<b>M/S. S V J K &amp; Associates.,</b> Chartered Accountants 813, I Square Business Park, Near Shukan Mall, Besides CIMS Hospital, Science City Road, Sola, Ahmedabad-380060, Gujarat, India <b>Tel No.:</b> +79-46041102 <b>Email:</b> <a href="mailto:info@svjkadvisors.com">info@svjkadvisors.com</a> <b>Firm Registration No.:</b> 135182W	Resignation due to preoccupation in other assignment

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

Our Company and the Lead Manager has entered into Market Making Agreement dated January 19, 2024 with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

<b>Name</b>	Spread X Securities Private Limited
<b>Correspondence Address:</b>	D-602, Titanium Square, Near B.M.W Showroom, S.G. Highway, Ahmedabad-380054, Gujarat, India
<b>Tel No.:</b>	079-69072020
<b>E-mail:</b>	<a href="mailto:info@spreadx.in">info@spreadx.in</a>
<b>Website:</b>	<a href="http://www.spreadx.in">www.spreadx.in</a>
<b>Contact Person:</b>	Mrs. Khushbu Nikhilkumar Shah
<b>SEBI Registration No.:</b>	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 BSE 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 BSE Limited (BSE SME) 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 1200 equity shares; however, the same may be changed by the SME Platform of BSE Limited 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 BSE Limited i.e., BSE SME 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, BSE Limited 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: BSE Limited SME Exchange will have all margins, which are applicable on the BSE Limited main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin,

Special Margins and Base Minimum Capital etc. BSE Limited 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:** BSE 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	<b>Authorized Share Capital</b> 85,00,000 Equity Shares having Face Value of Rs 10/- each	850.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital before the Issue</b> 35,64,000 Equity Shares having Face Value of Rs.10/- each fully paid up before the Issue.	356.40	-
C	<b>Present Issue in terms of the Prospectus</b> Issue of 15,39,600 Equity Shares having Face Value of Rs.10/- each at a price of Rs. 94/- per Equity Share.	153.96	1447.22
	<b>Which Comprises</b>		
I.	<b>Reservation for Market Maker portion</b> 78,000 Equity Shares of Rs. 10/- each at a price of Rs. 94/- per Equity Share reserved as Market Maker Portion	7.80	73.32
II.	<b>Net Issue to the Public</b> Net Issue to Public of 14,61,600 Equity Shares of Rs. 10/- each at a price of Rs. 94/- per Equity Share to the Public	146.16	1373.90
	<b>of which<sup>(2)</sup></b>		
	7,30,800 Equity Shares of Rs. 10/- each at a price of Rs. 94/- per Equity Share will be available for allocation for Investors of up to Rs. 2.00 lakhs	73.08	686.95
	7,30,800 Equity Shares of Rs. 10/- each at a price of Rs. 94/- per Equity Share will be available for allocation for Investors of above Rs. 2.00 lakhs	73.08	686.95
D	<b>Issued, Subscribed and Paid-up Equity Share capital after the Issue</b> 51,03,600 Equity Shares of Rs. 10/- each	510.36	-
E	<b>Securities Premium Account</b> Before the Issue After the Issue		Nil 1293.26*

<sup>(1)</sup> The Present Issue of Equity Shares in terms of Prospectus has been authorized pursuant to a resolution of our Board of Directors dated September 14, 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 September 15, 2023.

<sup>(2)</sup> 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 Authorised share capital of our Company was ₹1.00 Lakh (Rupees One Lakh) divided into 10,000 (Ten Thousand) Equity Shares of ₹10/- each. This Authorised capital was increased to ₹15,00,000 (Fifteen Lakhs) divided into 1,50,000 (One Lakh fifty thousand) Equity Shares of ₹10/- each pursuant to a resolution passed by our Shareholders in Meeting held on August 05, 2020.

- b) Further the Authorised share capital of ₹15,00,000 (Fifteen Lakhs) divided into 1,50,000 (One Lakh fifty thousand) Equity Shares of ₹10/- each was increased to ₹8,50,00,000 (Eight crores fifty Lakhs) divided into 85,00,000 (Eighty-Five Lakh) Equity Shares of ₹10/- each pursuant to a resolution passed by our Shareholders in their Extra Ordinary General Meeting held on March 17, 2023.

## 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 *	10,000	10	10	Cash	Subscription to MOA <sup>(i)</sup>	10,000	1,00,000	Nil
August 24, 2020	1,40,000	10	10	Cash	Conversion of Unsecured Loan <sup>(ii)</sup>	1,50,000	15,00,000	Nil
July 11, 2023	66,000	10	300	Cash	Right Issue <sup>(iii)</sup>	2,16,000	21,60,000	1,91,40,000
July 18, 2023	33,48,000	10	-	Other than Cash	Bonus Issue <sup>(iv)</sup>	35,64,000	3,56,40,000	Nil

\*Shares were subscribed to Initial Subscriber to Memorandum of Association on October 24, 2019.

#Bonus issue of 33,48,000 equity shares in the ratio of 31:2 dated July 18, 2023 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 10,000 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.	Abhay Shriram Asalkar	5,000
2.	Yogesh Omprakash Nimodiya	5,000
	<b>Total</b>	<b>10,000</b>

- (ii) Conversion of unsecured loan of Rs. 14,00,000 into 1,40,000 Equity Shares of Face Value of Rs. 10/- each, details of which are given as under:

S.No.	Names of Person	Number of Shares Allotted
1.	Abhay Shriram Asalkar	70,000
2.	Yogesh Omprakash Nimodiya	70,000
	<b>Total</b>	<b>1,40,000</b>

- (iii) Rights Issue of 66,000 Equity Shares of Face Value of Rs. 10/- each fully paid at Issue Price of Rs. 300/- each in proportion of existing equity shares held, details of which are given below

S.No.	Names of Person	Number of Shares Allotted
1.	Abhay Shriram Asalkar	27,000
2.	Yogesh Omprakash Nimodiya	27,000
3.	Hitesh Loonia	12,000
	<b>Total</b>	<b>66,000</b>



(iv) **Bonus allotment of 33,48,000 Equity Shares of Face Value of Rs. 10/- each fully paid in the ratio of 31:2 i.e., 31 Bonus Equity Shares for 2 equity share held:**

S. No.	Names of Person	Number of Shares Allotted
1.	Abhay Shriram Asalkar	15,80,690
2.	Yogesh Omprakash Nimodiya	15,80,690
3.	Hitesh Loonia	1,86,000
4.	Chaitali Abhay Asalkar	155
5.	Rupali Vinayak Hattikatti	155
6.	Sandhya Nimodiya	155
7.	Bharat Rikhabchand Dugad	155
	<b>Total</b>	<b>33,48,000</b>

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
July 18, 2023	33,48,000	10.00	--	Other than Cash – Bonus Issue	Capitalization of Reserves	Abhay Shriram Asalkar	15,80,690
						Yogesh Omprakash Nimodiya	15,80,690
						Hitesh Loonia	1,86,000
						Chaitali Abhay Asalkar	155
						Rupali Vinayak Hattikatti	155
						Sandhya Nimodiya	155
						Bharat Rikhabchand Dugad	155

- We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- No Equity Shares have been allotted pursuant to any scheme approved under section of 230-234 of Companies Act 2013.
- 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.
- 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
July 18, 2023	33,48,000	10.00	--	Bonus Issue	Yes	Abhay Shriram Asalkar	15,80,690
					Yes	Yogesh Omprakash Nimodiya	15,80,690
					No	Hitesh Loonia	1,86,000
					Yes	Chaitali Abhay Asalkar	155
					No	Rupali Vinayak Hattikatti	155
					Yes	Sandhya Nimodiya	155
					No	Bharat Rikhabchand Dugad	155



## 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		Number of equity shares held in dematerialized form
								Class Equity	Total	Total as a % of (A+B+ C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX			X	XI=VII+X	XII		XIII	XIV	
(A)	Promoter & Promoter Group	4	33,65,670	-	-	33,65,670	94.43	33,65,670	33,65,670	94.43	-	94.43	33,65,670	94.43	-	33,65,670	
(B)	Public	3	1,98,330	-	-	1,98,330	5.57	1,98,330	1,98,330	5.57	-	5.57	1,98,330	5.57	-	1,98,330	
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total</b>	<b>7</b>	<b>35,64,000</b>	<b>-</b>	<b>-</b>	<b>35,64,000</b>	<b>100.00</b>	<b>35,64,000</b>	<b>35,64,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>35,64,000</b>	<b>100.00</b>	<b>-</b>	<b>35,64,000</b>	

\*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)			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	
(A1)	<b>Indian</b>																		
(a)	Individuals/Hindu undivided Family																		
1.	Abhay Shriram Asalkar	1	16,82,670	-	-	16,82,670	47.21	16,82,670	-	16,82,670	47.21	-	47.21	16,82,670	47.21	-	-	16,82,670	
2.	Yogesh Omprakash Nimodiya	1	16,82,670	-	-	16,82,670	47.21	16,82,670	-	16,82,670	47.21	-	47.21	16,82,670	47.21	-	-	16,82,670	
3.	Chaitali Abhay Asalkar	1	165	-	-	165	0.005	165	-	165	0.005	-	0.01	165	0.005	-	-	165	
4.	Sandhya Nimodiya	1	165	-	-	165	0.005	165	-	165	0.005	-	0.00	165	0.005	-	-	165	
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>4</b>	<b>33,65,670</b>	-	-	<b>33,65,670</b>	<b>94.43</b>	<b>33,65,670</b>	-	<b>33,65,670</b>	<b>94.43</b>	-	<b>94.43</b>	<b>33,65,670</b>	<b>94.43</b>	-	-	<b>94.43</b>
(A2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoters and Promoters' Group (A)=(A)(1)+(A)(2)</b>	<b>4</b>	<b>33,65,670</b>	-	-	<b>33,65,670</b>	<b>94.43</b>	<b>33,65,670</b>	-	<b>33,65,670</b>	<b>94.43</b>	-	<b>94.43</b>	<b>33,65,670</b>	<b>94.43</b>	-	-	<b>94.43</b>
<b>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</b>																		



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)	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								
<b>(B1)</b>	<b>Institutions (Domestic)</b>																	
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Asset reconstruction companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(j)	Other Financial Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



<b>(B2)</b>	<b>Institutions (Foreign)</b>																		
(a)	Foreign Direct Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investors Category I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors Category II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>(B3)</b>	<b>Central Government/ State Government(s)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Central Government / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	State Government / Governor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B)(3)</b>																		
<b>(B4)</b>	<b>Non-institutions</b>																		
(a)	Associate Companies / Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Directors and their relatives (excluding independent directors and nominee directors)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Relatives of promoter (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-





(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Investor Education and Protection Fund (IEPF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Resident Individuals holding nominal share capital upto ₹ 2 Lakhs	2	330	-	-	330	0.01	330	-	330	0.01	-	0.01	330	0.01	-	-	330
(h)	Resident Individuals holding share capital in excess of ₹ 2 Lakhs	1	198000	-	-	198000	5.56	198000	-	198000	5.56	-	5.56	198000	5.56	-	-	198000
(i)	Non-Resident Indians (NRIs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(j)	Foreign Nationals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	Foreign Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(l)	Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(m)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)+(B)(4)</b>	<b>3</b>	<b>1,98,330</b>	<b>-</b>	<b>-</b>	<b>1,98,330</b>	<b>5.57</b>	<b>1,98,330</b>	<b>-</b>	<b>1,98,330</b>	<b>5.57</b>	<b>-</b>	<b>5.57</b>	<b>1,98,330</b>	<b>5.57</b>	<b>-</b>	<b>-</b>	<b>1,98,330</b>
<b>Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): - N.A</b>																		
<b>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.</b>																		



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

Sr. No. (I)	Category of shareholder (II)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total 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)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total Non-Promoter-Non Public Shareholding (C)=(C)(1)+(C)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Table V - Statement showing details of significant beneficial owners

Sr No	Details of the significant beneficial owner (I)			Details of the registered owner (II)			Particulars of the shares in which significant beneficial interest is held by the beneficial owner (III)		Date of creation/acquisition of significant beneficial interest (IV)
	Name	PAN	Nationality	Name	PAN	Nationality	Number of Shares	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	
Not Applicable									

**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.	Abhay Shriram Asalkar	16,82,670	47.21
2.	Yogesh Omprakash Nimodiya	16,82,670	47.21
3.	Hitesh Loonia	1,98,000	5.56
	<b>Total</b>	<b>35,63,340</b>	<b>99.98</b>

**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:**

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Abhay Shriram Asalkar	75,000	50.00
2.	Yogesh Omprakash Nimodiya	75,000	50.00
	<b>Total</b>	<b>1,50,000</b>	<b>100.00</b>

**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.	Abhay Shriram Asalkar	75,000	50.00
2.	Yogesh Omprakash Nimodiya	75,000	50.00
	<b>Total</b>	<b>1,50,000</b>	<b>100.00</b>

**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.	Abhay Shriram Asalkar	16,82,670	47.21
2.	Yogesh Omprakash Nimodiya	16,82,670	47.21
3.	Hitesh Loonia	1,98,000	5.56
	<b>Total</b>	<b>35,63,340</b>	<b>99.98</b>

**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.	Abhay Shriram Asalkar	July 11, 2023	Promoter & Managing Director	27,000	--	Right Issue
2.	Yogesh Omprakash Nimodiya		Promoter & Whole-Time Director	27,000	--	Right Issue
3.	Abhay Shriram Asalkar	July 18, 2023	Promoter & Managing Director	15,80,690	--	Bonus Issue
4.	Yogesh Omprakash Nimodiya		Promoter & Whole-Time Director	15,80,690	--	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
Abhay Shriram Asalkar	Chairman cum Managing Director	16,82,670
Yogesh Omprakash Nimodiya	Whole-Time Director	16,82,670

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

As on date of the Prospectus, our promoter Mr. Abhay Shriram Asalkar and Mr. Yogesh Omprakash Nimodiya holds 33,65,340 Equity Shares constituting 94.42% 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 %
<b>Mr. Abhay Shriram Asalkar</b>						
October 24, 2019	On Incorporation	5,000	10.00	10.00	0.14	0.10
August 24, 2020	Conversion of Unsecured Loan	70,000	10.00	10.00	1.96	1.37
July 11, 2023	Right Issue	27,000	10.00	300.00	0.76	0.53
July 12, 2023	Transfer <sup>(i)</sup>	(20)	10.00	300.00	(0.00)	(0.00)
July 18, 2023	Bonus Issue	15,80,690	10.00	--	44.35	30.97
<b>Total A</b>		<b>16,82,670</b>			<b>47.21</b>	<b>32.97</b>
<b>Mr. Yogesh Omprakash Nimodiya</b>						
October 24, 2019	On Incorporation	5,000	10.00	10.00	0.14	0.10
August 24, 2020	Conversion of Unsecured Loan	70,000	10.00	10.00	1.96	1.37
July 11, 2023	Right Issue	27,000	10.00	300.00	0.76	0.53
July 12, 2023	Transfer <sup>(ii)</sup>	(20)	10.00	300.00	(0.00)	(0.00)
July 18, 2023	Bonus Issue	15,80,690	10.00	--	44.35	30.97
<b>Total B</b>		<b>16,82,670</b>			<b>47.21</b>	<b>32.97</b>
<b>Grand Total (A+B)</b>		<b>33,65,340</b>			<b>94.42</b>	<b>65.94</b>

**(i) Details of Share transfer by Mr. Abhay Shriram Asalkar dated July 12, 2023:**

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	July 12, 2023	Abhay Shriram Asalkar	10	Chaitali Abhay Asalkar
			10	Rupali Vinayak Hattikatti
<b>Total</b>				

**(ii) Details of Share transfer by Mr. Yogesh Omprakash Nimodiya dated July 12, 2023:**

S. No.	Date of Transfer	Name of Transferor	No. of shares Transfer	Name of Transferee
1.	July 12, 2023	Yogesh Omprakash Nimodiya	10	Sandhya Nimodiya
			10	Bharat Rikhabchand Dugad
<b>Total</b>				

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

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Abhay Shriram Asalkar	16,82,670	5.26
Yogesh Omprakash Nimodiya	16,82,670	5.26

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

16. Except as provided below 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.

Date of Transaction	Number of Equity Shares Allotted/Acquired/Sold	Face Value (Rs.)	Issue Price/Acquired Price (Rs.)*	Nature	Nature of Consideration	Name of the Allottees/Transferor/transferee	Category
July 11, 2023	27,000	10	300.00	Right Issue	Cash	Mr. Abhay Shriram Asalkar	Promoter & Managing Director
	27,000					Mr. Yogesh Omprakash Nimodiya	Promoter & Whole-Time Director
July 12, 2023	(20)	10	300.00	Transfer	Cash	Mr. Abhay Shriram Asalkar	Promoter & Managing Director
	10	10	300.00			Mrs. Chaitali Abhay Asalkar	Promoter Group
	(20)	10	300.00	Transfer	Cash	Mr. Yogesh Omprakash Nimodiya	Promoter & Whole-Time Director
	10	10	300.00			Mrs. Sandhya Nimodiya	Promoter Group
July 18, 2023	15,80,690	10	-	Bonus Issue	Other than Cash	Mr. Abhay Shriram Asalkar	Promoter & Managing Director
	15,80,690					Mr. Yogesh Omprakash Nimodiya	Promoter & Whole-Time Director
	155					Mrs. Chaitali Abhay Asalkar	Promoter Group
	155					Mrs. Sandhya Nimodiya	Promoter Group

\*The maximum and minimum price at which the aforesaid transaction was made is 300 and Nil Equity Share.

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
<b>A.</b>	<b>PROMOTER</b>				
1.	Mr. Yogesh Omprakash Nimodiya	16,82,670	47.21	16,82,670	32.97
2.	Mr. Abhay Shriram Asalkar	16,82,670	47.21	16,82,670	32.97
	<b>TOTAL (A)</b>	<b>33,65,340</b>	<b>94.42</b>	<b>33,65,340</b>	<b>65.94</b>
<b>B.</b>	<b>PROMOTER GROUP</b>				
1.	Mrs. Chaitali Abhay Asalkar	165	0.005	165	0.00
2.	Mrs. Sandhya Nimodiya	165	0.005	165	0.00
	<b>TOTAL (B)</b>	<b>330</b>	<b>0.01</b>	<b>330</b>	<b>0.00</b>
<b>C.</b>	<b>PUBLIC</b>				
1.	Mr. Hitesh Loonia	1,98,000	5.56	1,98,000	3.88
2.	Mr. Rupali Vinayak Hattikatti	165	0.005	165	0.00
3.	Mr. Bharat Rikhabchand Dugad	165	0.005	165	0.00
	<b>TOTAL (C)</b>	<b>1,98,330</b>	<b>5.57</b>	<b>1,98,330</b>	<b>3.89</b>
	<b>GRAND TOTAL (A+B+C)</b>	<b>35,64,000</b>	<b>100.00</b>	<b>35,64,000</b>	<b>69.83</b>

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

Date of Allotment /	Date when made Fully paid up	Nature of Allotment/	No. of shares Allotted/	Face Value	Issue Price/	% of Pre Issue	% of Post Issue	Lock in Period
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transfer of fully paid up Shares		Acquired/Transfer	Acquired Transferred	(Rs.)	Transfer Price (Rs.)	Shareholding	Shareholding	
<b>Mr. Abhay Shirram Asalkar</b>								
July 18, 2023	July 18, 2023	Bonus Issue	5,25,000	10.00	--	14.73	10.29	3 Years
<b>Mr. Yogesh Omprakash Nimodiya</b>								
July 18, 2023	July 18, 2023	Bonus Issue	5,25,000	10.00	--	14.73	10.29	3 Years
<b>Total</b>			<b>10,50,000</b>			<b>29.46</b>	<b>20.57</b>	

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. Abhay Shirram Asalkar and Mr. Yogesh Omprakash Nimodiya have, by a written undertaking, consented to have 10,50,000 Equity Shares held by them 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 BSE Limited 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. <b><u>Hence Eligible</u></b>
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
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. <b><u>Hence Eligible.</u></b>
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 minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>



Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	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	
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. <b><u>Hence Eligible.</u></b>

#### 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 and Public holding 25,14,000 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 Issue.
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. BSE Limited. 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 BSE Limited, 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 7 (Seven) 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 15,39,600 Equity Shares of our Company at an Issue Price of Rs.94/- Equity Share

#### **The Fresh Issue**

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

1. Funding the Working Capital Requirement
2. General Corporate Purpose

*(Collectively referred as the “objects”)*

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of BSE Limited (BSE SME). 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	1447.22
Less: Public Issue Related Expenses	125.25
<b>Net Issue Proceeds</b>	<b>1321.97</b>

#### **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 Net Issue
1.	Funding the Working Capital Requirement	1051.05	79.51
2.	General Corporate Expenses	270.92	20.49
<b>Net Issue Proceeds</b>		<b>1321.97</b>	<b>100.00</b>

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

Particulars	Amt. (₹ in Lakhs)
Net Proceeds	1321.97
<b>Total</b>	<b>1321.97</b>

*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 is 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 20 of the Prospectus.

### Details of Use of Issue Proceeds:

#### 1. Funding the Working Capital Requirement

The Business of the Company is working capital intensive; hence it will meet the requirement to the extent of Rs.1051.05 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)	(Restated)	(Restated)	(Projected)
		31-March-22	31-March-23	31-March-24	31-March-25
I	<b>Current Assets</b>				
	Trade receivables	177.74	914.43	3,207.75	2,157.82
	Inventories	855.89	8.02	19.88	82.00
	Cash and cash equivalents	21.17	45.16	6.14	55.00
	Short term loan & Advances	329.60	762.19	321.73	101.78
	Other Current Assets	1.08	15.57	2.95	25.00
	<b>Total(A)</b>	<b>1385.47</b>	<b>1745.38</b>	<b>3558.46</b>	<b>2421.60</b>
II	<b>Current Liabilities</b>				
	Trade payables	561.53	930.34	1972.91	425.00
	Short Term Provisions	29.39	13.15	9.91	25.00
	Other Current Liabilities	114.66	1.63	242.90	3.10
	<b>Total (B)</b>	<b>705.57</b>	<b>945.12</b>	<b>2225.71</b>	<b>453.10</b>
III	<b>Total Working Capital Gap (A-B)</b>	<b>679.90</b>	<b>800.26</b>	<b>1332.75</b>	<b>1968.50</b>
IV	<b>Funding Pattern</b>				
	Short term borrowing & Internal Accruals	<b>679.90</b>	<b>800.26</b>	<b>1332.75</b>	<b>917.45</b>
	<b>IPO Proceeds</b>	--	--	--	<b>1051.05</b>

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

#### Holding Period

Particulars	March 31, 2022 (Restated)	March 31, 2023 (Restated)	March 31, 2024 (Restated)	March 31, 2025 (Projected)
Debtors (in Months)	0.27	1.28	3.25	1.87
Creditors (in Months)	0.79	1.53	2.15	0.40
Inventory (in Months)	1.28	0.01	0.02	0.07

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

Particulars	Justification for 31.03.2025
Inventories (in Months)	We expect Debtors holding days to be at 1.87 months approx. for FY 2024-25 based on increased sales of Products and better credit Management policies ensuring timely recovery of dues.
Trade Receivables (in Months)	We expect creditor payment days to be at 0.40 months approx. for FY 2024-25 based on increased purchase and better credit period allowed by suppliers.
Trade Payable (in Months)	We expect Inventory levels to maintain 0.07 months approx. for FY 2024-25 due to their trading cycle, increase in sales and maintaining required level of Inventory.

### Justification for increased working capital for FY 2024-25

The Turnover of the company is projected to be increase in FY 2024-25, therefore requirement of working capital increases. Further Debtor period has been increased because in our cotton industry business season start from September to March and that is why debtor has been increased thus creating increase in working capital.

### 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. 270.92 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. 125.25 Lakhs which is 8.65% 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	22.00	17.56	1.52
Brokerage, selling, commission and upload fees	3.00	2.40	0.21
Registrar to the issue	1.00	0.80	0.07
Legal Advisors	1.00	0.80	0.07
Advertising and Marketing expenses	3.00	2.40	0.21
Regulators including stock exchanges	8.00	6.39	0.55
Printing and distribution of issue stationery	2.00	1.60	0.14
Others, if any (market making, depositories, marketing fees, secretarial, peer review auditors, etc.)	85.25	68.06	5.89
<b>Total Estimated Issue Expenses</b>	<b>125.25</b>	<b>100.00</b>	<b>8.65</b>

Notes:

- 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:

(₹ In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in F.Y. 2024-25*
1.	Funding the Working Capital Requirement	1051.05
2.	General Corporate Purpose	270.92
	<b>Total</b>	<b>1321.97</b>

\* 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. S V J K & Associates., Chartered Accountants vide their certificate dated April 27, 2024 have confirmed that as on April 26, 2024 of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt. (₹ in Lakhs)*
Issue Expenses	10.84
<b>Total</b>	<b>10.84</b>

\* Amount inclusive of applicable taxes.

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

Our Statutory Auditors M/s. S V J K & Associates., Chartered Accountants vide their dated April 27, 2024 have confirmed that as on April 26, 2024 the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt. (₹ in Lakhs)*
Internal Accruals	10.84
<b>Total</b>	<b>10.84</b>

\* 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 20, 92 and 132 respectively of this Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

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.94/- which is 9.40 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 92 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:

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

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

S. No	Period	Basic & Diluted (₹)	Weights
1.	FY 2021-22	3.00	1
2.	FY 2022-23	11.67	2
3.	FY 2023-24	8.48	3
	<b>Weighted Average</b>	<b>8.63</b>	<b>6</b>

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 Rs.94/- per share:

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 2023-24	11.08
2	P/E ratio based on the Weighted Average EPS	10.89

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

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 2021-22	49.09	1
2	FY 2022-23	65.61	2
3	FY 2023-24	33.53	3
	<b>Weighted Average</b>	<b>46.82</b>	<b>6</b>

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

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, 2022	100.88
2.	March 31, 2023	293.38
3.	March 31, 2024	25.17
4.	NAV after Issue	46.75
	<b>Issue Price</b>	94.00

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

There are no listed companies in India and abroad that is engaged in developing a similar line of product solution to that of our Company. Accordingly, it is not possible to provide a comparison of accounting ratios of industry with our Company.

- The face value of our shares is ₹10.00 per share and the Issue Price is of ₹94/- per share which is 9.40 times of the face value.
- 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 September 25, 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. S V J K & Associates., Chartered Accountants, by their certificate dated April 27, 2024 having UDIN 24151324BKESGY1339

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.

Key Financial Performance	(Rs in lakhs)		
	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations <sup>(1)</sup>	11,845.92	8,600.58	8,022.18
EBITDA <sup>(2)</sup>	380.88	415.78	114.45
EBITDA Margin <sup>(3)</sup>	3.22%	4.83%	1.43%
PAT	300.80	288.75	74.29
PAT Margin <sup>(4)</sup>	2.54%	3.36%	0.93%

#### Notes:

- Revenue from operation means revenue from sales.
- EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses
- EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- 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, 2024	March 31, 2023	March 31, 2022
Revenue split between domestic and exports			
Domestic Market (in Lakhs)	11,845.92	8600.58	8022.18
Export Market (in Lakhs)	-	-	-
Domestic Market (%)	100%	100%	100%
Export Market (%)	-	-	-
Contribution to revenue from operations of top 1 / 3 / 5/ 10 customers (Amount in Lakhs)			
Top 1	7078.96	4449.37	5138.78
Top 3	9100.38	7270.98	5986.77
Top 5	10359.35	6927.03	6399.93
Top 10	11578.03	8480.91	7111.7

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

There are no listed companies in India and abroad that is engaged in business of Contract manufacturing and trading firm for textile industry. Accordingly, it is not possible to provide a comparison of accounting ratios of industry with our Company.

## Weighted average cost of acquisition

- The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities):** There has been no issuance of Equity Shares 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.
- 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.
- Since there are no such transactions to report to under (a) and (b) therefore, information shall be disclosed for price per share of the Issuer Company based on last 5 primary or secondary transactions (secondary transactions where promoter / promoter group entities or shareholder(s) selling shares through offer for sale in IPO or shareholder(s) having the right to nominate director(s) in the Board of the Issuer Company, are a party to the transaction), not older than 3 years prior to the date of filing of the Draft prospectus or Prospectus, irrespective of the size of transactions.

## Primary Transaction:

S.No.	Date of Allotment	Name of Allottees	Number of Equity Shares Allotted	Face Value per Share	Issue Price per (in ₹)
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1.	July 11, 2023	Mr. Abhay Shriram Asalkar	27000	10.00	300.00
2.	July 11, 2023	Mr. Yogesh Omprakash Nimodiya	27000	10.00	300.00
3.	July 11, 2023	Mr. Hitesh Loonia	12000	10.00	300.00
4.	July 18, 2023	Mr. Abhay Shriram Asalkar	15,80,690	10.00	Nil
5.	July 18, 2023	Mr. Yogesh Omprakash Nimodiya	15,80,690	10.00	Nil
6.	July 18, 2023	Mr. Hitesh Loonia	1,86,000	10.00	Nil
7.	July 18, 2023	Mrs. Chaitali Abhay Asalkar	155	10.00	Nil
8.	July 18, 2023	Mrs. Rupali Vinayak Hattikatti	155	10.00	Nil
9.	July 18, 2023	Mrs. Sandhya Nimodiya	155	10.00	Nil
10.	July 18, 2023	Mr. Bharat Rikhabchand Dugad	155	10.00	Nil

#### Secondary Transaction:

S.No.	Date of transfer	Name of transferor	Name of transferee	Number of Equity Shares transfer	Transfer Price per (in ₹)
1.	July 11, 2023	Mr. Abhay Shriram Asalkar	Mrs. Chaitali Abhay Asalkar	10	300.00
2.	July 11, 2023	Mr. Yogesh Omprakash Nimodiya	Mrs. Sandhya Nimodiya	10	300.00

#### 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.	--	--
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph b above.	--	--
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above		94.00
- Primary Transaction	5.80	
- Secondary Transaction	300.00	

Investors should read the above-mentioned information along with section titled “Business Overview”, “Risk Factors” and “Financial Information of our Company” beginning on page 92, 20 and 132 respectively including important profitability and return ratios, as set out in chapter titled “Other Financial Information” on page 133 of this Prospectus to have a more informed view.





## **STATEMENT OF POSSIBLE TAX BENEFITS**

To,

**The Board of Directors**

Piotex Industries Limited,  
F/II Block, Plot No. 16/2, M.I.D.C.,  
Pimpri, Pune- 411018, Maharashtra.

Dear Sir,

**Subject - Statement of possible tax benefits (“the statement”) available to Piotex 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 PIOTEX INDUSTRIES LIMITED EQUITY SHARES OF FACE VALUE OF Rs. 10 EACH (“EQUITY SHARES”)**

We hereby confirm that the enclosed Annexure 1 and 2 (together “the Annexures”), prepared by Piotex Industries Limited. 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 S V J K and Associates**  
**Chartered Accountants**  
**FRN: 135182W**

**Ankit Singhal**  
**Partner**  
**Membership No. 151324**  
**UDIN: 23151324BHABXP5155**

**Place: Ahmedabad**  
**Date: September 20, 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**

Tentative signs in early 2023 that the world economy could achieve a soft landing—with inflation coming down and growth steady—have receded amid stubbornly high inflation and recent financial sector turmoil. Although inflation has declined as central banks have raised interest rates and food and energy prices have come down, underlying price pressures are proving sticky, with labor markets tight in a number of economies. Side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including nonbank financial institutions. Policymakers have taken forceful actions to stabilize the banking system. As discussed in depth in the Global Financial Stability Report, financial conditions are fluctuating with the shifts in sentiment.

In parallel, the other major forces that shaped the world economy in 2022 seem set to continue into this year, but with changed intensities. Debt levels remain high, limiting the ability of fiscal policymakers to respond to new challenges. Commodity prices that rose sharply following Russia's invasion of Ukraine have moderated, but the war continues, and geopolitical tensions are high. Infectious COVID-19 strains caused widespread outbreaks last year, but economies that were hit hard—most notably China—appear to be recovering, easing supply-chain disruptions. Despite the fillips from lower food and energy prices and improved supply-chain functioning, risks are firmly to the downside with the increased uncertainty from the recent financial sector turmoil.

The baseline forecast, which assumes that the recent financial sector stresses are contained, is for growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before rising slowly and settling at 3.0 percent five years out—the lowest medium-term forecast in decades. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 percent in 2023—the weakest growth since the global downturn of 2001, barring the initial COVID-19 crisis in 2020 and during the global financial crisis in 2009—with advanced economy growth falling below 1 percent. The anemic outlook reflects the tight policy stances needed to bring down inflation, the fallout from the recent deterioration in financial conditions, the ongoing war in Ukraine, and growing geo economic fragmentation. Global headline inflation is set to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices, but underlying (core) inflation is likely to decline more slowly. Inflation's return to target is unlikely before 2025 in most cases.

Risks to the outlook are heavily skewed to the downside, with the chances of a hard landing having risen sharply. Financial sector stress could amplify and contagion could take hold, weakening the real economy through a sharp deterioration in financing conditions and compelling central banks to reconsider their policy paths. Pockets of sovereign debt distress could, in the context of higher borrowing costs and lower growth, spread and become more systemic. The war in Ukraine could intensify and lead to more food and energy price spikes, pushing inflation up. Core inflation could turn out more persistent than anticipated, requiring even more monetary tightening to tame. Fragmentation into geopolitical blocs has the scope to generate large output losses, including through its effects on foreign direct investment.

### **A Rocky Recovery**

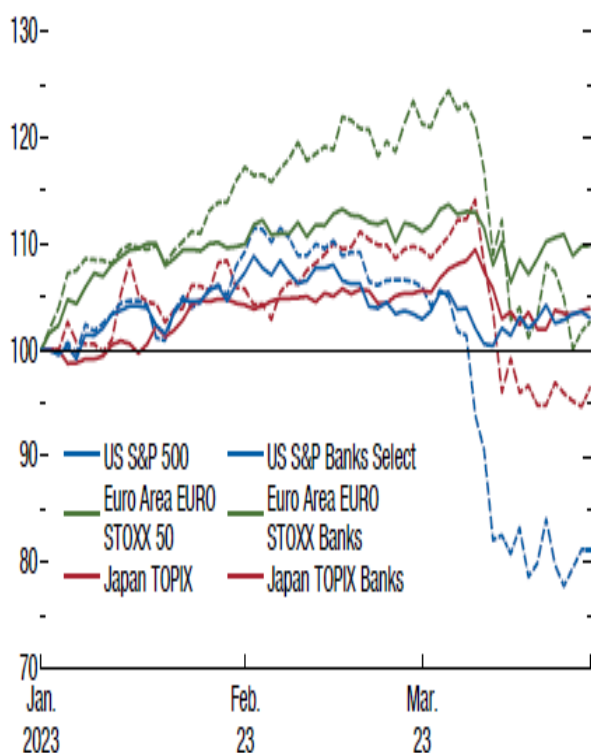
The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks—most notably, the COVID-19 pandemic and Russia's invasion of Ukraine—manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity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

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. 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.

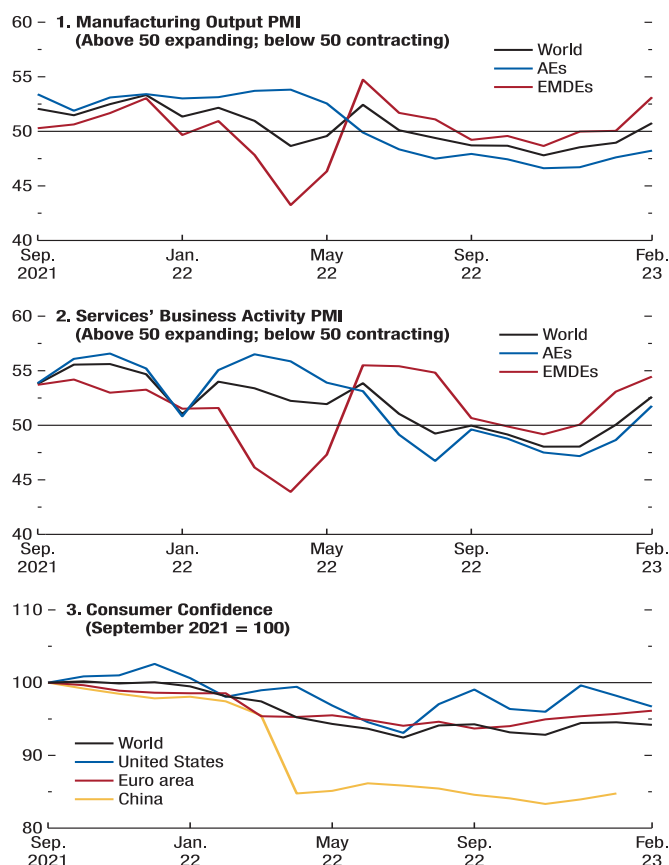
Prior to recent financial sector ructions, activity in the world economy had shown nascent signs of stabilizing in early 2023 after the adverse shocks of last year. Russia’s invasion of Ukraine and the ongoing war caused severe commodity and energy price shocks and trade disruptions, provoking the beginning 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 1.1. 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.

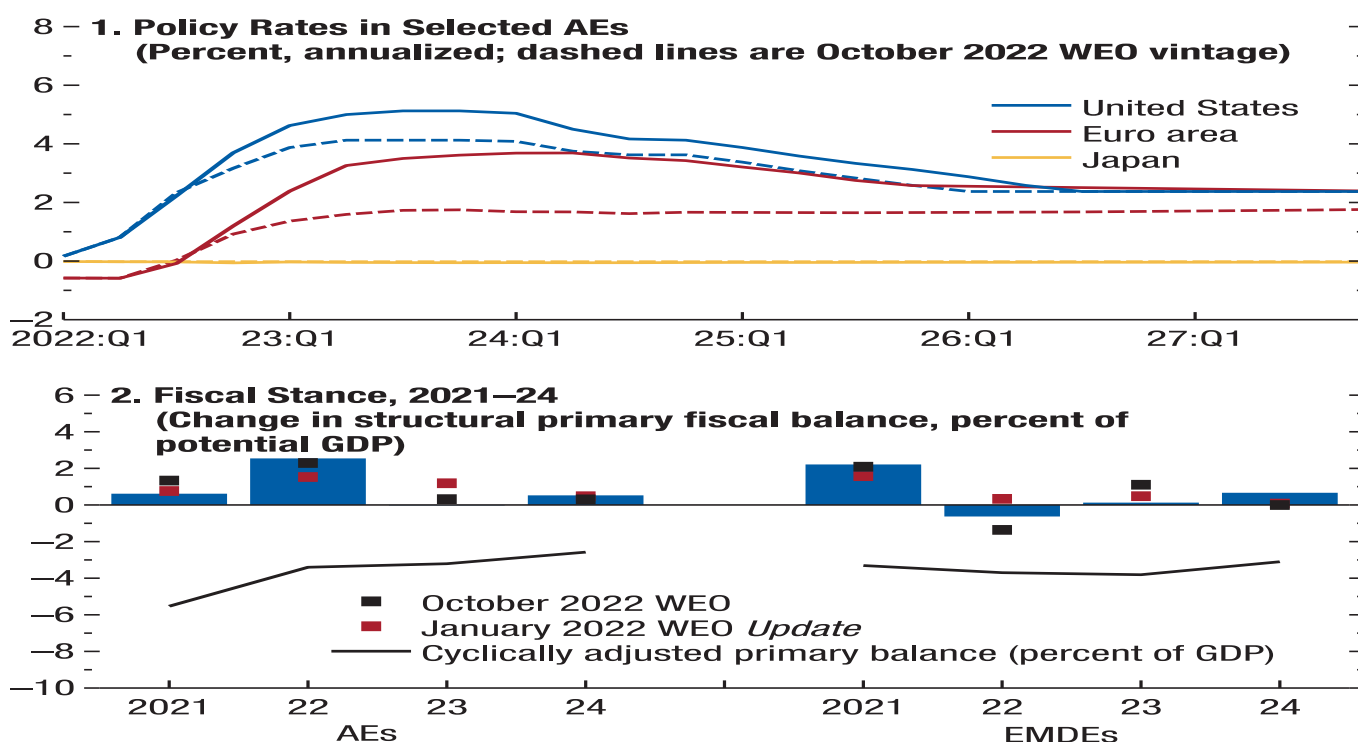
## A Challenging Outlook

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. 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.

**Figure 1.12. Assumptions on Monetary and Fiscal Policy Stances**



Source: IMF staff calculations.

Note: In panel 2, cyclically adjusted primary balance is the general government balance (excluding interest income or expenses) adjusted for the economic cycle. Structural primary fiscal balance is the cyclical adjusted primary balance corrected for a broader range of noncyclical factors, such as asset and commodity price changes. AEs = advanced economies; EMDEs = emerging market and developing economies; WEO = *World Economic Outlook*.

Table 1.1. Overview of the *World Economic Outlook* Projections



# Latest World Economic Outlook Growth Projections

(Real GDP, annual percent change)	PROJECTIONS		
	2022	2023	2024
<b>World Output</b>	<b>3.4</b>	<b>2.8</b>	<b>3.0</b>
<b>Advanced Economies</b>	<b>2.7</b>	<b>1.3</b>	<b>1.4</b>
United States	2.1	1.6	1.1
Euro Area	3.5	0.8	1.4
Germany	1.8	-0.1	1.1
France	2.6	0.7	1.3
Italy	3.7	0.7	0.8
Spain	5.5	1.5	2.0
Japan	1.1	1.3	1.0
United Kingdom	4.0	-0.3	1.0
Canada	3.4	1.5	1.5
Other Advanced Economies	2.6	1.8	2.2
<b>Emerging Market and Developing Economies</b>	<b>4.0</b>	<b>3.9</b>	<b>4.2</b>
Emerging and Developing Asia	4.4	5.3	5.1
China	3.0	5.2	4.5
India	6.8	5.9	6.3
Emerging and Developing Europe	0.8	1.2	2.5
Russia	-2.1	0.7	1.3
Latin America and the Caribbean	4.0	1.6	2.2
Brazil	2.9	0.9	1.5
Mexico	3.1	1.8	1.6
Middle East and Central Asia	5.3	2.9	3.5
Saudi Arabia	8.7	3.1	3.1
Sub-Saharan Africa	3.9	3.6	4.2
Nigeria	3.3	3.2	3.0
South Africa	2.0	0.1	1.8
<b>Memorandum</b>			
Emerging Market and Middle-Income Economies	3.9	3.9	4.0
Low-Income Developing Countries	5.0	4.7	5.4

(Source- <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-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 Minister 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 employ 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. In FY23, exports of readymade garments (RMG) cotton including accessories stood at US\$ 7.68 billion till January 2023. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.

Production of fibre in India reached 2.40 MT in FY21 (till January 2021), while for yarn, the production stood at 4,762 million kgs during the same period. Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US\$138 billion to US\$195 billion by 2025.

India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. During April-October in FY23, the total exports of textiles stood at US\$ 21.15 billion. India's textile and apparel exports to the US, its single



largest market, stood at 27% of the total export value in FY22. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.

## INVESTMENTS/ DEVELOPMENTS

The industry (including dyed and printed) attracted foreign direct investment (FDI) worth US\$ 4.067 billion from April 2000-December 2022. The textiles sector has witnessed a spurt in investment during the last five years.

- In April 2022, Indo Count Industries bagged the home textile business of GHCL for US\$ 74.14 million.
- In March 2022, Reliance Retail Ventures Limited (RRVL) acquired a controlling share of Purple Panda Fashions for US\$ 115.8 million.
- Sutlej Textiles plans to set up a green field project for 89,184 spindles comprising of cotton mélange yarn and PC grey yarn along with dye house in Jammu & Kashmir with an estimated cost of US\$ 111.41 million (Rs. 914 crore).
- Vardhman has established Vardhman ReNova, a cotton recycling facility with a six TPD production capacity. By establishing two new facilities in Madhya Pradesh, the company has also increased its capacity to produce yarn. With top-notch technology, the expansion includes over 100,000 spindles in total. This will result in a 75 TPD increase in yarn production capacity.
- The textile ministry has selected 61 companies, including Arvind Limited to enjoy benefits under its US\$ 1.3 billion (Rs. 10,683 crore) production-linked incentive (PLI) scheme for the labour-intensive textiles and garment sector. The companies have pledged to invest US\$ 2.32 billion (Rs 19,077) crore over five years under the scheme, which will lead to an incremental turnover of US\$ 22.55 billion (Rs 1.85 trillion) and direct employment generation for 240,000 people.
- 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 February 2023, the union government approved 1,000 acres for setting up a textile park in Lucknow.
- In February 2023, according to the Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US\$ 536.4 million). Out of this, Rs. 900 crore (US\$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), Rs. 450 crore (US\$ 54.99 million) for National Technical Textiles Mission, and Rs. 60 crore (US\$ 7.33 million) for Integrated Processing Development Scheme.
- In December 2022, a total of 44 R&D projects were started, and 23 of them were successfully completed. 9777 people were trained in a variety of activities relating to the silk industry.
- In December 2022, a total of US\$ 75.74 million (Rs. 621.41 crore) in subsidies was distributed in 3,159 cases under the Amended Technology Upgradation Fund Scheme, with special campaigns held in significant clusters to settle backlog cases.
- In December 2022, a total of 73,919 people (SC: 18,194, ST: 8,877, and Women: 64,352) have received training, out of which 38,823 have received placement under SAMARTH.
- The establishment of 7 (seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US\$ 541.82 million (Rs. 4,445 crore) for the years up to 2027–28 was approved by the government.
- In the academic year 2022–23, the opening of a new campus of the National Institute of Fashion Technology (NIFT) in Daman. Moreover, new campus buildings are being constructed in Bhopal and Srinagar.
- Under the National Technical Textile Mission (NTTM), 74 research projects for speciality fibre and technical textiles valued at US\$ 28.27 million (Rs. 232 crore) were approved. 31 new HSN codes have been developed in this space.
- 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 Tamil Nadu government included a Sustainable Cotton Cultivation Mission in its agriculture budget by allocating US\$ 1.86 million (Rs 15.32 crore) to enhance the yield of organic cotton.
- 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- <https://www.ibef.org/industry/textiles>)

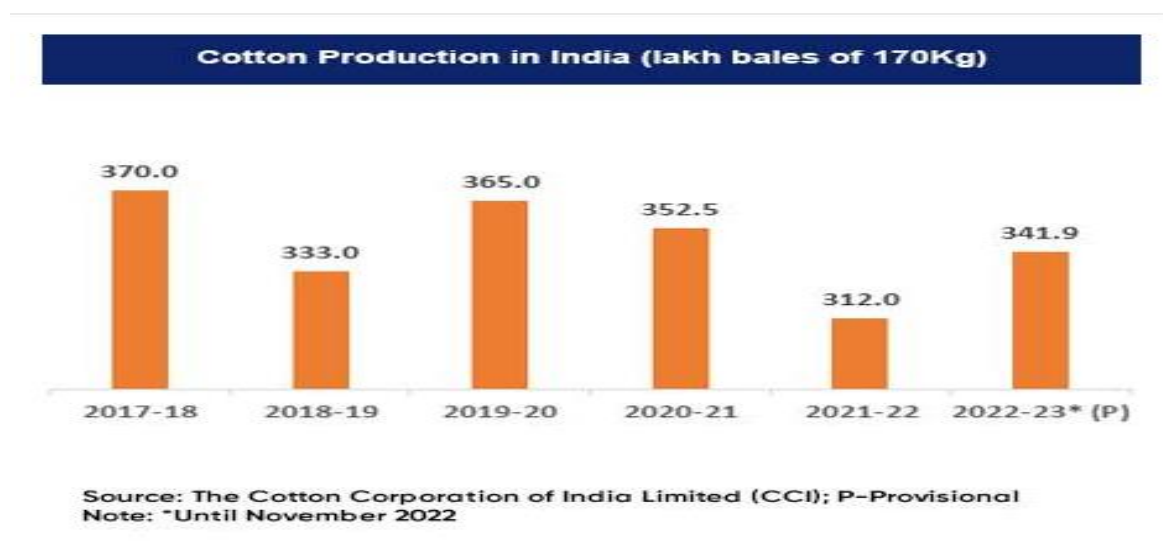
## COTTON INDUSTRY AND EXPORTS

### INTRODUCTION

India is the largest producer of cotton globally. It is a crop that holds significant importance for the Indian economy and the livelihood of Indian cotton farmers. Cotton grows over 11.7 million hectares in India compared to 31.2 million hectares globally. The Indian cotton industry provides livelihood to about 60 million people in the country.

India's total production of cotton in the year 2021-22 was 31.2 million bales (bales of 170 kg each) and in 2022-23 (upto November 2023), it stood at 34.1 million bales. The Central Zone (which comprises states like Gujarat, Maharashtra, and Madhya Pradesh) is the biggest producer of cotton in India, with Gujarat being the highest producer of the Central Zone and the country at 8.52 million bales. Saurashtra constitutes about 70% of Gujarat's cotton production, with farmers in Amreli - the state's largest cotton district – playing a key role. Yavatamal, Buldhana, Akola Amravati Nagpur Washim, and Wardha are the districts of Vidarbha which are Maharashtra's major cotton-producing areas.

The Southern Zone (which comprises states like Telangana, Andhra Pradesh, Karnataka, and Tamil Nadu) is the second biggest producer of cotton, producing about 30% of the nation's cotton, with Telangana producing the largest in the Southern Zone and the third largest in the country, contributing 6.58 million bales (bales of 170 kg each). The cotton textiles industry is the second largest employer in the country after agriculture, while also sustaining the livelihoods of an estimated 6.5 million cotton farmers and driving a large export market.



### EXPORT TREND – TOTAL PRODUCT

In 2020, India stood as the third highest exporter of raw cotton globally, accounting for about 10.2% of the total global exports. The value of the exports amounted to US\$ 10.78 billion in 2021-22, US\$ 6.3 billion in the year 2020-21, and US\$ 4.5 billion between April 2022-January 2023. It amounted to 2.55% and 1.21% of India's total exports in 2021-22 and between April 2022-January 2023, respectively. As per the Committee on Cotton Production and Consumption (COCPC), India's total cotton exports were 4.25 million bales in 2021-22.

The Government of India along with the export promotion council has set a long-term target of US\$ 100 billion for textiles industry exports by 2025-26 and growing productivity from the current level of around 450 Kg lint per hectare to at least 800-900 Kg lint per hectare. The focus continues to adopt the latest innovative technologies and global best farming practices to enhance productivity and achieve sustainable quality cotton output. To achieve these goals, the emphasis remains to motivate cotton farmers through awareness meetings, timely advisories and transfer of technology from lab to field in the most effective manner by using natural methods and adopting modern scientific farm practices.

## GOVERNMENT INITIATIVES

The government has been implementing various policy initiatives and schemes to encourage cotton spinning millers in the country, including the announcement of key reforms under a Special Package that includes additional incentives under the Amended Technology Upgradation Fund Scheme (ATUFS), relaxation of Section 80JJAA of the Income Tax Act, and the introduction of fixed-term employment for the apparel sector. Under the Market Access Initiative (MAI) Scheme, the government offers rebates on state and central taxes and levies that are integrated into production, as well as aid to exporters. Schemes like SAMARTH (Scheme for Capacity Building in the Textile Sector) aim to address the shortage of skilled workers in the textile sector with a target of training 10 lakh people.

Government of India has launched Mega Investment Textiles Parks (MITRA) during the Union Budget for 2021-22 under which seven textile parks will be established over a period of three years. This will enable the textile industry to become globally competitive, boost employment generation and attract large investments. Additionally, Confederation of Indian Textile Industry (CITI), one of the leading industry chambers of the textile sector in India is working across 1700 villages of Rajasthan, Madhya Pradesh, and Maharashtra in association with about 90,000 farmers for improving yield and production of cotton in a sustainable way.

(Source-<https://www.ibef.org/exports/cotton-industry-india>)

## **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 Piotex Industries Limited. All financial information included herein is based on our “Financial information of our company” included on page 132 of this Prospectus.*

### **Overview**

Our company is in business of contract manufacturing and trading of yarn, fabric and cotton bales. Our Products are used for various purposes such as garments & home furnishings, etc. We engage in trading of cotton bales. We also manufacture cotton yarn through out-sourcing model (Job-work) which are almost always in demand by the garment manufacturing industry.

The company is engaged mainly in 2 activities:

1. Trading of Cotton Bales, Synthetic Fiber, Cotton Yarn and Fabric: The company was established in Oct 2019, and till then the company has started trading business of Cotton Bales and Cotton Yarn in the textile hub of Maharashtra viz. Malegaon, Ichalkaranji and Bhiwandi. Also company supply the cotton yarn to Burhanpur and Ahmedabad. This business is already going on day to day, and also added fabric trading business from 2022-23. Also Company has a Sole Selling Agency agreement with Babasaheb Deshmukh Industries Private Limited for their finished product i.e. Cotton Yarn.
2. In the same way company started manufacturing through job work and Fabric Weaving job in which company provides the Yarn to jobworkers and weaving unit and they do the process of weaving on contracted charges and return the finished goods. The finished goods i.e. Fabric is then sold to customers.

Our Company was originally incorporated on October 24, 2019 as “Piotex Industries Private Limited” under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently our Company was converted into Public Limited Company and name of company was changed from “Piotex Industries Private Limited” to “Piotex Industries Limited” vide fresh certificate of incorporation dated August 11, 2023 issued by the Registrar of Companies, Pune.

Our registered office is situated at F/II Block, Plot No. 16/2, M.I.D.C., Pimpri, Pune, Maharashtra--411018, India.

We ensure the consistent quality of the Cotton Yarn as from the beginning we have the power of selection and control of raw material from Ginning. Our company also focuses in high quality of yarn and fabrics utilizing best technology, at the most competitive prices and maintaining long term association with our clients. The level of advancement in job work process 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.

The company's team of skilled professionals comprises project managers and quality assurance specialists. The vast experience and expertise in their respective domains enable them to deliver solutions that are of the highest quality and meet the highest industry standards.

Our Business Process includes production & use of yarn during the manufacturing process. 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.

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 Promoters, Mr. Abhay Shriram Asalkar and Mr. Yogesh Omprakash Nimodiya have 25 years of experience each in textile 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 year period ended March 31, 2024 our Company's Total Income and Restated Profit after tax were Rs. 11893.88 Lakhs and Rs. 300.80 Lakhs and year ended March 31, 2023, our Company's Total Income and Restated Profit after tax were Rs. 8667.21 Lakhs and Rs. 288.75 Lakhs. For the year ended March 31, 2022, our Company's Total Income and Restated Profit after tax were Rs. 8046.39 Lakhs and Rs. 74.29 Lakhs.

## **OUR STRENGTHS**

### ***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.

### ***Committed to total 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.

### ***Excellent & competent team.***

Our company has an established track record of over 4 years which indicates the company's ability to weather economic and business cycles and competent management team having over a decade of relevant experience. This indicates our ability to maintain business viability and steer the business through 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 115 of this Prospectus

### ***Technical Expertise***

We have the best technology for manufacturing of the cotton yarn & cotton fabric through job work. The technology is suitable for manufacturing of fabrics viz. 100% Cotton and cotton blended grey fabric etc. The updated technology also helps us to achieve cost efficiency as a result of higher production.

### ***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 business process so as to ensure cost efficiency in procurement.

## **OUR STRATEGIES**

### ***Develop cordial relationship with our Suppliers, Contractors, Customers and employees***

We believe in maintaining good relationship with our Suppliers, contractors 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 business 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.

### *To Build-Up a Professional Organization*

We believe in transparency, commitment and coordination in our work, with our suppliers, contractors, job workers, 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.

## **OUR PRODUCT OFFERINGS**



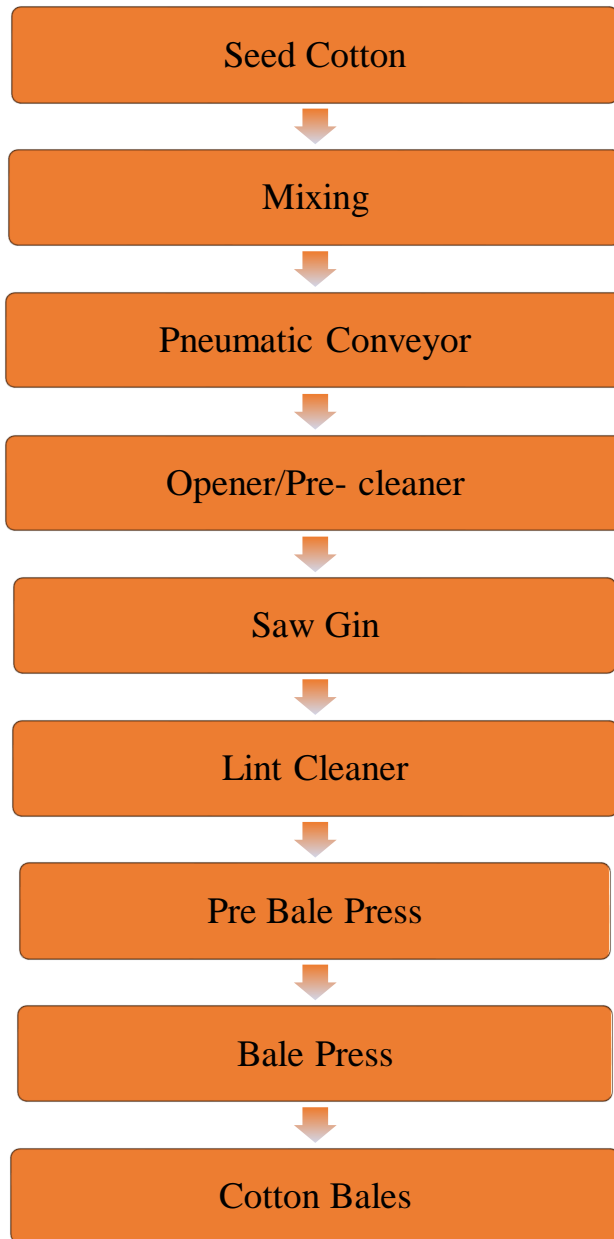
**Cotton Bales:** A Cotton bale is a standard-sized and weighted pack of compressed cotton lint after ginning. A cotton bale is defined as being refined cotton, packaged at a particular size, manageable for use by modern production methods. A cotton bale is cotton which has been put through a cotton gin (engine) to remove the cotton fibre from seeds or any dirt and grime which may have accumulated in the raw plant during growth and harvest. There are different cotton plants which produce different grades and qualities of refined cotton fibre. Our company undertakes contract manufacturing and trading of cotton bales.

**Cotton Yarn:** Cotton yarns are sized to achieve strength and abrasion resistance to withstand the motions of weaving. Yarn is a long continuous length of interlocked fibres, suitable for use in the production of textiles, sewing, crocheting, knitting, weaving, embroidery, and rope making. We purchase raw cotton from suppliers which is then converted into yarn. This process is done on job work basis with the manufacturing units. After converting raw cotton into yarn, we sell the finished product as yarn to the end users.

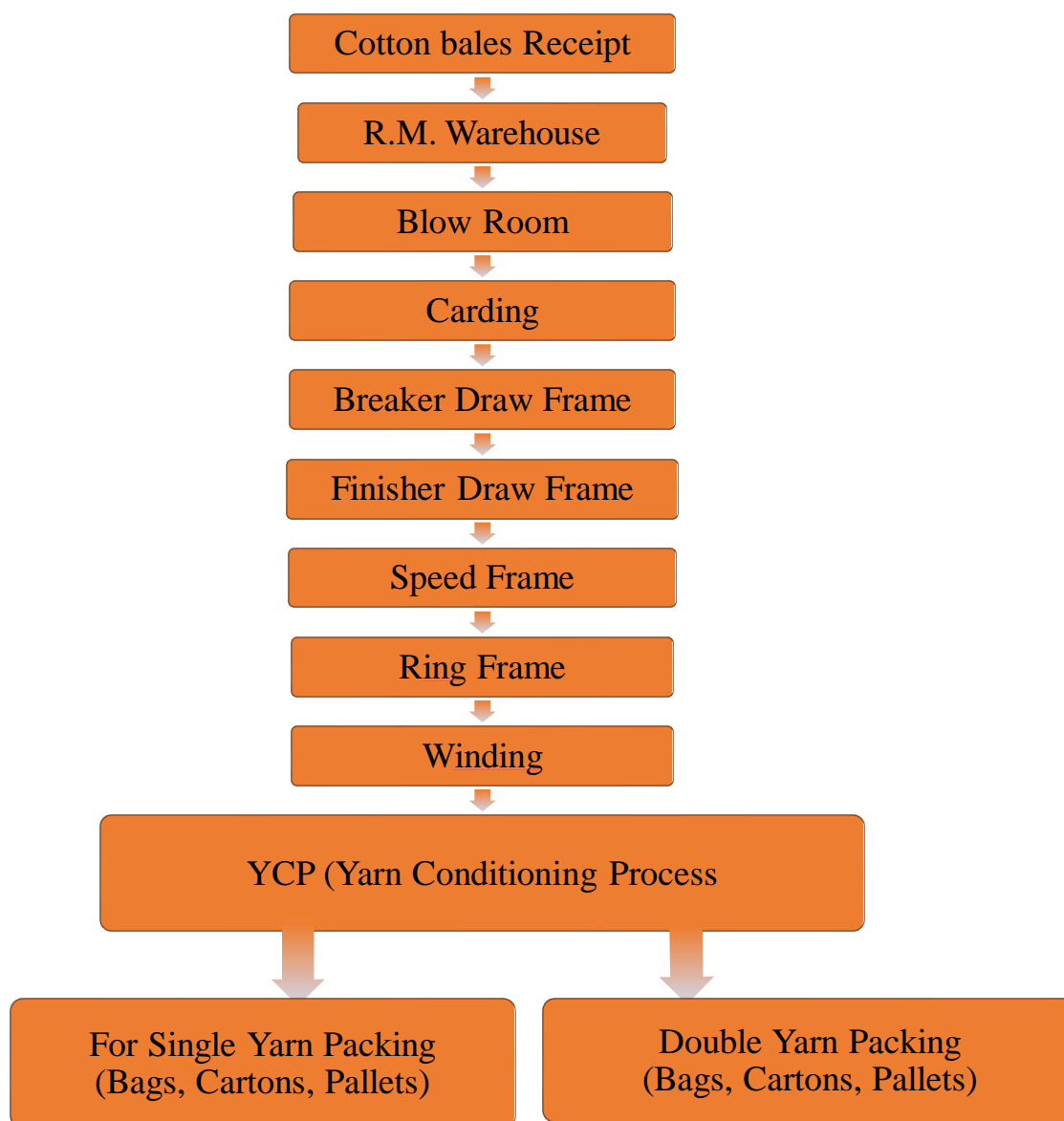
**Cotton fabric:** Cotton fabric is a type of natural cloth created out of the cotton plant fibres. Coming in a wide range of weaves, it is the most versatile and popular fabric in the world. cotton fabric means the fabric is not blended and is made of a stronger, softer, and more comfortable natural product consisting of fibres picked from the plant. We purchase yarn from the vendors and convert them into fabric by outsourcing with manufacturing units.

**MANUFACTURING PROCESS OF OUR PRODUCTS:**

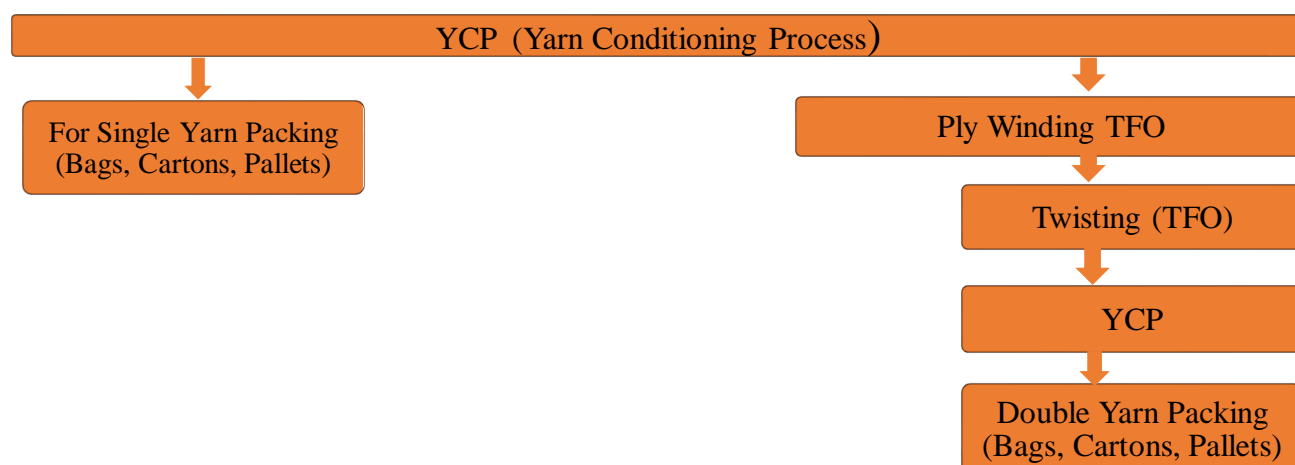
**1. GINNING- PROCESS (COTTON BALES)**



**SPINNING- PROCESS (COTTON YARN)**



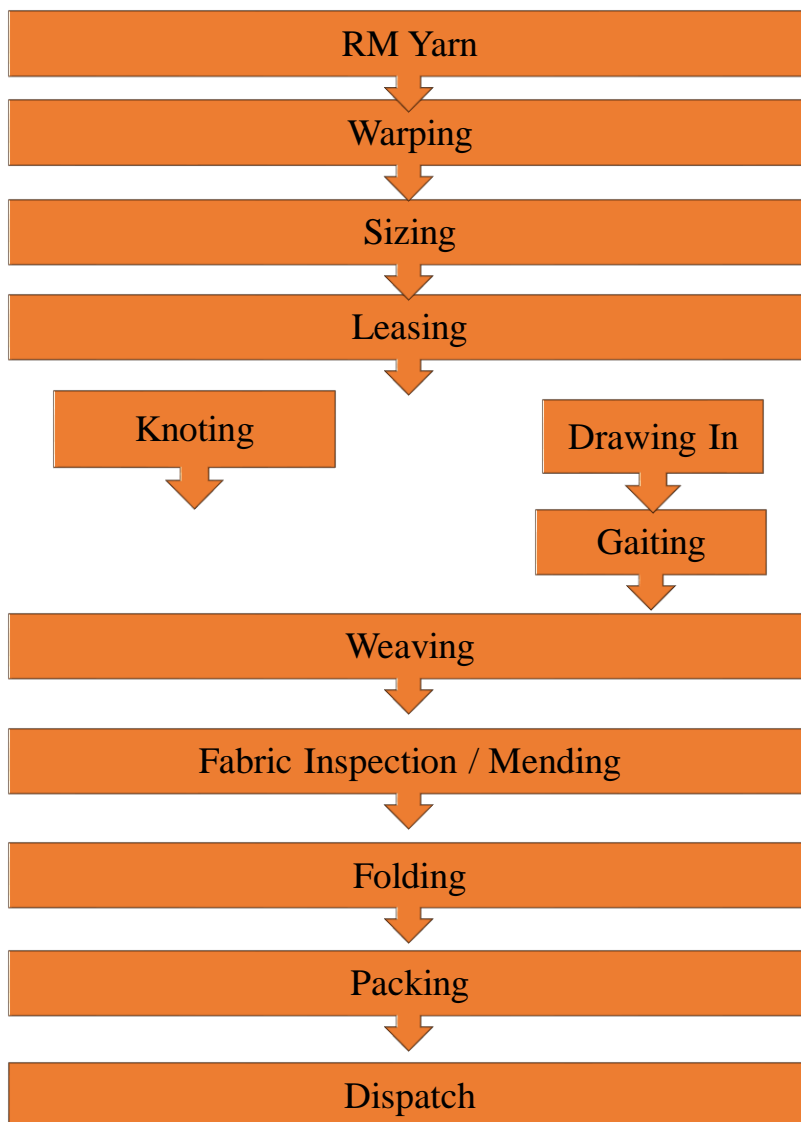
**TFO (COTTON YARN)**



**Cotton Grey Yarn- 100% Cotton Grey Yarn/ Blended Grey Yarn**



**WEAVING- PROCESS (FABRIC)**



## Grey Fabric- 100% Cotton/ Blended Grey Fabric (Narrow width- Shirting, Wider Width- Bed-Sheeting)



### **SWOT ANALYSIS OF OUR COMPANY**

#### ***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 and Job wokers
- 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

### **Core Suppliers and Sole Selling Agreements**

We have Sole selling and Job work Agreements with the following spinning units

Sr. No.	Name of Unit	Type of Agreement
1.	Babasaheb Deshmukh Industries Private Limited, Atpadi, Sangli	(Sole Selling Agreement)
2.	Tech Sutre Industries Limited, Dhule (Double Yarn & Weaving Unit) Dhule	(Job work Agreement)

### OUR REVENUE BREAKUP (PRODUCTWISE)

(Amount in Lakhs)

Particular	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue	In %	Revenue	In %	Revenue	In %
Cotton Bales	9044.77	76.35%	7983.77	92.83%	6664.6	83.08%
Cotton Yarn	2710.35	22.88%	398.17	4.63%	1357.58	16.92%
Cotton Fabric	90.81	0.77%	218.64	2.54%	-	-
<b>Total</b>	<b>11845.92</b>	<b>100.00%</b>	<b>8600.58</b>	<b>100.00%</b>	<b>8022.18</b>	<b>100.00%</b>

### OUR CLIENT BASE

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

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	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue	In %	Revenue	In %	Revenue	In %
Top 5 customers	10359.35	87.45	7591.14	88.26	6399.93	79.78
Top 10 customers	11578.03	97.74	8480.91	98.59	7111.7	88.65

### OUR LOCATION

<b>Registered Office</b>	F/II Block, Plot No. 16/2, M.I.D.C., Pimpri, Pune, Maharashtra--411018, India
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### PLANT & MACHINERY

Our company manufactures the products on job work basis and contract basis, we do not own plant and machinery.

### CAPACITY UTILIZATION

Our company manufactures the products on job work basis and contract basis, hence installed capacity and capacity utilization is not applicable to us.

### 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

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

### OUR GEOGRAPHICAL STATE WISE DISTRIBUTION

(Rs. in Lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022





Maharashtra	10935.06	5688.49	5252.72
Madhya Pradesh	590.26	4.77	682.42
Gujarat	183.43	884.32	45.46
Other	137.17	0	19.58
<b>Total</b>	<b>11845.92</b>	<b>8600.58</b>	<b>8022.18</b>

### **UTILITIES AND INFRASTRUCTURE FACILITIES**

Our registered office is located at Pune, Maharashtra is well equipped with facilities required for our business operations to function smoothly.

#### **Raw Material**

Our Major Raw Material is raw cotton 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.

Unprocessed raw materials like cotton seeds, raw cotton are purchased from the local market. Processed raw materials are Cotton bales, cotton yarn and fabrics. We purchase raw cotton from the local market and send them to the job workers. Job workers process the raw cotton.

#### **Power**

Our Company requires power for the Office for lighting, systems etc. Adequate power is available which is met through the state electric supply.

#### **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, 2024 our Company has 18 employees on payroll. 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.

### **SALES AND MARKETING**

Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our team through their vast experience and good rapport with clients owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company.

We have spread our presence to domestic markets with large sales potential, low infrastructure costs and the availability of professional expertise. We have experienced & skill management team to motivate the sub-ordinates & staff to step towards their achievements & organizational goals. With their efficient management skills & co-ordination with sub-ordinate, they are always working as a catalyst to encourage the entire team for the development & nourishment of the organization.

### **COMPETITION**

Our industry faces moderate competition from scattered unorganized players in the domestic 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 product 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.

## INSURANCE


The Details of Insurance policies as on date is as follows:

S.No	Insurance Company	Policy Number	Period of Insurance	Details	Sum Assured	Premium Paid
1.	Reliance General Insurance	17012242421M001692	April 18, 2024 to April 17, 2025	Open Policy- Inland-Cotton Yarn, Cotton Bales and Other as Per Trade	Rs. 5,00,00,000	Rs. 8260

## 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	Application No. & Date
1.		24	Logo	Piotex Industries Private Limited	Trademark No -5977275 Status - Objected Application date - 13/06/2023

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 Name	Creation Date	Registration Expiry Date
1.	<a href="https://piotexindustries.com/">https://piotexindustries.com/</a>	2761688443_DOMA IN_COM-VRSN	Name Cheap, Inc, 1068	February 28,2023	February 28, 2025

## 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.	F/II Block Plot No. 16/2, Bhosari Pimpri, Pune,	Piotex Textech Private Limited	Leased	Agreement for leave and license dated May 30, 2023 Between Piotex Textech	Registered Office

	MIDC Pimpri, Bhosari, Pune- 411018, Maharashtra, India admeasuring 500 sq ft.			Private Limited through Mr. Bharat Rikabchand Dugad and Piotex Industries Pvt. Ltd. for period of 33 months beginning from May 01, 2023 at monthly rent of Rs. 20,000.	
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## **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 149 of this Prospectus.*

### **THE COMPANIES 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 31<sup>st</sup> October 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) in terms

of provisions of the Foreign Trade Development and Regulation Act, 1992. Imported goods in India attract basic customs duty, additional customs duty and cesses in terms of the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and the relevant provisions made thereunder. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the assessable value of the goods. Customs duties are administered by Central Board of Indirect Taxes 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.

### **The Madhya Pradesh Cotton Control Act, 1954; The Bombay Cotton Control Act, 1942:**

The Madhya Pradesh Cotton Control Act, 1954 (the Act) provides for controlling the production, import, possession or use of, or trade in, certain varieties of cotton and matters ancillary thereto for the purpose of ensuring cultivation of better varieties of cotton and the maintenance of their purity in the states. The respective State Governments have under the empowerments from the Acts, notified respective rules to facilitate the application of the Acts. Under the Act, the State Governments have the power to declare relevant region as controlled region, prohibit / promote production of any given variety of cotton, prohibit / promote mixing of any standard variety of cotton with the other variety and like.

### **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 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.

### **Cotton Bales (Quality Control) Order, 2023**

Ministry of Textiles vide. S.O. 948(E). dated 28<sup>th</sup> February 2023 has notified the Cotton Bales (Quality Control) Order, 2023 which shall come into force from 28<sup>th</sup> August 2023 thereby mandating the suppliers of cotton bales to obtain a BIS certificate on or before 27<sup>th</sup> August 2023. The aforesaid Cotton Bales (Quality Control) Order, 2023 prescribes the requirements of bales of ginned cotton as well as the requirements of the materials used for the packing of bales. Members are therefore requested to ensure that the cotton bales purchased by them post 28<sup>th</sup> August 2023 must be BIS certified. The applicability of this order has however been deferred till August 27, 2024, vide an order bearing no. S.O. 3830(E) dated August 28, 2023, issued by the Ministry of Textiles.

## **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.,

### **Hazardous and Other Wastes (Management and Transboundary 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 for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT 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 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 an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside 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.

### **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 Promotion of Industry and Internal Trade, 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 FIF 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, 2017 (“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, 2015 for regulation on exports of goods and services.

### **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 suppression 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 has 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:**

#### **Code on Wages, 2019**

The Code on Wages, 2019 regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Only few section of the Code has yet been notified vide notification no. S.O. 4604(E) dated December 18, 2020.

#### **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 Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

### **The Industrial Relations Code, 2020**

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

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

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the 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.

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

*\*The Code on Wages, 2019, The Code on Social Security, 2020, (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes.*

### **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.

### **Employees State Insurance Act, 1948, as amended (the "ESI Act")**

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **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
- Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015,

## **LAWS RELATING TO INTELLECTUAL PROPERTY**

### **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 is 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**

Our Company was originally incorporated on October 24, 2019 as “Piotex Industries Private Limited” under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently our Company was converted into Public Limited Company and name of company was changed from “Piotex Industries Private Limited” to “Piotex Industries Limited” vide fresh certificate of incorporation dated August 11, 2023 issued by the Registrar of Companies, Pune.

Our Company was originally promoted by Mr. Abhay Shriram Asalkar and Yogesh Omprakash Nimodiya who were the initial subscribers to the Company’s Memorandum and Articles of Association and are the present promoters of our Company.

As on date of this Prospectus, our Company has 7 (Seven) 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 79, 92, 115, 132, and 134 respectively.

### **Address of Registered Office:**

The Registered Office of the Company is situated at F/II Block, Plot No. 16/2, M.I.D.C., Pimpri, Pune Maharashtra- 411018, 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 except below change:

From	To	With effect from	Reason for Change
C2 /1001, Mahindra Antheia Society, Nehru Nagar Road, Sr No 6017, Pune, Maharashtra, India, 411018	Survey No. 124, Atharv Park, Aher Nagar, Walhekarwadi, Chinchwad, Pune - 411033, Maharashtra, India	November 21, 2019	For Administrative Convenience
Survey No. 124, Atharv Park, Aher Nagar, Walhekarwadi, Chinchwad, Pune - 411033, Maharashtra, India	F/II Block, Plot NO. 16/2, M.I.D.C., Pimpri, Pune - 411018, Maharashtra, India	June 15, 2021	For Administrative Convenience

### **Our Main Object**

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

To carry on the business, in India or elsewhere, as manufacturer, processor, buyer, seller, importer, exporter, dealer, stockiest of all kinds of textile, textile products, cotton silk, art silk, blended fabrics, manmade fabrics, synthetics, polyesters, rayon, nylon, woolen, cotton fabric, other such staples by combing, carding, mixing, ginning, spinning, weaving, crimping, scouring, twisting, texturizing, blending, winding, knitting, washing, bleaching, dyeing, printing, folding, calendaring, sizing, warping, designing, reeling, converting, repacking of yarn, fabrics and other textile products, furnishing, garmenting, utilize any waste by-product and further treatment processing conversion thereof and manufacturing of various textile related dyes, doubling of yarn, cheese winding and surgical cotton, textile medical products of cotton or cotton and other textile products, medical or otherwise, textile technology, textile Engineering Machines and accessories.

### **Changes in Memorandum of Association**

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:



Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	Increase in Authorised Capital of the Company from Rs. 1,00,000 (One Lakhs) divided into 10,000 equity shares of Rs. 10/- each to Rs. 15,00,000 (Fifteen Lakhs) divided into 1,50,000 equity shares of Rs. 10/- each	August 05, 2020	Extra-Ordinary General Meeting
2.	Increase in Authorised Capital of the Company from Rs. 15,00,000 (Fifteen Lakh) divided into 1,50,000 equity shares of Rs. 10/- each to Rs. 8,50,00,000 (Eight Crores Fifty Lakhs) divided into 85,00,000 equity shares of Rs. 10/- each	March 17, 2023	Extra-Ordinary General Meeting
3.	Conversion of Company into Public Limited Company and change in name of company from Piotex Industries Private Limited to Piotex Industries Limited vide fresh Certificate of Incorporation issued by Registrar of Companies, Pune dated August 11, 2023.	July 24, 2023	Extra-Ordinary General Meeting

### Adopting New Articles of Association of the Company

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-Ordinary General Meeting of the Company dated July 24, 2023.

### Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
2019-20	Incorporation of the Company in the name and style of “Piotex Industries Private Limited”
2023-24	Converted into Public Limited Company vide fresh certificate of incorporation dated August 11, 2023.

### 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 92, 134 and 72 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 115 and 50 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.

### 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 50 of this Prospectus. For details of our Company’s debt facilities, please refer section “Financial Information of our Company” on page 132 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 50 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 Seven (7) 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 50 of this Prospectus.

### **Changes in the Management**

For details of change in Management, please see chapter titled “Our Management” on page 115 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 134 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 92, 134 and 72 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 Five (5) 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.	<p><b>Mr. Abhay Shriram Asalkar</b>  <b>Father Name:</b> Mr. Shriram Rajaram Asalkar  <b>Date of Birth:</b> 01/01/1977  <b>Age:</b> 46 Years  <b>Designation:</b> Chairman cum Managing Director  <b>Address:</b> C2/1001, Mahindra Antheia Society, Nehru Nagar Road, Sr No.6017, Pimpri, Pune-411018, Maharashtra, India.  <b>Experience:</b> 25 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> Bachelor of Textile Engineering and Master of Business Administration  <b>Nationality:</b> Indian  <b>DIN:</b> 06851614</p>	<p>Originally appointed on the Board as Director w.e.f. October 24, 2019.</p> <p>Further designated as Chairman cum Managing Director w.e.f. August 30, 2023 not liable to retire by rotation.</p>	16,82,670 Equity Shares; 47.21% of Pre- Issue Paid up capital	<p><b>Indian Companies:</b></p> <ul style="list-style-type: none"> <li>➤ Piotex Textech Private Limited</li> <li>➤ Piotex Ventures Private Limited</li> <li>➤ Piotex Grover International Private Limited</li> <li>➤ Adler Bizsol LLP</li> </ul> <p><b>Foreign Companies: NIL</b></p>
2.	<p><b>Mr. Yogesh Omprakash Nimodiya</b>  <b>Father Name:</b> Mr. Omprakash Balibdra Nimodiya  <b>Date of Birth:</b> 12/05/1975  <b>Age:</b> 48 Years  <b>Designation:</b> Executive Director and Chief Financial Officer  <b>Address:</b> C2/401, Mahindra Antheia Society, Nehru Nagar Road, Sr No.6017, Pune-411018, Maharashtra, India.  <b>Experience:</b> 25 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> Master of Business Administration  <b>Nationality:</b> Indian  <b>DIN:</b> 06851606</p>	<p>Originally appointed on the Board as Director w.e.f. October 24, 2019.</p> <p>Further reappointed as Executive Director w.e.f. August 30, 2023</p>	16,82,670 Equity Shares; 47.21% of Pre- Issue Paid up capital	<p><b>Indian Companies:</b></p> <ul style="list-style-type: none"> <li>➤ Piotex Textech Private Limited</li> <li>➤ Piotex Ventures Private Limited</li> <li>➤ Piotex Grover International Private Limited</li> <li>➤ Adler Bizsol LLP</li> </ul> <p><b>Foreign Companies: NIL</b></p>
3.	<p><b>Mr. Sandeep Vitthalrao Deore</b>  <b>Father Name:</b> Mr. Vitthalrao Zipru Patil  <b>Date of Birth:</b> 18/10/1983  <b>Age:</b> 39 Years  <b>Designation:</b> Non-Executive Director  <b>Address:</b> 143, Jaihind Colony, Devpur, Dhule Maharashtra-424002, India.  <b>Experience:</b> 12 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> Bachelor of Engineering  <b>Nationality:</b> Indian  <b>DIN:</b> 05138825</p>	<p>Originally appointed on the Board as Additional Director w.e.f. November 30, 2021.</p> <p>Further designated as Non-Executive Director w.e.f. September 30, 2022 liable to retire by rotation.</p>	NIL	<p><b>Indian Companies:</b></p> <ul style="list-style-type: none"> <li>➤ Jijau Realty Private Limited</li> <li>➤ Chandrakiran Textiles Private Limited</li> <li>➤ Simoni Textile Private Limited</li> <li>➤ Aakarshan Tex Fab Private Limited</li> <li>➤ Adhrit Textiles Private Limited</li> <li>➤ Tvish Realty Private Limited</li> </ul>

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
				<b>Foreign Companies: NIL</b>
4.	<p><b>Mr. Sandeep Narayanrao Deore</b>  <b>Father Name:</b> Mr. Narayanrao Raoji Deore  <b>Date of Birth:</b> 11/10/1970  <b>Age:</b> 53 Years  <b>Designation:</b> Independent Director  <b>Address:</b> Pimple Nilakh, C-304, Waters Edge, S.No.18/1/1, Vishal Nagar, Pune-411027, Maharashtra, India  <b>Experience:</b> 20 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> Bachelor of Engineering  <b>Nationality:</b> Indian  <b>DIN:</b> 00870467</p>	Appointed as Independent Director w.e.f. September 15, 2023	NIL	<p><b>Indian Companies:</b></p> <ul style="list-style-type: none"> <li>➤ Dynaxcel Engineers Private Limited</li> <li>➤ Arya Engineers And Contractors Private Limited</li> <li>➤ Exolloys Engineering Private Limited</li> <li>➤ Flagon Engineers Private Limited</li> <li>➤ Markal Industries Association</li> <li>➤ Spine Hotels And Resorts Private Limited</li> <li>➤ Real Stone Constructions Private Limited</li> <li>➤ Ved Dhara Education</li> <li>➤ Engenius Infrsolutions Private Limited</li> </ul> <p><b>Foreign Companies: NIL</b></p>
5.	<p><b>Mrs. Bhavisha Kunal Chauhan</b>  <b>Father Name:</b> Mr. Kamleshkumar Girdharlal Khakhkhar  <b>Date of Birth:</b> 13/04/1993  <b>Age:</b> 30 Years  <b>Designation:</b> Independent Director  <b>Address:</b> 37, Sahjanand Park, Opp. Vaibhav Hall, Near Royal Enfield Showroom, Ghodasar, Ahmedabad, Gujarat, India  <b>Experience:</b> 8 Years  <b>Occupation:</b> Service  <b>Qualifications:</b> Company Secretary  <b>Nationality:</b> Indian  <b>DIN:</b> 10092854</p>	Appointed as Independent Director w.e.f. September 15, 2023	NIL	<p><b>Indian Companies:</b></p> <ul style="list-style-type: none"> <li>➤ Fonebox Retail Limited</li> <li>➤ Poshan Nutriwell Private Limited</li> </ul> <p><b>Foreign Companies: NIL</b></p>

### **BRIEF PROFILE OF OUR DIRECTORS**

#### **1. Mr. Abhay Shriram Asalkar, Chairman cum Managing Director, Age: 46 Years**

Mr. Abhay Shriram Asalkar, aged 46 years is Chairman cum Managing Director and also the Promoter of our Company. He holds Degree in Master of Business Administration in Marketing Management and Bachelor of Textile Engineering. He was appointed on the Board on October 24, 2019 and further designated as the Chairman cum Managing Director of the Company on August 30, 2023 for a period of 5 years, not liable to retire by rotation. He is having experience of 25 years in Textile Industry. He worked with major textile players like Raymond and Management Consultancy Firm Technopak in India & abroad. He has in-depth experience of sales & marketing of products for Spinning & Weaving. 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. Yogesh Omprakash Nimodiya, Executive Director & CFO, Age: 48 Years**

Mr. Yogesh Omprakash Nimodiya, aged 48 years is the Executive Director, Chief Financial Officer and also Promoter of our Company. He holds degree in Master of Business Administration He was originally appointed on the Board on October 24, 2019 and further reappointed as Executive Director w.e.f. August 30, 2023. He is having experience of 25 years in Sales & Marketing. He worked with one of the top player of textile industry “Raymond” for maintenance of Spinning Machinery and also worked with renowned marketing firm A.T.E. Enterprises Pvt. Ltd. He has expertise in the field of Market research, Strategic Planning and Marketing strategies which helped for the overall development of the Company.

## **3. Mr. Sandeep Vitthalrao Deore, Non-Executive Director, Age: 39 Years**

Mr. Sandeep Vitthalrao Deore, aged 39 years, is the Non-Executive Director of our Company. He holds degree in bachelor of Engineering. He was originally appointed on the Board on November 30, 2021 and further designated as the Non-Executive Director of the Company on September 30, 2022. He is having of experience of 12 years.

## **4. Mr. Sandeep Narayanrao Deore, Independent Director, Age: 53 Years**

Mr. Sandeep Narayanrao Deore, aged 53 years is Independent Director of our Company. He was appointed as Independent Director w.e.f. September 15, 2023. He has degree of Bachelor of Engineering having experience of 20 Years in manufacturing industry.

## **5. Mrs. Bhavisha Kunal Chauhan, Independent Director, Age: 30 Years**

Mrs. Bhavisha Kunal Chauhan, aged 30 years is Independent Director of our Company. appointed as Independent Director w.e.f. September 15, 2023. She is a company Secretary having experience of 8 Years in secretarial compliances.

### **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 142 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:**

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 September 15, 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:

<b>Particulars</b>	<b>Mr. Abhay Shriram Asalkar</b>	<b>Mr. Yogesh Omprakash Nimodiya</b>
Re-Appointment / Change in Designation	August 30, 2023	August 30, 2023
Designation	Managing Director	Executive Director
Term of Appointment	5 Years	5 Years
Remuneration Payable from FY 2024-25	Upto ₹10.00 Lakhs per month	₹5.00 Lakhs per annum
Remuneration paid for Year 2023-24	Nil	Nil

*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 September 20, 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**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>No. of Shares held</b>	<b>Holding in %</b>
1.	Mr. Abhay Shriram Asalkar	16,82,670	47.21%
2.	Mr. Yogesh Omprakash Nimodiya	16,82,670	47.21%

*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 115 of this Prospectus

Our directors may also be regarded as interested to 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 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 115 and 132 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**

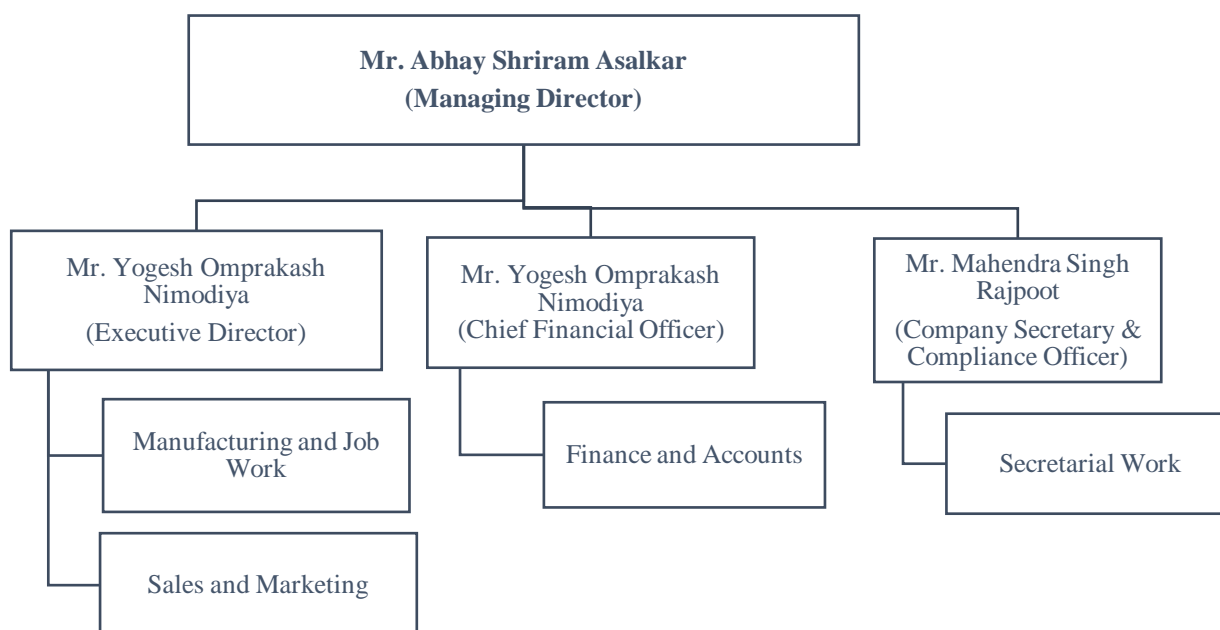
Except as disclosed above and in the chapters titled “Business Overview” and “Restated Financial Statement – Related Party Transactions” and “History and Corporate Structure” on page 92, 132 and 111 respectively of this Prospectus, our Directors do not have any interest in any property acquired two years prior to the date of this Prospectus.

## **CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS**

<b>Sr. No.</b>	<b>Name</b>	<b>Date &amp; Nature of Change</b>	<b>Reasons for Change</b>
1.	Mr. Sandeep Vitthalrao Deore	Appointed as Additional Director w.e.f November 30, 2021	To ensure better Corporate Governance
2.	Mr. Vijay Vitthalrao Deore	Appointed as Additional Director w.e.f November 30, 2021	To ensure better Corporate Governance
3.	Mr. Sandeep Vitthalrao Deore	Re-designated as Non-Executive Director w.e.f September 30, 2022	To ensure better Corporate Governance
4.	Mr. Vijay Vitthalrao Deore	Re-designated as Non-Executive Director w.e.f September 30, 2022	To ensure better Corporate Governance
5.	Mr. Vijay Vitthalrao Deore	Cessation of Non-Executive Director w.e.f. December 14, 2022	To ensure better Corporate Governance
6.	Mr. Abhay Shriram Asalkar	Re-designated as Chairman cum Managing Director w.e.f. August 30, 2023.	To ensure better Corporate Governance
7.	Mr. Yogesh Omprakash Nimodiya	Re-appointed as Executive Director w.e.f. August 30, 2023	To ensure better Corporate Governance
10.	Mr. Sandeep Narayanrao Deore	Appointed as Independent Director w.e.f. September 15, 2023.	To ensure better Corporate Governance
11.	Mrs. Bhavisha Kunal Chauhan	Appointed as Independent Director w.e.f. September 15, 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 BSE Limited. 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 Five (5) 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 September 20, 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 BSE Limited, the constituted Audit Committee comprises following members:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Sandeep Narayanrao Deore	Chairman	Independent Director
Mrs. Bhavisha Kunal Chauhan	Member	Independent Director
Mr. Yogesh Omprakash Nimodiya	Member	Executive Director & CFO

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 September 20, 2023. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Sandeep Narayanrao Deore	Chairman	Independent Director
Mrs. Bhavisha Kunal Chauhan	Member	Independent Director
Mr. Abhay Shriram Asalkar	Member	Managing 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 September 20, 2023. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Sandeep Narayanrao Deore	Chairman	Independent Director
Mrs. Bhavisha Kunal Chauhan	Member	Independent Director
Mr. Sandeep Vitthalrao Deore	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 BSE Limited. 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 BSE Limited. 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 BSE Limited. The Board of Directors at their meeting held on September 20, 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
<b>Name: Mr. Abhay Shriram Asalkar</b> <b>Designation:</b> Chairman cum Managing Director <b>Qualification:</b> Master of Business Administration and Bachelor of Textile Engineering	46	Chairman and Managing Director w.e.f. August 30, 2023	-	25 Years	Technopak
<b>Name: Mr. Yogesh Omprakash Nimodiya</b> <b>Designation:</b> Executive Director and CFO <b>Qualification:</b> Master of Business Administration	48	Executive Director w.e.f. August 30, 2023	-	25 Years	A.T.E Enterprises Private Limited
<b>Name: Mr. Mahendra Singh Rajpoot</b> <b>Designation:</b> Company Secretary & Compliance Officer <b>Qualification:</b> Company Secretary	34	Appointed on September 20, 2023.	-	9 Years	Tenderking Private limited

## **BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**

### **1. Mr. Abhay Shriram Asalkar, Chairman cum Managing Director, Age: 46 Years**

Mr. Abhay Shriram Asalkar, aged 46 years is Chairman cum Managing Director and also the Promoter of our Company. He holds Degree in Master of Business Administration in Marketing Management and Bachelor of Textile Engineering. He was appointed on the Board on October 24, 2019 and further designated as the Chairman cum Managing Director of the Company on August 30, 2023 for a period of 5 years, not liable to retire by rotation. He is having experience of 25 years in Textile Industry. He worked with major textile players like Raymond and Management Consultancy Firm Technopak in India & abroad. He has in-depth experience of sales & marketing of products for Spinning & Weaving. 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. Yogesh Omprakash Nimodiya, Executive Director and CFO, Age: 48 Years**

Mr. Yogesh Omprakash Nimodiya, aged 48 years is the Whole-Time Director and also Promoter of our Company. He holds Degree in Master of Business Administration. He was originally appointed on the Board on October 24, 2019 and further reappointed as Executive Director w.e.f. August 30, 2023. He is having experience of 25 years in Sales & Marketing. He worked with one of the top player of textile industry "Raymond" for maintenance of Spinning Machinery and also worked with renowned marketing firm A.T.E. Enterprises Pvt. Ltd. He has expertise in the field of Market research, Strategic Planning and Marketing strategies which helped for the overall development of the Company.

### **3. Mr. Mahendra Singh Rajpoot, Company Secretary, Age: 34 Years**

Mr. Mahendra Singh Rajpoot is Company secretary and Compliance Officer of our Company. He holds degree of Company secretary from Institute of Company secretaries of India. He looks after the secretarial matters of our Company. He joined our Company on September 20, 2023. He has an overall experience of 9 years in secretarial related matters.

## **RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL**

None of the KMP of the Company are related to each other as per Sec 2 (77) of Companies Act, 2013.

**We confirm that:**

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- 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.
- None of our KMPs except Mr. Abhay Shiram Asalkar and Mr. Yogesh Omprakash Nimodiya are also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the stub period ended March 31, 2023.
- 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.
- Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- 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. Abhay Shiram Asalkar	16,82,670	47.21%
2.	Mr. Yogesh Omprakash Nimodiya	16,82,670	47.21%

- Presently, we do not have ESOP/ESPS scheme for our employees.
- 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 annuities, 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. Abhay Shiram Asalkar	Chairman cum Managing Director	Re-designated as Chairman cum Managing Director in meeting held on August 30, 2023	To ensure better Corporate Governance
2.	Mr. Yogesh Omprakash Nimodiya	Executive Director	Re-designated as Executive Director in meeting held on August 30, 2023.	To ensure better Corporate Governance
3.	Mr. Yogesh Omprakash Nimodiya	Chief Financial Officer	Appointed w.e.f. August 25, 2023.	To ensure better Corporate Governance
4.	Mr. Mahendra Singh Rajpoot	Company Secretary and Compliance Officer	Appointed w.e.f. September 20, 2023.	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.

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 chapter titled “Restated Financial Statement” on page 132 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 92 of this Prospectus.

## OUR PROMOTERS & PROMOTER GROUP

Mr. Abhay Shriram Asalkar and Mr. Yogesh Omprakash Nimodiya are the Promoters of our Company.

As on the date of this Prospectus, Mr. Abhay Shriram Asalkar and Mr. Yogesh Omprakash Nimodiya are holding 33,65,340 Equity Shares which constitute 94.42% 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: -

	<b>Mr. Abhay Shriram Asalkar, Chairman cum Managing Director</b>	
	<b>Qualification</b>	Bachelor of Textile Engineering and Master of Business Administration.
	<b>Date of Birth</b>	01/01/1977
	<b>Age</b>	46 Years
	<b>Address</b>	C2/1001, Mahindra Antheia Society, Nehru Nagar Road, Sr No.6017, Pimpri, Pune-411018, Maharashtra, India.
	<b>Experience</b>	25 Years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AECA3890C
	<b>Passport Number</b>	Z6578020
	<b>Driving License Number</b>	MH2920100011632
	<b>No. of Equity Shares held in PIL [% of Shareholding (Pre-Issue)]</b>	16,82,670 Equity Shares of ₹ 10 each; 47.21% of Pre- Issue Paid up capital
	<b>DIN</b>	06851614
	<b>Other Interests</b>	<b>Companies:</b> <ol style="list-style-type: none"> <li>1. Piotex Textech Private Limited</li> <li>2. Piotex Ventures Private Limited</li> <li>3. Piotex Grover International Private Limited</li> </ol> <b>LLP:</b> Adler Bizsol LLP <b>HUF:</b> Abhay Shriram Asalkar (HUF)
		<b>Mr. Yogesh Omprakash Nimodiya, Whole-Time Director</b>
<b>Qualification</b>		Master of Business Administration
<b>Date of Birth</b>		12/05/1975
<b>Age</b>		48 Years
<b>Address</b>		C2/401, Mahindra Antheia Society, Nehru Nagar Road, Sr No.6017, Pune-411018, Maharashtra, India.
<b>Experience</b>		25 Years
<b>Occupation</b>		Business
<b>Permanent Account Number</b>		ACWPN3417C
<b>Passport Number</b>		X5466567
<b>Driving License Number</b>		MH0220080005657
<b>No. of Equity Shares held in PIL[% of Shareholding (Pre Issue)]</b>		16,82,670 Equity Shares of ₹ 10 each; 47.21% of Pre- Issue Paid up capital
<b>DIN</b>	06851606	

	<b>Other Interests</b>	<b>Companies</b> 1. Piotex Textech Private Limited 2. Piotex Ventures Private Limited 3. Piotex Grover International Private Limited <b>LLP:</b> Adler Bizsol LLP <b>HUF:</b> Yogesh Omprakash Nimodiya HUF
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### 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 BSE Limited at the time of filing of Prospectus with them.

*Present Promoters of Our Company are Mr, Abhay Shriram Asalkar and Mrs. Yogesh Omprakash Nimodiya who were also Initial subscribers to the MoA of our Company 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 50 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 142 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

Except below, there are no other entity/ Group Companies which are engaged in similar line of business as our Company as on date of this Prospectus.

1. Piotex Textech Private Limited
2. Piotex Grover International Privated Limited
3. Adler Bizsol LLP

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 132 & 115 of this Prospectus, respectively.

### **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. Abhay Shriram Asalkar and Mr. Yogesh Omprakash Nimodiya are interested to the extent of their shareholding and shareholding of their relatives in our Company. Our Promoter Mr. Abhay Shriram Asalkar and Mr. Yogesh Omprakash Nimodiya who are also the Managing Director and Whole-Time Director 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.

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. Abhay Shriram Asalkar and Mr. Yogesh Omprakash Nimodiya have experience of 25 years. 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 chapter titled “Restated Financial Statements” on page 132 of this Prospectus.

Except as stated chapter titled “Restated Financial Statements” on page 132 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 115 of this Prospectus. Also refer chapter titled “Restated Financial Statements” on page 132 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 127 & 152 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 142 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. Abhay Shriram Asalkar	Mr. Yogesh Omprakash Nimodiya
<b>Father</b>	-	Omprakash Balibhadra Nimodiya
<b>Mother</b>	Shakuntala Shriram Asalkar	Lilabai Omprakashji Nimodiya
<b>Spouse</b>	Chaitali Abhay Asalkar	Sandhya Yogesh Nimodiya
<b>Brother</b>	Manish Shriram Asalkar	Mukesh Omprakash Nimodiya
<b>Sister</b>	Jayashree Ramesh Rao Patil	Rajeshree Sunil Goenka
	Anjali Rajendra Ganage	
	Sonal Vaibhav Chinchalkar	Ranjana Akhilesh Agarwal
	Chhaya Arvind Dhajekar	
<b>Son</b>	-	Vedant Yogesh Nimodiya
<b>Daughter</b>	Arya Abhay Asalkar	Nandini Yogesh Nimodiya
	Kavya Abhay Asalkar	
<b>Spouse's Father</b>	Shamrao Gopalrao Panbude	Purushottam Shivprasad Jajodiya
<b>Spouse's Mother</b>	Geeta Shamrao Panbude	Puspa Jajodiya
<b>Spouse's Brother</b>	Nilesh Shamrao Panbude	Dilip P Jajodiya
	Dhananjay Shamrao Panbude	-
<b>Spouse's Sister</b>	-	Kiran Khetan
		Lata Girdhari Agarwal

### 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:

- Piotex Textech Private Limited
- Piotex Ventures Private Limited
- Piotex Grover International Private Limited
- Adler Bizsol LLP
- Yogesh Omprakash Nimodiya HUF
- Abhay Shriram Asalkar (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**

<b>Particulars</b>	<b>Page No.</b>
Restated Financial Statement	F1 to F28

## **Independent Auditor's Examination report on Restated Financial Information of Piotex Industries Limited**

To,  
The Board of Directors  
Piotex Industries Limited,  
F/II Block, Plot No. 16/2, M.I.D.C.,  
Pimpri, Pune- 411018, Maharashtra.

Dear Sir,

1. We have examined the attached Restated Financial Information of **PIOTEX INDUSTRIES LIMITED** (Formerly known as Piotex Industries Private Limited) (the "Company" or the "Issuer"), comprising the Restated Statement of Assets and Liabilities as at March 31, 2024, 2023 and 2022, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the years ended March 2024, 2023 and 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on April 27, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus / Prospectus (Here-in Offer Documents) prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO").
2. These restated Summary Statement have been prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act")
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
3. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, Registrar of Companies, Gujarat and the BSE SME Exchange in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Information. The Board of Directors' 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.
4. 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 July 24, 2023 in connection with the proposed IPO of equity shares of the Issuer;
  - 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.
5. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Company for the financial years ended on March 2024, 2023 and 2022 which has been approved by the Board of Directors.
6. For the purpose of our examination, we have relied on:
- a) Auditors' Report issued by us dated April 15, 2024 on financial statement of the Company as at and for the year ended on March 31, 2024.
  - b) Auditors' Report issued by statutory auditor dated July 10, 2023 and September 15, 2022 on the financial statements of the company as at and for the year ended on March 31, 2023 and March 31, 2022 as referred in Paragraph 5 above.

The audits for the financial years ended March 31, 2023 & 2022 were conducted by the Company's previous auditors M/s ACHYUT EKHE & CO., Chartered Accountants, and accordingly reliance has been placed on the restated statement of assets and liabilities and the restated statements of profit and loss and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and collectively, the "Restated Financial Information" examined by them for the said years.

7. Based on our examination and according to the information and explanations given to us, we report that:
- a) The "**Restated Summary Statement of Assets and Liabilities**" as set out in **Annexure I** to this report, of the Company as at and for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are 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. These fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.
  - b) The "**Restated Summary Statement of Profit and Loss**" as set out in **Annexure II** to this report, of the Company as at and for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are 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 Summary Statement of Cash Flow**" as set out in **Annexure III** to this report, of the Company as at and for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flow 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.
  - d) The Restated Summary Statement have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

- e) The Restated Summary Statements 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;
- f) The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate, if any and there are no qualifications which require adjustments;
- g) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- h) There were no qualifications in the Audit Reports issued by the Statutory Auditors as at and for the year ended on March 31, 2024, March 31, 2023 & March 31, 2022 which would require adjustments in this Restated Financial Statements of the Company;
- i) 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;
- j) There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements
- k) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
- l) The company has not proposed any dividend in past effective for the said period.
8. 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 as at and for the year ended March 31, 2024, March 31, 2023 & March 31, 2022 proposed to be included in the Offer Documents.

<b>Annexure No.</b>	<b>Particulars</b>
<b>I</b>	<b>Restated Statement of Assets &amp; Liabilities</b>
I.1	Restated Statement of Share Capital
I.2	Restated Statement of Reserves & Surpluses
I.3	Restated Statement of Long-Term Borrowings
I.4	Restated Statement of Deferred Tax Liabilities
I.5	Restated Statement of Short-term borrowings
I.6	Restated Statement of Trade Payable
I.7	Restated Statement of Other Current Liabilities
I.8	Restated Statement of Short-Term Provisions
I.9	Restated Statement of Property, Plant & Equipment and Intangible Assets
I.10	Restated Statement of Other Non-current Assets
I.11	Restated Statement of Inventories



Annexure No.	Particulars
I.12	Restated Statement of Trade Receivable
I.13	Restated Statement of Cash & Cash Equivalent
I.14	Restated Statement of Short-Term Loans and Advances
I.15	Restated Statement of Other Current Assets
<b>II</b>	<b>Restated Statement of Profit &amp; Loos</b>
II.1	Restated Statement of Revenue from operations
II.2	Restated Statement of Other Income
II.3	Restated Statement of Cost of Material Consumed
II.4	Restated Statement of Purchases of stock-in-trade
II.5	Restated Statement of Changes in Inventories of finished goods and work-in-progress
II.6	Restated Statement of Employees Benefit Expenses
II.7	Restated Statement of Finance Cost
II.8	Restated Statement of Other Expenses
II.9	Restated Statement of Earnings per equity share
Other Annexures:	
III	Cash Flow Statement
IV	Statement of Significant Accounting Policies
V	Notes to the Re-stated Financial Statements
VI	Statement of Accounting & Other Ratios, As Restated
VII	Statement of Capitalization, As Restated
VIII	Statement of Tax Shelter, As Restated
IX	Statement of Related Parties & Transactions
X	Statement of Dividends
XI	Changes in the Significant Accounting Policies
XII	Contingent Liabilities & Capital Commitments

9. We, M/s. S V J K and Associates, 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 which is valid till November 30, 2026.
10. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim financial statements and audited financial statements mentioned in paragraph 5 above.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Maharashtra in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For, S V J K and Associates  
(Erstwhile A S R V & Co.)  
Chartered Accountants  
Firm Reg. No: 135182W  
PRC No:014698**

**Ankit Singhal  
Partner  
Membership No:151324**

**Place: Ahmedabad  
Date: April 27, 2024**

**UDIN: 24151324BKESGE6731**

**ANNEXURE - I**  
**STATEMENT OF ASSETS & LIABILITIES, AS RESTATED**

(₹ in Lakhs)

	Particulars	Note	As At 31/03/2024	As At 31/03/2023	As At 31/03/2022
<b>I</b>	<b>EQUITY AND LIABILITIES</b>				
	1. Shareholders' funds				
	(a) Share Capital	I.1	356.40	15.00	15.00
	(b) Reserves and surplus	I.2	582.47	425.07	136.32
	2. Non-current liabilities				
	(a) Long-term borrowings	I.3	345.94	372.30	123.25
	(b) Other Non-current liabilities		-	-	-
	(c) Deferred tax liabilities	I.4	0.06	0.19	-
	(d) Long-term provisions		-	-	-
	3. Current liabilities				
	(a) Short-term borrowings	I.5	100.00	-	405.33
	(b) Trade payables	I.6			
	i) Due to MSME		1,623.55	396.79	-
	ii) Due to Others		349.35	533.55	561.53
	(c) Other current liabilities	I.7	242.90	1.63	114.66
	(d) Short-term provisions	I.8	9.91	13.15	29.38
	<b>TOTAL</b>		<b>3,610.59</b>	<b>1,757.68</b>	<b>1,385.47</b>
<b>II.</b>	<b>ASSETS</b>				
	<b>1. Non-current assets</b>				
	(a) Property Plant & Equipments and Intangible Assets				
	(i) Property Plant & Equipments	I.9	10.08	12.31	-
	(ii) Capital work-in-progress		-	-	-
	(b) Non-current investments		-	-	-
	(c) Long-term loans and advances		-	-	-
	(d) Other Non Current Assets	I.10	42.05	-	-
	<b>2. Current assets</b>				
	(a) Inventories	I.11	19.88	8.02	855.89
	(b) Trade receivables	I.12	3,207.75	914.43	177.74
	(c) Cash and cash equivalents	I.13	6.14	45.16	21.17
	(d) Short-term loans and advances	I.14	321.73	762.19	329.60
	(e) Other Current Assets	I.15	2.95	15.57	1.08
	<b>TOTAL</b>		<b>3,610.59</b>	<b>1,757.68</b>	<b>1,385.47</b>

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

As per our report of even date attached

For S V J K and Associates  
Chartered Accountants  
Firm's Registration No: 135182W

For and on behalf of the Board of Directors  
PIOTEX INDUSTRIES LIMITED

Ankit Singhal  
Partner  
M No.151324  
UDIN: 24151324BKESGE6731

Abhay Asalkar      Yogesh Nimodiya      Mahendra Rajpoot  
Managing Director      CFO & Director      Company Secretary  
(DIN : 06851614)      (DIN : 06851606)

Place: Ahmedabad  
Date : 27th April, 2024

Place: Ahmedabad  
Date : 27th April, 2024

**ANNEXURE - II**  
**STATEMENT OF PROFIT & LOSS, AS RESTATED**

(₹ in Lakhs)

	Particulars	Note	For the year ended 31/03/2024	For the year ended 31/03/2023	For the year ended 31/03/2022
<b>I</b>	Revenue from operations	II.1	11,845.92	8,600.58	8,022.18
<b>II</b>	Other Income	II.2	47.96	66.63	24.20
<b>III</b>	<b>Total Income (I+II)</b>		<b>11,893.88</b>	<b>8,667.21</b>	<b>8,046.39</b>
	<b>Expenses:</b>				
	(a) Cost of materials consumed	II.3	376.49	-	-
	(b) Purchases of stock-in-trade	II.4	11,004.39	7,308.96	8,567.93
	(c) Changes in inventories of finished goods and work-in- progress	II.5	8.02	847.86	(808.77)
	(d) Employee benefits expense	II.6	42.28	10.94	21.22
	(e) Finance costs	II.7	24.65	90.21	38.76
	(f) Depreciation and amortisation expense		2.23	0.19	-
	(g) Other expenses	II.8	33.86	17.03	127.36
<b>IV</b>	<b>Total expenses</b>		<b>11,491.92</b>	<b>8,275.20</b>	<b>7,946.49</b>
<b>V</b>	<b>Profit /(Loss) before tax and Exceptional Items (III-IV)</b>		<b>401.96</b>	<b>392.01</b>	<b>99.90</b>
<b>VI</b>	<b>Exceptional Items</b>		-	-	-
<b>VII</b>	<b>Profit /(Loss) before tax (V-VI)</b>		<b>401.96</b>	<b>392.01</b>	<b>99.90</b>
<b>VIII</b>	<b>Tax expense:</b>				
	(a) Current tax expense		101.29	103.07	25.61
	(b) Deferred tax charge/(credit)		(0.12)	0.19	-
			<b>101.17</b>	<b>103.26</b>	<b>25.61</b>
<b>IX</b>	<b>Profit after tax for the year (VII-VIII)</b>		<b>300.80</b>	<b>288.75</b>	<b>74.29</b>
<b>XII</b>	<b>Earnings per share (face value of ₹ 10/- each):</b> (Considering Bonus impact with retrospective effect)	II.9			
	(a) Basic (in ₹)		8.48	11.67	3.00
	(b) Diluted (in ₹)		8.48	11.67	3.00

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

As per our report of even date attached

For S V J K and Associates  
Chartered Accountants  
Firm's Registration No: 135182W

Ankit Singhal  
Partner  
M No.151324  
UDIN: 24151324BKESGE6731

Place: Ahmedabad  
Date : 27th April, 2024

For and on behalf of the Board of Directors  
PIOTEX INDUSTRIES LIMITED

Abhay Asalkar      Yogesh Nimodiya      Mahendra Rajpoot  
Managing Director      CFO & Director      Company Secretary  
(DIN : 06851614)      (DIN : 06851606)

Place: Ahmedabad  
Date : 27th April, 2024

**ANNEXURE - III**  
**STATEMENT OF CASH FLOW, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended	For the period ended	For the year Ended
	As At 31/03/2024	As At 31/03/2023	As At 31/03/2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before Extraordinary items	401.96	392.01	99.90
Adjustment For:			
(a) Depreciation and Amortization	2.23	0.19	-
(b) Interest Charges	24.65	90.21	38.76
Operating Profit before Working Capital Changes	<b>428.84</b>	<b>482.41</b>	<b>138.65</b>
Adjustment For :			
(a) (Increase)/Decrease in Inventories	(11.86)	847.86	(808.77)
(b) (Increase)/Decrease in Trade Receivables	(2,293.32)	(736.69)	129.09
(c) (Increase)/Decrease in Loans & Advances & Other Assets	453.07	(447.08)	(303.77)
(d) Increase /(Decrease) in Trade Payables & Other Liabilities	1,280.60	239.54	521.44
CASH GENERATED FROM OPERATIONS	(142.67)	386.04	(323.37)
Less : Direct Taxes paid	(101.29)	(103.07)	(25.61)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	<b>(243.96)</b>	<b>282.97</b>	<b>(348.97)</b>
NET CASH FROM OPERATING ACTIVITIES (A)	<b>(243.96)</b>	<b>282.97</b>	<b>(348.97)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
(a) Sales / (Addition) in Fixed Assets & WIP	-	(12.50)	-
(b) (Increase ) / Decrease in Non Current Assets	(42.05)	-	0.15
NET CASH FROM INVESTING ACTIVITIES (B)	<b>(42.05)</b>	<b>(12.50)</b>	<b>0.15</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
(a) Increase/(Decrease) in Long Term Borrowings	(26.36)	249.05	(48.88)
(b) Increase/(Decrease) in Short Term Borrowing	100.00	(405.33)	356.54
(c) Issue of Share Capital	6.60	-	-
(d) Proceeds from Security Premium	191.40	-	-
(e) Interest Paid	(24.65)	(90.21)	(38.76)
NET CASH FLOW IN FINANCING ACTIVITIES (C)	<b>246.99</b>	<b>(246.48)</b>	<b>268.90</b>
NET INCREASE IN CASH & CASH EQUIVALENTS (A)+(B)+(C)	(39.02)	23.99	(79.92)
OPENING BALANCE – CASH & CASH EQUIVALENT	<b>45.16</b>	<b>21.17</b>	<b>101.10</b>
CLOSING BALANCE - CASH & CASH EQUIVALENT	<b>6.14</b>	<b>45.16</b>	<b>21.17</b>

As per our Report of even date

**For S V J K and Associates**  
**Chartered Accountants**  
**Firm's Registration No: 135182W**

**Ankit Singhal**  
**M No.151324**  
**UDIN: 24151324BKESGE6731**

**Place: Ahmedabad**  
**Date : 27th April, 2024**

**For and on Behalf of the Board**  
**PIOTEX INDUSTRIES LIMITED**

<b>Abhay Asalkar</b> <b>Managing Director</b> <b>(DIN : 06851614)</b>	<b>Yogesh Nimodiya</b> <b>CFO &amp; Director</b> <b>(DIN : 06851606)</b>	<b>Mahendra Rajpoot</b> <b>Company Secretary</b>
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**Place: Ahmedabad**  
**Date : 27th April, 2024**

## Annexure IV

### **1. Background**

Piotex Industries Limited (Formerly known as Piotex Industries Private Limited,) ('the Company') was incorporated on 23rd October 2019. The Company is engaged in Trading of Textile Items, contract Manufacturing of cotton yarn & Fabrics and providing solutions pertaining to Textile Technologies.

### **2. Significant accounting policies**

#### **2.1 Basis for preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounts) Rules, 2014 issued by the Central Government, the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India, to the extent applicable.

#### **2.2 Going concern**

Accordingly, these financial statements have been prepared on a going concern basis i.e. the assets and liabilities are recorded on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of the business.

#### **2.3 Use of estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### **2.4 Property, Plant & Equipment & depreciation**

Property, Plant & Equipment are carried at cost of acquisition or construction less accumulated depreciation. Cost of acquisition includes expenses on installation and construction and incidental expenses incurred during construction period.

Depreciation on fixed assets is provided on the written down value (WDV) method. The useful lives of fixed assets as prescribed in Schedule II to the Companies Act, 2013 are considered.

#### **2.5 Impairment of assets**

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the recoverable amount. The impairment loss to be expensed is determined as the excess of carrying amount over the higher of the asset's net selling price or present value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal.



## **2.6 Inventories**

Finished Goods Inventory is stated at cost or net realisable value whichever is less. Cost includes an appropriate share of labour and overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realizable value is made on an item by item basis.

## **2.7 Revenue recognition**

Revenue from sale of products is recognised when risks and rewards of ownership of products are passed on to the customers. Revenue from sale of services is recognized when the provision of service is complete. Sales are recorded exclusive of indirect taxes such as Goods & Service Tax (GST).

## **2.8 Borrowing Cost**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

## **2.9 Provisions & contingent liabilities**

The Company creates a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## **2.10 Taxation**

Income-tax expenses comprise current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), fringe benefit tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that they will be realized in future; however, where there is unabsorbed depreciation and carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

### **2.11 Inventories:**

Inventories are valued at the lower of the cost & estimated net realizable value. Cost of inventories is computed on a FIFO basis. Finished goods & work in progress include costs of conversion & other costs incurred in bringing the inventories to their present location & condition. Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete, defective & unserviceable stocks are duly provided for.

### **2.12 Amount Due to Micro, Small and Medium Enterprises:**

- (i) Based on the information available with the Company in respect of MSME (as defined in the Micro, Small and Medium Enterprises Development Act, 2006) there are no delays in payment of dues to such enterprise during the year.
- (ii) The identification of Micro, Small and Medium Enterprises Suppliers as defined under “The Micro, Small and Medium Enterprises Development Act, 2006” is based on the information available with the management.

### **2.13 Earnings Per Share:**

Basic and diluted earnings per share are computed in accordance with Accounting Standard-20. Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

## Annexure - I.1

## Restated Statement of Share Capital

(₹ in Lakhs)

Particulars	As At 31/03/2024	As At 31/03/2023	As At 31/03/2022
<b>Authorised Capital</b>			
No. of Equity Shares of ₹ 10/- each	85,00,000	1,50,000	1,50,000
Authorised Equity Share Capital In Rs.	850.00	15.00	15.00
<b>Issued, Subscribed &amp; Fully Paid up</b>			
No. of Equity Shares of ₹ 10/- each	35,64,000	1,50,000	1,50,000
Issued, Subscribed & Fully Paid up Share Capital In Rs.	356.40	15.00	15.00
<b>Total</b>	<b>356.40</b>	<b>15.00</b>	<b>15.00</b>

## Reconciliation of the number of shares outstanding is set out below:-

Particulars	As At 31/03/2024	As At 31/03/2023	As At 31/03/2022
	Number of Shares	Number of Shares	Number of Shares
Shares outstanding at the beginning of the year	1,50,000	1,50,000	1,50,000
Add:-Shares Issued during the year		-	-
Fresh Issue	66,000	-	-
Bonus Shares Issued	33,48,000	-	-
Less:Shares bought back during the year			
Other Changes (give details)	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>35,64,000</b>	<b>1,50,000</b>	<b>1,50,000</b>

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The company has not proposed any dividend during preceding financial year. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

## Details of Shareholders holding more than 5 % shares:-

Name of Shareholder	As At 31/03/2024	As At 31/03/2023	As At 31/03/2022
<b>ABHAY SHRIRAM ASALKAR</b>			
Number of Shares	16,82,670	75,000	75,000
% of Holding	47.21%	50.00%	50.00%
<b>YOGESH OMPRAKASH NIMODIYA</b>			
Number of Shares	16,82,670	75,000	75,000
% of Holding	47.21%	50.00%	50.00%
<b>HITESH SURENDRA LOONIA</b>			
Number of Shares	1,98,000	-	-
% of Holding	5.56%	-	-

## Details of promoters holding shares:-

Name of Shareholder	As At 31/03/2024	As At 31/03/2023	As At 31/03/2022
<b>ABHAY SHRIRAM ASALKAR</b>			
Number of Shares	16,82,670	75,000	75,000
% of Holding	47.21%	50.00%	50.00%
<b>YOGESH OMPRAKASH NIMODIYA</b>			
Number of Shares	16,82,670	75,000	75,000
% of Holding	47.21%	50.00%	50.00%

**% Change during the period:** During the stub period Promoter's share holding is reduced by 5.57%.

## Annexure - I.2

## Restated Statement of Reserves And Surplus

(₹ in Lakhs)

Particulars	As At 31/03/2024	As At 31/03/2023	As At 31/03/2022
<b>a. General Reserve Account</b>	-	-	-
<b>b. Security Premium</b>			
Opening Balance	-	-	-
(+) Increase during the year	191.40	-	-
: Less Bonus Shares Issued	(191.40)	-	-
	-	-	-
<b>b. Surplus in Statement of Profit &amp; Loss A/c</b>			
Opening balance	425.07	136.32	62.03
(+) Net Profit For the current year	300.80	288.75	74.29
: Less Bonus Shares Issued	(143.40)	-	-
<b>Net Surplus in Statement of Profit and Loss</b>	<b>582.47</b>	<b>425.07</b>	<b>136.32</b>
<b>Total</b>	<b>582.47</b>	<b>425.07</b>	<b>136.32</b>

## Annexure - I.3

## Restated Statement of Long Term Borrowings

(₹ in Lakhs)

Particulars	As At 31/03/2024	As At 31/03/2023	As At 31/03/2022
<b><u>Unsecured</u></b>			
<b>(a) Loans from Related Party (Refer I.3.1)</b>			
From Directors & Share Holders	153.80	372.30	123.25
From Body Corporate	192.14	-	-
<b>(b) Loans From Body Corporates</b>	-	-	-
	<b>345.94</b>	<b>372.30</b>	<b>123.25</b>
<b>Total</b>	<b>345.94</b>	<b>372.30</b>	<b>123.25</b>

I.3.1 Loan from Director & Shareholders is unsecured in nature for long term. Tenure of the same is not prescribed. Interest rate is 12 % p.a.

**Annexure - I.4****Restated Statement of Deferred Tax Liability****(₹ in Lakhs)**

<b>Particulars</b>	<b>As At 31/03/2024</b>	<b>As At 31/03/2023</b>	<b>As At 31/03/2022</b>
<b>Deferred Tax Liability</b>			
Opening Balance	0.19	0.19	-
<b>Adjustments during the year:</b>			
on account of timing difference between Depreciation as per IT Act and Companies Act.	(0.12)	-	-
<b>Total</b>	<b>0.06</b>	<b>0.19</b>	<b>-</b>

**Annexure - I.5****Restated Statement of Short Tem Borrowings****(₹ in Lakhs)**

<b>Particulars</b>	<b>As At 31/03/2024</b>	<b>As At 31/03/2023</b>	<b>As At 31/03/2022</b>
<b>Unsecured</b>			
Term Loan*	100.00	-	-
		-	-
<b>Loan repayable on demand</b>			
(a) From Banks	-	-	405.33
(b) Current Maturity of long term debt	-	-	-
<b>From Related Parties</b>			
	-	-	-
<b>Total</b>	<b>100.00</b>	<b>-</b>	<b>405.33</b>

\* Notes:-

- i) Unsecured Business Term loan kotak mahindra bank sanction amount : ₹1,00,00,000, repayable in 13 installments of ₹8,96,700 each & applicable rate of interest is 13.75%.

**Annexure - I.6****Restated Statement of Trade Payable****(₹ in Lakhs)**

Particulars	As At 31/03/2024	As At 31/03/2023	As At 31/03/2022
Micro, Small and Medium Enterprises	1,623.55	396.79	-
Others	349.35	533.55	561.53
<b>Total</b>	<b>1,972.91</b>	<b>930.34</b>	<b>561.53</b>

**(a) Ageing schedule:****Balance as at 31st March, 2024****(₹ in Lakhs)**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	1,623.55	-	-	-
(ii) Others	315.49	-	33.86	-
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
<b>Total</b>	<b>1,939.05</b>	<b>-</b>	<b>33.86</b>	<b>-</b>

**Balance as at 31st March, 2023****(₹ in Lakhs)**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	396.79	-	-	-
(ii) Others	499.69	33.86	-	-
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
<b>Total</b>	<b>896.48</b>	<b>33.86</b>	<b>-</b>	<b>-</b>

**Balance as at 31st March 2022****(₹ in Lakhs)**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-
(ii) Others	561.53	-	-	-
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
<b>Total</b>	<b>561.53</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(b) Dues payable to Micro and Small Enterprises:****(₹ in Lakhs)**

Particulars	As At 31/03/2024	As At 31/03/2023	As At 31/03/2022
Principal amount remaining unpaid to any supplier as at the year end	1,623.55	396.79	-
Interest due on the above mention principal amount remaining unpaid to any	-	-	-
Amount of the interest paid by the Company in terms of Section 16	-	-	-
Amount of the interest due and payable for the period of delay in making payment but without adding the interest specified under the MSMED Act	-	-	-
Amount of interest accrued and remainig unpaid at the end of the accounting year	-	-	-

**Annexure - I.7****Restated Statement of Other Current Liabilities****(₹ in Lakhs)**

Particulars	As At 31/03/2024	As At 31/03/2023	As At 31/03/2022
Advances from Customers	214.03	-	0.57
Statutory Dues & Other Current Liabilities	24.35	1.63	111.99
Employee Benefit Payable	4.52	-	2.00
Other payable	-	-	0.10
<b>Total</b>	<b>242.90</b>	<b>1.63</b>	<b>114.66</b>

**Annexure - I.8****Restated Statement Short Term Provisions****(₹ in Lakhs)**

Particulars	As At 31/03/2024	As At 31/03/2023	As At 31/03/2022
Provision for Expenses	2.13	3.97	3.75
Provision for tax (Net of Advance Tax)	7.78	9.19	25.64
<b>Total</b>	<b>9.91</b>	<b>13.15</b>	<b>29.38</b>

## Annexure - I.9

## Restated Statement of Property Plant &amp; Equipment and Intangible Assets

(₹ in Lakhs)

	Fixed Assets	Gross Block			Accumulated Depreciation			Net Block			
		Balance as at 1 April 2023	Additions	Disposals	Balance as at 31st March, 2024	Balance as at 1 April 2023	Depreciation charge for the year	On disposals	Balance as at 31st March, 2024	Balance as at 31st March, 2024	Balance as at 31 March 2023
I.	<b>Property Plant &amp; Equipment</b>										
	Plant and Equipment	12.50	-	-	12.50	0.19	2.23	-	2.42	10.08	12.31
	<b>Total Tangible Assets</b>	<b>12.50</b>	<b>-</b>	<b>-</b>	<b>12.50</b>	<b>0.19</b>	<b>2.23</b>	<b>-</b>	<b>2.42</b>	<b>10.08</b>	<b>12.31</b>
	<b>Total</b>	<b>12.50</b>	<b>-</b>	<b>-</b>	<b>12.50</b>	<b>0.19</b>	<b>2.23</b>	<b>-</b>	<b>2.42</b>	<b>10.08</b>	<b>12.31</b>

	Fixed Assets	Gross Block			Accumulated Depreciation			Net Block			
		Balance as at 1 April 2022	Additions	Disposals	Balance as at 31st March, 2023	Balance as at 1 April 2022	Depreciation charge for the year	On disposals	Balance as at 31st March, 2023	Balance as at 31st March, 2023	Balance as at 31 March 2022
I.	<b>Property Plant &amp; Equipment</b>										
	Plant and Equipment	-	12.50	-	12.50	-	0.19	-	0.19	12.31	-
	<b>Total Tangible Assets</b>	<b>-</b>	<b>12.50</b>	<b>-</b>	<b>12.50</b>	<b>-</b>	<b>0.19</b>	<b>-</b>	<b>0.19</b>	<b>12.31</b>	<b>-</b>
	<b>Total</b>	<b>-</b>	<b>12.50</b>	<b>-</b>	<b>12.50</b>	<b>-</b>	<b>0.19</b>	<b>-</b>	<b>0.19</b>	<b>12.31</b>	<b>-</b>



<b>Annexure - I.10</b>					
<b>Restated Statement of Other Non Current Assets</b>			<b>(₹ in Lakhs)</b>		
<b>Particulars</b>	<b>As At 31/03/2024</b>	<b>As At 31/03/2023</b>	<b>As At 31/03/2022</b>		
Security Deposits	0.36	-	-		
Miscellaneous Expense Not Written Off	41.69	-	-		
<b>Total</b>	<b>42.05</b>	<b>-</b>	<b>-</b>		
<b>Annexure - I.11</b>					
<b>Restated Statement of Inventories (Valued at Cost or NRV which ever is lower)</b>			<b>(₹ in Lakhs)</b>		
<b>Particulars</b>	<b>As At 31/03/2024</b>	<b>As At 31/03/2023</b>	<b>As At 31/03/2022</b>		
a. Raw Materials and components	19.88	-	-		
b. Finished goods	-	8.02	855.89		
c. Stock-in-trade	-	-	-		
d. Waste	-	-	-		
<b>Total</b>	<b>19.88</b>	<b>8.02</b>	<b>855.89</b>		
<b>Annexure - I.12</b>					
<b>Restated Statement of Trade receivables</b>			<b>(₹ in Lakhs)</b>		
<b>Particulars</b>	<b>As At 31/03/2024</b>	<b>As At 31/03/2023</b>	<b>As At 31/03/2022</b>		
Trade Receivables, Unsecured	3,207.75	914.43	177.74		
<b>Total</b>	<b>3,207.75</b>	<b>914.43</b>	<b>177.74</b>		
<b>Age of receivables</b>					
<b>As At 31/03/2024</b>					
<b>Particulars</b>	<b>Less than 6 months</b>	<b>6 Months - 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>
<b>Undisputed</b>					
Trade receivables - Considered good	2,050.37	1,157.38	-	-	-
Trade receivables - doubtful debt	-	-	-	-	-
<b>Disputed</b>					
Trade receivables - Considered good	-	-	-	-	-
Trade receivables - doubtful debt	-	-	-	-	-
<b>Total</b>	<b>2,050.37</b>	<b>1,157.38</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As At 31/03/2023</b>					
<b>Particulars</b>	<b>Less than 6 months</b>	<b>6 Months - 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>
<b>Undisputed</b>					
Trade receivables - Considered good	914.43	-	-	-	-
Trade receivables - doubtful debt	-	-	-	-	-
<b>Disputed</b>					
Trade receivables - Considered good	-	-	-	-	-
Trade receivables - doubtful debt	-	-	-	-	-
<b>Total</b>	<b>914.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31/03/2022</b>					
<b>Particulars</b>	<b>Less than 6 months</b>	<b>6 Months - 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>
<b>Undisputed</b>					
Trade receivables - Considered good	177.74	-	-	-	-
Trade receivables - doubtful debt	-	-	-	-	-
<b>Disputed</b>					
Trade receivables - Considered good	-	-	-	-	-
Trade receivables - doubtful debt	-	-	-	-	-
<b>Total</b>	<b>177.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure - I.13****Restated Statement of Cash and Bank Balance**

<b>Particulars</b>	<b>As At 31/03/2024</b>	<b>As At 31/03/2023</b>	<b>As At 31/03/2022</b>
<b>Cash and Cash Equivalents</b>			
Bank Balance			
(i) In current accounts	4.81	43.96	20.64
(ii) In fixed deposit	-	-	-
(iii) In foreign currency account	-	-	-
Cash on Hand	1.33	1.20	0.53
<b>Total</b>	<b>6.14</b>	<b>45.16</b>	<b>21.17</b>

**Annexure - I.14****Restated Statement of Short Term Loans And Advances**

<b>Particulars</b>	<b>As At 31/03/2024</b>	<b>As At 31/03/2023</b>	<b>As At 31/03/2022</b>
<b>a) Loans and Advances to Related Party</b>			
Inter-corporate Loans	247.22	558.40	-
<b>b) Loans and Advances to others</b>			
Advance to Suppliers	5.14	-	50.45
Balance With Govt Authority	11.48	30.94	91.29
Inter-corporate Loans	10.80	172.84	158.11
Advance Income Tax	-	-	29.76
Advances for capital goods	47.10	-	-
<b>Total</b>	<b>321.73</b>	<b>762.19</b>	<b>329.60</b>

**Annexure - I.15****Restated Statement of Other current assets**

<b>Particulars</b>	<b>As At 31/03/2024</b>	<b>As At 31/03/2023</b>	<b>As At 31/03/2022</b>
Prepaid Expenses	2.95	-	1.08
Security Deposits (Axis LC Deposits)	-	15.57	-
<b>Total</b>	<b>2.95</b>	<b>15.57</b>	<b>1.08</b>

<b>Annexure - II.1</b>			
<b>Restated Statement of Revenue from operations</b>			<b>(₹ in Lakhs)</b>
<b>Particulars</b>	<b>For the year ended 31/03/2024</b>	<b>For the year ended 31/03/2023</b>	<b>For the year ended 31/03/2022</b>
Sale of products	11,845.92	8,600.58	7,978.40
Sales of Services	-	-	43.78
<b>Total</b>	<b>11,845.92</b>	<b>8,600.58</b>	<b>8,022.18</b>
<b>Annexure - II.2</b>			
<b>Restated Statement of Other income</b>			<b>(₹ in Lakhs)</b>
<b>Particulars</b>	<b>For the year ended 31/03/2024</b>	<b>For the year ended 31/03/2023</b>	<b>For the year ended 31/03/2022</b>
Discount	0.50	1.12	7.12
Interest Income	42.00	52.87	9.58
Other Misc Income	5.47	12.64	7.50
<b>Total</b>	<b>47.96</b>	<b>66.63</b>	<b>24.20</b>
<b>Annexure - II.3</b>			
<b>Restated Statement of Cost of materials consumed</b>			<b>(₹ in Lakhs)</b>
<b>Particulars</b>	<b>For the year ended 31/03/2024</b>	<b>For the year ended 31/03/2023</b>	<b>For the year ended 31/03/2022</b>
Inventories at the beginning of the year	-	-	-
Add: Purchases during the year	396.38	-	-
Less: Closing stock at the end of the year	(19.88)	-	-
<b>Cost of materials consumed</b>	<b>376.49</b>	<b>-</b>	<b>-</b>
<b>Annexure - II.4</b>			
<b>Restated Statement of Purchases of stock-in-trade</b>			<b>(₹ in Lakhs)</b>
<b>Particulars</b>	<b>For the year ended 31/03/2024</b>	<b>For the year ended 31/03/2023</b>	<b>For the year ended 31/03/2022</b>
Purchases of stock-in-trade	11,004.39	7,308.96	8,567.93
<b>Purchases of stock-in-trade</b>	<b>11,004.39</b>	<b>7,308.96</b>	<b>8,567.93</b>
<b>Annexure - II.5</b>			
<b>Restated Statement of Changes in inventories of finished goods and work-in-progress</b>			<b>(₹ in Lakhs)</b>
<b>Particulars</b>	<b>For the year ended 31/03/2024</b>	<b>For the year ended 31/03/2023</b>	<b>For the year ended 31/03/2022</b>
<b>Inventories at the end of the year:</b>			
(a) Finished goods	-	-	-
(b) Work-in-progress	-	-	-
(c) Stock-in-trade	-	8.02	855.89
(d) Waste	-	-	-
	<b>-</b>	<b>8.02</b>	<b>855.89</b>
<b>Inventories at the beginning of the year:</b>			
(a) Finished goods	-	-	-
(b) Work-in-progress	-	-	-
(c) Stock-in-trade	8.02	855.89	47.11
(d) Waste	-	-	-
	<b>8.02</b>	<b>855.89</b>	<b>47.11</b>
<b>Net (increase) / decrease</b>	<b>8.02</b>	<b>847.86</b>	<b>(808.77)</b>
<b>Annexure - II.6</b>			
<b>Restated Statement of Employee benefits expense</b>			<b>(₹ in Lakhs)</b>
<b>Particulars</b>	<b>For the year ended 31/03/2024</b>	<b>For the year ended 31/03/2023</b>	<b>For the year ended 31/03/2022</b>
(a) Salaries and wages	41.03	10.43	21.04
(b) Staff welfare expenses	0.26	-	0.06
(c) Contributions to Provident and other funds	0.98	0.51	0.12
<b>Total</b>	<b>42.28</b>	<b>10.94</b>	<b>21.22</b>

<b>Annexure - II.7</b>			
<b>Restated Statement of Finance costs</b>			
(₹ in Lakhs)			
<b>Particulars</b>	<b>For the year ended 31/03/2024</b>	<b>For the year ended 31/03/2023</b>	<b>For the year ended 31/03/2022</b>
Interest Expense	24.19	89.84	35.54
Other borrowing costs; bank Charges	0.46	0.37	3.22
<b>Total</b>	<b>24.65</b>	<b>90.21</b>	<b>38.76</b>
<b>Annexure - II.8</b>			
<b>Restated Statement of Other expenses</b>			
(₹ in Lakhs)			
<b>Particulars</b>	<b>For the year ended 31/03/2024</b>	<b>For the year ended 31/03/2023</b>	<b>For the year ended 31/03/2022</b>
Audit Fees	1.25	1.00	0.50
Bank Charges	-	-	4.78
Commission	0.47	-	95.27
Courier, Postage & loading unloading charges	0.07	-	0.11
Facility Usage Charges	2.20	2.75	1.72
Freight	9.35	3.67	6.07
Insurance Expense	0.36	1.08	7.16
Labour Charges	16.27	-	6.59
Miscellaneous Expenses	0.00	0.10	-
Office Expenses	0.08	-	0.13
Petrol & Diesel Expenses	-	-	1.02
Professional & Legal Fees	3.13	7.19	2.50
Professional Tax	0.03	-	0.22
Rates & Taxes	-	0.65	0.21
Rent	0.60	0.60	0.51
Repairs & Maintenance	0.01	-	0.25
Sales Promotion & Distribution Expenses	0.05	-	0.33
Telephone Charges	-	-	0.01
<b>Total (A+B+C)</b>	<b>33.86</b>	<b>17.03</b>	<b>127.36</b>
<b>(i) Payments to the auditors comprises</b>			
- As Auditors	1.25	1.00	0.50
- Other services	-	-	-
<b>(ii) Expenditure on Corporate Social Responsibility</b>			
Gross Amt. required to be spent by the Company during the period	NA	NA	NA
Amount spent in cash during the year	NA	NA	NA
<b>Annexure - II.9</b>			
<b>Restated Statement of Earning Per Equity Share</b>			
(₹ in Lakhs)			
<b>Particulars</b>	<b>For the year ended 31/03/2024</b>	<b>For the year ended 31/03/2023</b>	<b>For the year ended 31/03/2022</b>
<b>Before Exceptional Itmes</b>			
1. Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	300.80	288.75	74.29
2. Weighted Average number of equity shares used as denominator for calculating EPS	35,45,918	24,75,000	24,75,000
3. Basic and Diluted Earning per Share (On Face value of Rs. 10/ per share)	8.48	11.67	3.00

**Notes to the Re-stated Financial Statements:****I. Additional regulatory information****(a) Details of crypto currency or virtual currency**

The Company has neither traded nor invested in Crypto currency or Virtual Currency for the year ended on March 31, 2024, 2023 & 2022. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.

**(b) Undisclosed income**

During the Period, the Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**(c) Relationship with struck off companies**

The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 for the year ended on March 31, 2024, 2023 & 2022.

**(d) Compliance with numbers of layers of companies**

The Company is in compliance with the number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 for the year ended on March 31, 2024, 2023 & 2022.

**(e) Utilisation of borrowed funds and share premium**

During the year ended on March 31, 2024, 2023 & 2022, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

During the year ended on March 31, 2024, 2023 & 2022, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- ii) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

**(f) The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.****(g) No proceeding have been initiated nor pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.****VI. Non-adjustment Items:**

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

**II. Material Regroupings:**

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits 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 requirements of the SEBI Regulations.

**III. Material Adjustments in Restated Profit & Loss Account:****(₹ in Lakhs)**

Particulars	For the Period Ended		
	31/03/2024	31/03/2023	30/03/2022
<b>Profit After Tax as per Books of Accounts</b>	<b>300.80</b>	<b>288.75</b>	<b>74.29</b>
Adjustment for provision of Depreciation	-	-	-
Adjustment for provision of Income Tax	-	-	-
Adjustment for provision of Deferred Tax	-	-	-
<b>Profit After Tax as per Restated</b>	<b>300.80</b>	<b>288.75</b>	<b>74.29</b>

**IV. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006**

Based on the information available with the Company in respect of MSME (as defined in the Micro, Small and Medium Enterprises Development Act, 2006) there are no delays in payment of dues to such enterprise during the year.

The identification of Micro, Small and Medium Enterprises Suppliers as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the management. As certified by the management, the amounts overdue as on March 31, 2024, 2023 & 2022 to Micro, Small and Medium Enterprises on account of principal amount together with interest, aggregate to Rs. Nil.

I. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.

II. The balance of Sundry Creditors, Sundry Debtors, Loans Advances, Unsecured Loans, and Current Liabilities are subject to confirmation and reconciliation.

V. As required under SEBI (ICDR) Regulations, the statement of assets and liabilities has been prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the net worth arrived at after such deductions.

**VI. Provision for Gratuity**

As per provision of Gratuity Act, the Company had not crossed the threshold limit for deducting Gratuity and therefore the said provisions are not applicable till date.

**VII. Trade Receivables, Trade Payables, Borrowings, Loans & Advances and Deposits**

Balances of Trade Receivables, Trade Payables, Borrowings and Loans & Advances and Deposits are subject to confirmation.

**VIII. Re-grouping/re-classification of amounts**

The figures have been grouped and classified wherever they were necessary.

**IX. Examination of Books of Accounts & Contingent Liability**

The list of books of accounts maintained is based on information provided by the assessee and is not exhaustive. The information in audit report is based on our examination of books of accounts presented to us at the time of audit and as per the information and explanation provided by the assessed at the time of audit.

**X. Director Personal Expenses**

There are no direct personal expenses debited to the profit and loss account. However, personal expenditure if included in expenses like telephone, vehicle expenses etc. are not identifiable or separable.

**XI. Deferred Tax Asset / Liability: [AS-22]**

The company has created Deferred Tax Asset / Liability as required by Accounting Standard (AS) - 22.

**XII.** Corporate Social Responsibility (CSR) is not applicable to the Company and hence details not provided.

## ANNEXURE –VI

## Statement of Accounting &amp; Other Ratios, As Restated

Particulars	31/03/2024	31/03/2023	30/03/2022
Net Profit as Restated (A)	300.80	288.75	74.29
Add: Depreciation	2.23	0.19	-
Add: Interest on Loan	24.65	90.21	38.76
Add: Income Tax/ Deferred Tax	101.17	103.26	25.61
Less: Other Income	(47.96)	(66.63)	(24.20)
<b>EBITDA</b>	<b>380.88</b>	<b>415.78</b>	<b>114.45</b>
<b>EBITDA Margin (%)</b>	<b>3.22%</b>	<b>4.83%</b>	<b>1.43%</b>
Net Worth as Restated (B)	897.18	440.07	151.32
<b>Return on Net worth (%) as Restated (A/B)</b>	<b>33.53%</b>	<b>65.61%</b>	<b>49.09%</b>
Equity Share at the end of year (in Nos.) (C)	35,64,000	1,50,000	1,50,000
Weighted No. of Equity Shares (D)	35,45,918	24,75,000	24,75,000
(after considering Bonus Impact with retrospective effect)			
<b>Basic &amp; Diluted Earnings per Equity Share as Restated (A/D)</b>	<b>8.48</b>	<b>11.67</b>	<b>3.00</b>
Net Asset Value per Equity share as Restated (B/C)	25.17	293.38	100.88

Note:-

EBITDA Margin = EBITDA/Total Revenues

Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

Net asset value/Book value per share (₹) = Net worth / No. of equity shares

The Company does not have any revaluation reserves or extra-ordinary items.

Sr. No.	Ratio	As At 31/03/2024	As At 31/03/2023	As At 31/03/2022
1	Current Ratio	1.53	1.85	1.25
2	Debt-Equity Ratio	0.50	0.41	3.49
3	Debt Service Coverage Ratio	17.40	5.35	3.58
4	Return on Equity (ROE)(%)	44.99%	97.65%	65.11%
5	Inventory Turnover Ratio	816.21	18.88	17.19
6	Trade receivables turnover ratio	5.75	15.75	33.11
7	Trade payables turnover ratio	7.94	9.80	23.96
8	Net capital turnover ratio	11.65	16.00	30.64
9	Net profit ratio(%)	2.54%	3.36%	0.93%
10	Return on capital employed (ROCE)(%)	33.20%	59.34%	50.50%
11	Return on investments(%)	NA	NA	NA

Sr. No.	Ratio	As At 31/03/2024	Notes	As At 31/03/2023	Notes
1	Current Ratio	-17.15%		48.07%	Refer B-1
2	Debt-Equity Ratio	19.78%		-88.12%	Refer B-2
3	Debt Service Coverage Ratio	225.32%	Refer A-1	49.48%	Refer B-3
4	Return on Equity (ROE)(%)	-53.93%	Refer A-2	49.99%	Refer B-4
5	Inventory Turnover Ratio	4222.35%	Refer A-3	9.88%	
6	Trade receivables turnover ratio	-63.51%	Refer A-4	-52.43%	Refer B-5
7	Trade payables turnover ratio	-19.01%		-59.10%	Refer B-6
8	Net capital turnover ratio	-27.18%	Refer A-5	-47.77%	Refer B-7
9	Net profit ratio(%)	-24.37%		262.56%	Refer B-8
10	Return on capital employed (ROCE)(%)	-44.05%	Refer A-6	17.52%	
11	Return on investments(%)	NA		NA	

## Note : A Reasons for Variations:

- 1 Debt Service Coverage Ratio : It is increased as overall operating profit of company is increased
- 2 Return on Equity (ROE)(%) : It is decreased due to increase in average equity share capital
- 3 Inventory Turnover Ratio : It is increase due to decrease in average inventory
- 4 Trade receivables turnover ratio : It is decreased due to increase in Trade receivables
- 5 Net capital turnover ratio : It is decreased due to increase in working capital
- 6 Return on Capital employed(%) : It is decreased due to increase in debt and equity as well

## Note : B Reasons for Variations:

- 1 Current Ratio : It is increased due to increase in Trade receivables
- 2 Debt -equity Ratio : It is increased due to increase in long term borrowing
- 3 Debt Service Coverage Ratio : It is increased due to increase in profit before depreciation and interest
- 4 Return on Equity (ROE)(%) : It is increase due to decrease in operating expenses
- 5 Trade receivables turnover ratio : It is decreased due to increase in Turnover of Company
- 6 Trade payables turnover ratio : It is decreased due to increase in Trade payables
- 7 Net capital turnover ratio : It is decreased due to increase in working capital
- 8 Net Profit Ratio (%) :It is increased as overall operating profit of company is increased



**ANNEXURE –VII**

**Statement of Capitalization, As Restated**

(₹ in Lakhs)

Particulars	Pre-Issue	Post Issue*
	31/03/2024	
<b>Debt :</b>		
Long Term Debt	345.94	345.94
Short Term Debt	100.00	100.00
<b>Total Debt</b>	<b>445.94</b>	<b>445.94</b>
<b>Shareholders Funds</b>		
Equity Share Capital	356.40	510.36
Reserves and Surplus	582.47	1,875.74
Less: Misc. Expenditure	41.69	41.69
<b>Total Shareholders' Funds</b>	<b>897.18</b>	<b>2,344.40</b>
<i>Long Term Debt/ Shareholders' Funds</i>	<i>0.39</i>	<i>0.15</i>
<i>Total Debt / Shareholders Fund</i>	<i>0.50</i>	<i>0.19</i>
*Note:-		
1) "The post issue figures are as on 31.03.2024"		
2) "The post issue figures of debt is considered same as on 31/03/2024".		

## ANNEXURE –VIII

## Statement of Tax Shelter, As Restated

(₹ in Lakhs)

Particulars	As At		
	31/03/2024	31/03/2023	30/03/2022
<b>Profit Before Tax as per books of accounts (A)</b>	<b>401.96</b>	<b>392.01</b>	<b>99.90</b>
-- Normal Tax rate	25.17%	25.17%	25.17%
-- Minimum Alternative Tax rate	0.00%	0.00%	0.00%
<b>Permanent differences</b>			
Other adjustments	-	6.18	1.85
Prior Period Item	-	-	-
<b>Total (B)</b>	<b>-</b>	<b>6.18</b>	<b>1.85</b>
<b>Timing Differences</b>			
Depreciation as per Books of Accounts	2.23	0.19	-
Depreciation as per Income Tax	1.73	0.94	-
Difference between tax depreciation and book depreciation	0.49	(0.75)	-
Other adjustments		-	-
Deduction under chapter VI-A			-
<b>Total (C)</b>	<b>0.49</b>	<b>(0.75)</b>	<b>-</b>
<b>Net Adjustments (D = B+C)</b>	<b>0.49</b>	<b>5.43</b>	<b>1.85</b>
<b>Total Income (E = A+D)</b>	<b>402.46</b>	<b>397.44</b>	<b>101.75</b>
Brought forward losses set off (Depreciation)	-	-	-
Tax effect on the above (F)	-	-	-
<b>Taxable Income/ (Loss) for the year/period (E+F)</b>	<b>402.46</b>	<b>397.44</b>	<b>101.75</b>
Tax & interest thereon Payable for the year	101.29	103.07	25.61
Tax payable as per MAT	-	-	-
Tax expense recognised	<b>101.29</b>	<b>103.07</b>	<b>25.61</b>
Tax payable as per normal rates or MAT (whichever is higher)	<b>Income Tax</b>	<b>Income Tax</b>	<b>Income Tax</b>

**ANNEXURE –IX**

**Statement of Related Party & Transactions :**

**List of Related Parties where Control exists and Relationships:**

<b>Sr. No</b>	<b>Name of the Related Party</b>	<b>Relationship</b>
1) 2) 3) 4)	Piotex Ventures Private Limited Piotex Textech Private Limited Adler Bizsol LLP Piotex Grover international Pvt Ltd	Entities in which Key Management Personnel (KMP)/relative of KMP exercise significant influence
5) 6) 7) 8)	Mr. Abhay Asalkar Mr. Yogesh Nimodiya Mr. Sandeep Deore (Appointment date: 30th November, 2021) Mr. Vijay Deore ( Appointed on 30/11/2021 & resigned on 14/12/2022)	Director Director Director Director

**(₹ in Lakhs)**

<b>Transactions during the year:</b>	<b>For the year ended 31/03/2024</b>	<b>For the year ended 31/03/2023</b>	<b>For the year ended 31/03/2022</b>
<b>Sale of Goods</b>			
Piotex Textech Private Limited	153.52	218.64	-
<b>Commission Income</b>			
Piotex Textech Private Limited	-	-	43.78
<b>Purchase of Goods</b>			
Piotex Textech Private Limited	25.99	-	83.23
<b>Loan received from Related Parties</b>			
Piotex Textech Private Limited	612.46	-	-
Mr. Vijay Deore	-	550.00	-
Mr. Sandeep Deore	200.00	342.00	-
Mr. Abhay Asalkar	-	-	60.00
Mr. Yogesh Nimodiya	-	-	60.00
<b>Loan Repaid to Related Parties</b>			
Piotex Textech Private Limited	420.46		
Mr. Abhay Asalkar	0.30	67.30	-
Mr. Yogesh Nimodiya	0.30	67.30	-
Mr. Vijay Deore	-	557.72	-
Mr. Sandeep Deore	439.50	-	-
<b>Loan/Advances given to associate body corporate</b>			
Piotex Textech Private Limited	491.00	2,128.00	-
Piotex Ventures Private Limited	-	200.00	-
Adler Bizsol LLP	-	-	1.09
<b>Loan/Advances received back from associate body corporate</b>			
Adler Bizsol LLP	-	-	11.09
Piotex Textech Private Limited	829.18	1,802.45	-
Piotex Ventures Private Limited	-		
<b>Interest Paid</b>			
Piotex Textech Private Limited	0.16		
Mr. Abhay Asalkar	-	5.98	1.62
Mr. Yogesh Nimodiya	-	5.98	1.62
Mr. Sandeep Deore	24.00	33.00	-
Mr. Vijay Deore	-	8.58	-

<b>Interest Received</b>			
Piotex Textech Private Limited	-	14.03	-
Piotex Ventures Private Limited	30.00	20.22	-
<b>Facility Usage Charges</b>			
Piotex Textech Private Limited	2.20	2.75	1.72
Adler Bizsol LLP	0.84		
<b>Purchase of Asset</b>			
Piotex Textech Private Limited	-	12.50	-
(₹ in Lakhs)			
<b>4. Outstanding Balance Receivables / (Payable)</b>	<b>As At 31/03/2024</b>	<b>As At 31/03/2023</b>	<b>As At 31/03/2022</b>
<b>Trade receivables</b>			
Piotex Textech Private Limited	-	28.11	50.44
<b>Trade payable</b>			
Adler Bizsol LLP	0.84		
Piotex Textech Private Limited	24.07	-	-
Piotex Ventures Private Limited	-	-	-
<b>Outstanding Business Advances/Loans</b>			
Piotex Textech Private Limited	-	338.18	-
Piotex Ventures Private Limited	247.22	220.22	-
Adler Bizsol LLP	-	-	-
<b>Outstanding Unsecured Loan</b>			
Piotex Textech Private Limited	192.14	-	-
Mr. Sandeep Deore	153.80	371.70	-
Mr. Vijay Deore		-	-
Mr. Abhay Asalkar	-	0.30	61.62
Mr. Yogesh Nimodiya	-	0.30	61.62
<b>ANNEXURE –X</b>			
<b>Statement of Dividends</b>			
No Dividend Paid till Date			
<b>ANNEXURE –XI</b>			
<b>Changes in the Significant Accounting Policies</b>			
There have been no changes in the accounting policies of the company for the period covered under audit			
<b>ANNEXURE –XII</b>			
<b>Contingent Liabilities &amp; Capital Commitment:</b>			
a.Claims against the Company (including unasserted claims) not acknowledged as debt:			
(₹ in Lakhs)			
<b>Particulars</b>	<b>As At 31/03/2024</b>	<b>As At 31/03/2023</b>	<b>As At 31/03/2022</b>
NIL	NIL	NIL	NIL
(₹ in Lakhs)			
<b>Capital Commitment</b>	<b>As At 31/03/2024</b>	<b>As At 31/03/2023</b>	<b>As At 31/03/2022</b>
Purchase of Land - Industrial	227.90	NIL	NIL

**Material Adjustments****In Profit and Loss Account****(₹ in Lakhs)**

Particulars	For the FY ended		
	31/03/2024	31/03/2023	31/03/2022
<b>Profit After Tax as per Books of Accounts</b>	<b>300.80</b>	<b>288.75</b>	<b>74.29</b>
Adjustment for provision of Depreciation		-	-
Adjustment for provision of Income Tax		-	-
Adjustment for provision of Deferred Tax		-	-
<b>Profit After Tax as per Restated</b>	<b>300.80</b>	<b>288.75</b>	<b>74.29</b>

The impact of the above has been suitably incorporated in the restated balance sheet.

**Material Regrouping****(₹ in Lakhs)**

Particulars	For the FY ended		
	31/03/2024	31/03/2023	31/03/2022
<b>Reserve &amp; Surplus as per Books of Accounts</b>	<b>582.47</b>	<b>425.07</b>	<b>136.32</b>
Adjustment in Profit & Loss Accounts		-	-
Adjustment in opening Balance		-	-
<b>Reserve &amp; Surplus as per Restated</b>	<b>582.47</b>	<b>425.07</b>	<b>136.32</b>
<b>Net Worth as per Books of Accounts</b>	<b>897.18</b>	<b>440.07</b>	<b>151.32</b>
Adjustment in Provision for Tax		-	-
Adjustment in opening Balance		-	-
<b>Net worth as per Restated</b>	<b>897.18</b>	<b>440.07</b>	<b>151.32</b>

**OTHER FINANCIAL INFORMATION**

(Rs in Lakhs)

Particulars		31/03/2024	31/03/2023	30/03/2022
Net Profit as Restated	(A)	300.80	288.75	74.29
Add: Depreciation		2.23	0.19	-
Add: Interest on Loan		24.65	90.21	38.76
Add: Income Tax/ Deferred Tax		101.17	103.26	25.61
Less: Other Income		(47.96)	(66.63)	(24.20)
<b>EBITDA</b>		380.88	415.78	114.45
<b>EBITDA Margin (%)</b>		3.22%	4.83%	1.43%
Net Worth as Restated	(B)	897.18	440.07	151.32
<b>Return on Net worth (%) as Restated</b>	(A/B)	33.53%	65.61%	49.09%
Equity Share at the end of year (in Nos.)	(C)	35,64,000	1,50,000	1,50,000
Weighted No. of Equity Shares (after considering Bonus Impact with retrospective effect)	(D)	35,45,918	24,75,000	24,75,000
<b>Basic &amp; Diluted Earnings per Equity Share as Restated</b>	(A/D)	8.48	11.67	3.00
<b>Net Asset Value per Equity share as Restated</b>	(B/C)	25.17	293.38	100.88

Note:-

- EBITDA Margin = EBITDA/Total Revenues
- Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year.
- Return on Net worth (%) = Restated Profit after taxation / Net worth x 100
- Net asset value/Book value per share (₹) = Net worth / No. of equity shares
- The Company does not have any revaluation reserves or extra-ordinary items.



## **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 20 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 period ended March 31, 2024, March 31, 2023 and March 31, 2022 including the schedules and notes thereto and the reports thereto, which appear in the section titled "Financial Information of our company" on Page No. 132 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 is in business of contract manufacturing and trading of yarn, fabric and cotton bales. Our Products are used for various purposes such as garments & home furnishings, etc. We engage in trading of cotton bales. We also manufacture cotton yarn through out-sourcing model (Job-work) which are almost always in demand by the garment manufacturing industry.

The company is engaged mainly in 2 activities:

1. Trading of Cotton Bales, Synthetic Fiber, Cotton Yarn and Fabric: The company was established in Oct 2019, and till then the company has started trading business of Cotton Bales and Cotton Yarn in the textile hub of Maharashtra viz. Malegaon, Ichalkaranji and Bhiwandi. Also company supply the cotton yarn to Burhanpur and Ahmedabad. This business is already going on day to day, and also added fabric trading business from 2022-23. Also Company has a Sole Selling Agency agreement with Babasaheb Deshmukh Industries Private Limited for their finished product i.e. Cotton Yarn.
2. In the same way company started manufacturing through job work and Fabric Weaving job in which company provides the Yarn to jobworkers and weaving unit and they do the process of weaving on contracted charges and return the finished goods. The finished goods i.e. Fabric is then sold to customers.

Our Company was originally incorporated on October 24, 2019 as "Piotex Industries Private Limited" under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently our Company was converted into Public Limited Company and name of company was changed from "Piotex Industries Private Limited" to "Piotex Industries Limited" vide fresh certificate of incorporation dated August 11, 2023 issued by the Registrar of Companies, Pune.

Our registered office is situated at F/II Block, Plot No. 16/2, M.I.D.C., Pimpri, Pune, Maharashtra--411018, India.

We ensure the consistent quality of the Cotton Yarn as from the beginning we have the power of selection and control of raw material from the farm. Our company also focuses in high quality of yarn and fabrics utilizing best technology, at the most competitive prices and maintaining long term association with our clients. The level of advancement in job work process 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.

The company's team of skilled professionals comprises project managers and quality assurance specialists. The vast experience and expertise in their respective domains enable them to deliver solutions that are of the highest quality and meet the highest industry standards.

Our Business Process includes production & use of yarn during the manufacturing process. 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.

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 Promoters, Mr.



Abhay Shriram Asalkar and Mr. Yogesh Omprakash Nimodiya have 25 years of experience each in textile 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 year period ended March 31, 2024 our Company's Total Income and Restated Profit after tax were Rs. 11893.88 Lakhs and Rs. 300.80 Lakhs and year ended March 31, 2023, our Company's Total Income and Restated Profit after tax were Rs. 8667.21 Lakhs and Rs. 288.75 Lakhs. For the year ended March 31, 2022, our Company's Total Income and Restated Profit after tax were Rs. 8046.39 Lakhs and Rs. 74.29 Lakhs.

## **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 132 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 20 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Disruption in our business process.
2. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
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 year ended					
	March 31, 2024	% of Total Income	March 31, 2022	% of Total Income	March 31, 2021	% of Total Income
Revenue from Operations	11,845.92	99.60	8,600.58	99.23	8,022.18	99.70
Other Income	47.96	0.40	66.63	0.77	24.20	0.30
<b>Total Income (A)</b>	<b>11,893.88</b>	<b>100.00</b>	<b>8,667.21</b>	<b>100.00</b>	<b>8,046.39</b>	<b>100.00</b>
<b>EXPENDITURE</b>						
Cost of Material Consumed	376.49	3.17	-	-	-	-
Purchase of Stock in Trade	11,004.39	92.52	7,308.96	84.33	8,567.93	106.48
Changes in inventories of Finished Goods, WIP and Traded Goods	8.02	0.07	847.86	9.78	(808.77)	(10.05)
Employee benefits expense	42.28	0.36	10.94	0.13	21.22	0.26
Finance costs	24.65	0.21	90.21	1.04	38.76	0.48
Depreciation and amortization expense	2.23	0.02	0.19	0.00	-	-
Other expenses	33.86	0.28	17.03	0.20	127.36	1.58
<b>Total Expenses (B)</b>	<b>11,491.92</b>	<b>96.62</b>	<b>8,275.20</b>	<b>95.48</b>	<b>7,946.49</b>	<b>98.76</b>
<b>Profit before Exceptional Items(A-B)</b>	<b>401.96</b>	<b>3.38</b>	<b>392.01</b>	<b>4.52</b>	<b>99.90</b>	<b>1.24</b>
<b>Exceptional Items</b>	-	-	--	--	--	--
<b>Profit Before Tax</b>	<b>401.96</b>	<b>3.38</b>	<b>392.01</b>	<b>4.52</b>	<b>99.90</b>	<b>1.24</b>
<b>Tax expense :</b>						
(i) Current tax	101.29	0.85	103.07	1.19	25.61	0.32
(ii) Deferred tax	(0.12)	(0.00)	0.19	0.00	-	-
<b>Total Tax Expenses</b>	<b>101.17</b>	<b>0.85</b>	<b>103.26</b>	<b>1.19</b>	<b>25.61</b>	<b>0.32</b>
<b>Profit for the year</b>	<b>300.80</b>	<b>2.53</b>	<b>288.75</b>	<b>3.33</b>	<b>74.29</b>	<b>0.92</b>

### Review of Restated Financials,

#### Key Components of Company's Profit and Loss Statement

##### Revenue from Sale of Services:

Revenue from operations mainly consists from Revenue from Sale of Products i.e. Cotton Yarn & Textile Items.

##### Other Income:

Other Income Consist of Interest Income, Discount Received & Other Misc. Incomes etc.

##### Expenses:

Company's expenses consist of, Cost of Material Consumed, Purchase of Stock in Trade, Changes in Inventories of WIP, Finished goods & Stock in Trade, Employee benefit expenses, Finance Cost, Depreciation and Amortization expenses & Other Expenses.

##### Cost of Material Consumed:

Cost of material consumed mainly consist Opening Stock of Raw Material, Purchase of Raw Material Less Closing Stock of Raw Material available at the end of reporting period.

**Purchase of Stock in Trade:**

Purchase of Stock in Trade consist of Items purchase for Trading purpose only.

**Change in Inventory of WIP, Finished Goods & Stock in Trade:**

Change in Inventory of WIP, Finished goods & Stock in Trade consist of Difference between opening & closing Stock.

**Employee Benefits Expense:**

Employee benefit expenses includes Salaries and Wages, Staff Welfare Expenses & Contribution to statutory funds.

**Finance Cost:**

Finance Cost mainly consist of Interest on borrowings & other Finance Cost such as Loan processing fees, bank charges etc.

**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 Audit Fees, Commission Expenses, Facility Usage Charges, Freight, Insurance, Labour Charges, Legal & Professional Expenses, Rates & Taxes, Rent etc.

**Fiscal 2024 compared with Fiscal 2023*****Revenue from Operation***

Revenue from operations had increased by 37.73% from ₹ 8600.58 lakhs in Fiscal 2023 to ₹ 11845.92 lakhs in Fiscal 2024. The change was primarily due to increase in sales of products.

***Other Income***

Other income had decreased by 28.01 % from ₹ 66.63 lakhs in Fiscal 2023 to ₹ 47.96 lakhs in Fiscal 2024 due to decrease in Interest Income which decreased from 52.87 lakhs in fiscal 2023 to 42.00 lakhs in fiscal 2024, Decrease in other Misc Income from 12.64 Lakhs in Fiscal 2023 to 5.47 Lakhs in Fiscal 2024.

***Cost of Material Consumed***

Cost of Material Consumed had increased by 100.00% from Rs. NIL in Fiscal 2023 to Rs. 376.49 Lakhs.

***Purchase of Stock in Trade***

Purchase of Stock in Trade during the year has been increased by 50.56% from Rs. 7308.96 lakhs in Fiscal 2023 to Rs. 11004.39 Lakhs in fiscal 2024 due to higher volume in trading during the year

***Change in Inventories of WIP, Finished Goods & Stock in Trade***

Change in Inventory of WIP, Finished Goods & Stock in Trade has been decrease by 99.05% from Rs. 847.86 Lakhs in Fiscal 2023 to Rs. 8.02 Lakhs in Fiscal 2024 due to Decrease in Inventory holding level by the company.

***Employee Benefit Expenses***

Employee benefit expenses had increased by 286.28% from Rs. 10.94 Lakhs in Fiscal 2023 to Rs. 42.28 Lakhs in Fiscal 2024 majorly due to increase in Salary & Wages from Rs. 10.43 lakhs in Fiscal 2023 to Rs. 41.03 Lakhs in Fiscal 2024.

### ***Finance Costs***

Finance Costs had decreased by 72.67% from ₹ 90.21 lakhs in Fiscal 2023 to ₹ 24.65 Lakhs in Fiscal 2024. This was primarily due to decrease in Interest Expenses from Rs. 89.84 Lakhs in Fiscal 2023 to Rs. 24.19 Lakhs in Fiscal 2024.

### ***Depreciation and Amortization Expenses***

Depreciation had increased by 1059.06% from ₹ 0.19 Lakhs in Fiscal 2023 to ₹ 2.23 lakhs in Fiscal 2024 since in previous fiscal 2023, the depreciation has been charged for the days used in previous fiscal instead of full year .

### ***Other Expenses***

Other expenses had decreased by 98.81% from ₹ 17.03 lakhs in Fiscal 2023 to ₹ 33.86 lakhs in Fiscal 2024. The increase was primarily due to increase in Labour Charges, Freight, etc.

### ***Tax Expenses***

The Company's tax expenses had decreased from ₹ 103.26 lakhs in the Fiscal 2023 to ₹ 101.17 lakhs in Fiscal 2024. This was primarily due to decrease in Current Tax whiche was decreased from 103.07 Lakhs in fiscal 2023 to 101.29 Lakhs in fiscal 2024.

### ***Profit after Tax***

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 300.80 lakhs in Fiscal 2024 as compared to a net profit of ₹ 288.75 lakhs in Fiscal 2024.

## **Fiscal 2023 compared with Fiscal 2022**

### ***Revenue from Operation***

Revenue from operations had increased by 7.21% from ₹ 8022.18 lakhs in Fiscal 2022 to ₹ 8600.58 lakhs in Fiscal 2023. The change was primarily due to increase in sales of products.

### ***Other Income***

Other income had increased by 175.28 % from ₹ 24.20 lakhs in Fiscal 2022 to ₹ 66.63 lakhs in Fiscal 2023 due to increase in Interest Income which increased from 9.58 lakhs in fiscal 2022 to 52.87 lakhs in fiscal 2023, Increase in other Misc Income from 7.50 Lakhs in Fiscal 2022 to 12.64 Lakhs in Fiscal 2023.

### ***Purchase of Stock in Trade***

Purchase of Stock in Trade during the year has been decreased by 14.69% from Rs. 8567.93 lakhs in Fiscal 2022 to Rs. 7308.96 Lakhs since company has Higher opening stock at the beginning of the year.

### ***Change in Inventories of WIP, Finished Goods & Stock in Trade***

Change in Inventory of WIP, Finished Goods & Stock in Trade has been increase by 204.83% from Rs. (808.77) Lakhs in Fiscal 2022 to Rs. 847.86 Lakhs in Fiscal 2023 due to Decrease in Inventory holding level by the company.

### ***Employee Benefit Expenses***

Employee benefit expenses had decreased by 48.41% from Rs. 21.22 Lakhs in Fiscal 2022 to Rs. 10.94 Lakhs in Fiscal 2023 majorly due to decrease in Salary & Wages from Rs. 21.04 lakhs in Fiscal 2022 to Rs. 10.43 Lakhs in Fiscal 2023.

### ***Finance Costs***

Finance Costs had increased by 132.75% from ₹ 38.76 lakhs in Fiscal 2022 to ₹ 90.21 Lakhs in Fiscal 2023. This was primarily due to increase in Interest Expenses from Rs. 35.54 Lakhs in Fiscal 2022 to 89.84 Lakhs in Fiscal 2023.

### ***Depreciation and Amortization Expenses***

Depreciation had increased by 100% from ₹ NIL in Fiscal 2022 to ₹ 0.19 lakhs in Fiscal 2023 due to addition of Property Plant & Equipments during the year.

### ***Other Expenses***

Other expenses had decreased by 86.63% from ₹ 127.36 lakhs in Fiscal 2022 to ₹ 17.03 lakhs in Fiscal 2023. The decrease was primarily due to decrease in commission expenses, Bank Charges, Freight, Insurance Expenses, Labour charges, & Other Misc. Expenses.

### ***Tax Expenses***

The Company's tax expenses had increased from ₹ 25.61 lakhs in the Fiscal 2022 to ₹ 103.26 lakhs in Fiscal 2023. This was primarily due to increase in Current Tax which was increased from 25.61 Lakhs in fiscal 2022 to 103.07 Lakhs in fiscal 2023.

### ***Profit after Tax***

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 288.75 lakhs in Fiscal 2023 as compared to a net profit of ₹ 74.29 lakhs in Fiscal 2022.

### **Cash Flows**

Particulars	For the year ended March 31,		
	2024	2023	2022
Net Cash from Operating Activities	(243.96)	282.97	(348.97)
Net Cash from Investing Activities	(42.05)	(12.50)	0.15
Net Cash used in Financing Activities	246.99	(246.48)	268.90

(₹ in lakhs)

### ***Cash Flows from Operating Activities***

Net cash from operating activities for fiscal 2024 was at ₹ (243.96) lakhs as compared to the Profit Before Tax at ₹ 401.96 lakhs while for fiscal 2023 Net cash from operating activities was at ₹ 282.97 lakhs as compared to the Profit Before Tax at ₹ 392.01 Lakhs. This was primarily due to adjustments against adjustments against, changes in Working Capital.

Net cash from operating activities for fiscal 2023 was at ₹ 282.97 lakhs as compared to the Profit Before Tax at ₹ 392.01 lakhs while for fiscal 2022 Net cash from operating activities was at ₹ (348.97) lakhs as compared to the Profit Before Tax at ₹ 99.90 Lakhs. This was primarily due to adjustments against adjustments against, changes in Working Capital.

### ***Cash Flows from Investment Activities***

In fiscal 2024, the net cash invested in Investing Activities was ₹ (42.05) lakhs. This was mainly on account of increase in non current assets.

In fiscal 2023, the net cash invested in Investing Activities was ₹ (12.50). lakhs. This was mainly on account of Purchases of Fixed Assets.

In fiscal 2022, the net cash invested in Investing Activities was ₹ 0.15 lakhs. This was mainly on account of decrease in Non Current Assets.

### ***Cash Flows from Financing Activities***

In fiscal 2024, the net cash from financing activities was ₹ 246.99. lakhs. This was on account of Proceeds from Borrowings & issue of share capital

In fiscal 2023, the net cash from financing activities was ₹ (246.48) lakhs. This was on account of proceeds from Borrowings.

In fiscal 2022, the net cash from financing activities was ₹ 268.90 lakhs. This was on account of Repayment of Borrowings & Finance Cost.

**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.

**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 20 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 year ended March 31, 2024 is as follows:

Particulars	Customers
Top Ten (%)	97.74%

**9. Competitive conditions**

Competitive conditions are as described under the Chapters “Industry Overview” and “Business Overview” beginning on pages 79 and 92, respectively of the Prospectus.

**10. Details of material developments after the date of last balance sheet i.e. March 31, 2024**

After the date of last Balance sheet i.e. March 31, 2024, no material events have occurred after the last audited period.

**CAPITALIZATION STATEMENT**

(₹ in Lakhs)

Particulars	Pre-Issue	Post Issue*
	31/03/2024	
<b>Debt :</b>		
Long Term Debt	345.94	345.94
Short Term Debt	100.00	100.00
<b>Total Debt</b>	<b>445.94</b>	<b>445.94</b>
<b>Shareholders' Funds</b>		
Equity Share Capital	356.40	510.36
Reserves and Surplus	582.47	1875.74
Less: Misc. Expenditure	41.69	41.69
<b>Total Shareholders' Funds</b>	<b>897.18</b>	<b>2344.40</b>
<i>Long Term Debt/ Shareholders' Funds</i>	<b>0.39</b>	<b>0.15</b>
<i>Total Debt / Shareholders Fund</i>	<b>0.50</b>	<b>0.19</b>

**\*Note:-**

- 1) "The post issue figures are as on 31.03.2024"
- 2) The post issue figures of debt is considered same as on 31/03/2024"



## **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) (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.piotexindustries.com](http://www.piotexindustries.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 SUBSIDIARIES**

#### **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 :

M/s. Piotex Industries Limited (GSTIN: 27AAKCP8367N1ZG) (Hereinafter referred to as the 'assessee' have been issued with a notice u/s. 61 of the GST Act), intimating discrepancies in the return filed for the period April 2020 till March 2021 after scrutiny of the return, wherein the assessee have been alleged of claiming excess ITC of Rs. 21,33,000/- on account of excess ITC claimed in GSTR-3B/09 which is not confirmed in GSTR2A or 8A of GSTR9. The assessee herein has filed its detailed reply in the matter and the same is pending at the end of the department for further process.

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**

Indirect Tax: NIL

Direct Tax: NIL

#### **5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

### **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**

**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 GROUP COMPANIES AND/ OR SUBSIDIARIES**

**A. LITIGATION AGAINST OUR 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:

**M/s. Pidotex Textech Private Limited (Group Company)**

**1. A.Y. 2015-16:**

As per details available on the website of the Income Tax Department M/s. Pidotex Textech Private Limited (hereinafter referred to as the "Assessee") have been issued with a Demand notice u/s. 154 of the Income Tax Act, 1961 bearing reference no. 2018201537047100605C dated December 30, 2018 for an amount of Rs. 1,13,200/- for A.Y. 2015-16 and assessee has filed for rectification of the demand and the same is pending.

Currently as per details available on the website, an amount of Rs. 38,488/- is due towards interest and is pending to be paid.

## 2. Pending Demands/ Defaults of TDS:

As per details available on the TRACES an aggregate outstanding amount of **Rs. 59,470/-** from Financial years 2020-21 till 2021-22 is pending against M/s. Piotech Textech Private Limited (hereinafter referred to as the “Assessee”) as default on account of late filing of returns, late deposit of taxes, Short deduction and short payment of taxes. 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 GROUP COMPANIES

### 1) Litigation involving Criminal Laws

#### M/s. Piotech Textech Private Limited

**M/s. Piotech Textech Private Limited (Complainant) V/s. 1. M/s. Sankalp Textiles; 2. Mr. Paresh Dhirajlal Zaveri; (hereinafter collectively referred to as the Accused and individually as accused No. 1 & accused No. 2 respectively)**

#### Brief Facts of the Petition:

As alleged by the Complainant herein, the accused herein placed orders with the Complainant herein for certain products from time to time which were supplied by the Complainant during the month of June 2022 till December 2022 vide various invoices total amount aggregating to **Rs.4,76,50,780/-** which were received, accepted and duly acknowledged by the Accused No.2 for and on behalf of Accused No.1. As alleged, the accused herein in discharge of their liabilities, issued several cheques in favour of the Complainant, for various dates and amounts, which upon presentation with the bank of the Complainant, i.e. the Axis Bank Ltd., Nigdi Branch, returned dishonoured vide advice dated December 26, 2022 for reasons “Payment Stopped By the Drawer”. Aggrieved by this, the Complainant herein issued demand notice and followed by the same, the petitions as detailed hereunder were filed u/s. 138 of the negotiable Instruments Act for recovery of the amounts as detailed hereunder and the matters is pending with the 42<sup>nd</sup> Civil Judge, J.D. And J.M.F.C Pimpri, Civil Court, Pimpri.

Sr. No.	Case number and date of filing	Details of cheques drawn on HDFC Bank, Mulund (W)Mumbai.		Amount of Dispute
		Dated	Amount	
1	Filing No.: 1003/2023 Registration No.: 562/2023	31.10.2022	Rs.5,70,605/-	Rs. 21,55,085/-
		01.10.2022	Rs.6,71,488/-	
		02.10.2022	Rs. 9,12,992/-	
2	Filing No.: 882/2023 Registration No.: 512/2023	<b>Dated</b>	<b>Amount</b>	Rs. 45,16,602/-
		03.10.2022	Rs.10,86,730/-	
		04.10.2022	Rs.7,88,994/-	
		29.10.2022	Rs.18,02,069/-	
		05.10.2022	Rs.8,38,809/-	
3	Filing No.: 1356/2023 Registration No.: 735/2023	Dated	Amount	Rs. 25,06,668/-
		29.11.2022	Rs.11,20,559/-	
		16.11.2022	Rs.4,13,331/-	
		14.11.2022	Rs. 9,72,778/-	
4	Filing No.: 1357/2023 Registration No.: 736/2023	Dated	Amount	Rs. 30,19,935/-
		26.11.2022	Rs.8,97,035/-	
		18.11.2022	Rs.13,23,971/-	
		25.11.2022	Rs.7,98,929/-	
5	Filing No.: 1363/2023	Dated	Amount	Rs. 21,19,825/-

	Registration No.: 737/2023	22.11.2022	Rs.6,97,756/-		
		28.11.2022	Rs.5,60,676/-		
		27.11.2022	Rs.8,61,393/-		
6	Filing No.: 1364/2023 Registration No.: 739/2023	Dated	Amount		Rs.16,02,262/-
		19.11.2022	Rs.8,63,684/-		
		23.11.2022	Rs.2,09,604/-		
		23.11.2022	Rs.5,28,974/-		
7	Filing No.: 1366/2023 Registration No.: 740/2023	Dated	Amount		Rs.16,01,677/-
		11.11.2022	Rs.6,46,505/-		
		20.11.2022	Rs.2,39,314/-		
		20.11.2022	Rs.7,15,858/-		
8	Filing No.: 1367/2023 Registration No.: 741/2023	Dated	Amount		Rs.19,81,100/-
		12.11.2022	Rs.6,41,652/-		
		19.11.2022	Rs.5,23,797/-		
		17.11.2022	Rs.8,15,651/-		
9	Filing No.: 1369/2023 Registration No.: 742/2023	Dated	Amount		Rs.30,45,379/-
		07.11.2022	Rs.9,92,403/-		
		10.11.2022	Rs.8,43,579/-		
		09.11.2022	Rs.12,09,397/-		
10	Filing No.: 1371/2023 Registration No.: 743/2023	Dated	Amount		Rs.17,01,142/-
		15.11.2022	Rs.3,77,633/-		
		08.11.2022	Rs.6,32,749/-		
		06.11.2022	Rs.6,90,760/-		
11	Filing No.: 1372/2023 Registration No.: 744/2023	Dated	Amount		Rs.38,90,684/-
		21.11.2022	Rs.9,94,123/-		
		13.11.2022	Rs.22,10,443/-		
		30.11.2022	Rs.6,86,118/-		
12	Filing No.: 1701/2023 Registration No.: 1001/2023	Dated	Amount		Rs.34,60,644/-
		03.12.2022	Rs.11,20,220/-		
		01.12.2022	Rs.9,09,564/-		
		02.12.2022	Rs.14,30,860/-		
13	Filing No.: 1702/2023 Registration No.: 1002/2023	Dated	Amount		Rs.29,84,099/-
		12.12.2022	Rs.6,43,291/-		
		13.12.2022	Rs.10,20,239/-		
		14.12.2022	Rs.13,20,569/-		
14	Filing No.: 1703/2023 Registration No.: 1003/2023	Dated	Amount		Rs.23,95,595/-
		09.12.2022	Rs.8,36,983/-		
		19.12.2022	Rs.3,03,030/-		
		15.12.2022	Rs.12,55,582/-		
15	Filing No.: 2119/2023	Dated	Amount		Rs.25,82,356/-

	Registration No.: 1083/2023	30.12.2022	Rs.8,56,272/-		
		28.12.2022	Rs.10,18,878/-		
		31.12.2022	Rs.7,07,206/-		
16	Filing No.: 2120/2023 Registration No.: 1084/2023	Dated	Amount		Rs.22,73,424/-
		26.12.2022	Rs.6,39,196/-		
		24.12.2022	Rs.11,30,501/-		
		25.12.2022	Rs.5,03,727/-		
17	Filing No.: 2122/2023 Registration No.: 1085/2023	Dated	Amount		Rs.19,83,460/-
		29.12.2022	Rs.5,31,592/-		
		18.12.2022	Rs.5,06,729/-		
		19.12.2022	Rs.9,45,139/-		
18	Filing No.: 2116/2023 Registration No.: 1276/2023	Dated	Amount		Rs.44,82,460/-
		20.12.2022	Rs.14,59,961/-		
		21.12.2022	Rs.8,84,592/-		
		23.12.2022	Rs.14,44,608/-		
		27.12.2022	Rs.6,93,299/-		
		<b>GRAND TOTAL</b>			<b>Rs. 4,83,02,397/-</b>

**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

**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 OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled "Management's Discussion & Analysis of Financial Conditions & Results of Operations" beginning on page 134 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, 2024: -

<b>Name</b>	<b>Balance as on March 31, 2024 (in Lakhs)</b>
Total Outstanding dues to Micro and Small & Medium Enterprises	1598.64
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	374.26



## **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. Certificate of Incorporation dated October 24, 2019 from the Registrar of Companies, Pune, Maharashtra under the Companies Act, 2013 as "PIOTEX INDUSTRIES PRIVATE LIMITED" (Company registration no. U17299PN2019PTC187464)
2. Fresh Certificate of Incorporation dated August 11, 2023 from the Registrar of Companies, Pune, Maharashtra under the Companies Act, 2013 pursuant to Conversion of the Company from "PIOTEX INDUSTRIES PRIVATE LIMITED" to "PIOTEX INDUSTRIES LIMITED" (Company registration no. U17299PN2019PLC187464)

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on September 14, 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 September 15, 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 September 14, 2023 and May 06, 2024 authorized our Company to take necessary action for filing the Draft Prospectus and Prospectus respectively with BSE SME Exchange.

#### ***Approvals from Stock Exchange***

1. Our Company has received in - principle listing approval from the BSE SME Exchange dated April 16, 2024 for listing of Equity Shares issued pursuant to the issue.

#### ***Other Approvals***

1. The Company has entered into a tripartite agreement dated September 06, 2023 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Cameo Corporate Services Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated September 11, 2023 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Cameo Corporate Services 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	AAKCP8367N	Income Tax Department	October 24,2019	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	M/s. Piotech Industries Limited, Plot No.16/2,F-II Block, Pimpri, Pune-411018 Maharashtra	PNEP26753G	Income Tax Department	February 02,2023	Valid till Cancelled
3.	GST Registration Certificate (Maharashtra)	M/s. Piotech Industries Limited, Plot No.16/2,F-II Block, Midc, Pimpri, Pune-411018 Maharashtra	27AAKCP8367N 1ZG	Goods and Services Tax department	Date of Effective From December 07,2019	Valid till Cancelled
4.	Professions Tax Payer Registration certificate (P.T.R.C.)	M/s. Piotech Industries Limited, Plot No.16/2,F-II Block, Pimpri, Pune-411018 Maharashtra	27451851188P	Maharashtra Sales Tax Department	October 01,2019	Valid till Cancelled
5.	Professions Tax Enrolment certificate (P.T.E.C.)	M/s. Piotech Industries Limited, Survey No.124,Atharv Park,Aher Nagar,Walhekarwadi, Chinchwad,Haveli,Pune-4112216	99644050292P	Maharashtra State Tax on Professions, Trades, Calling and Employment Act, 1975	April 01,2019	Valid till Cancelled

**Registrations related to Labour Laws:**


S.No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration under the Employees Provident fund (EPF)	M/s. Piotech Industries Private Limited, Plot No.16/2,F-II Block, Pimpri, Pune-411018 Maharashtra	PUPUN2518 183000	Employees' Provident fund Organization Ministry of Labour & Employment, Government of India	September 08, 2023	Valid till Cancelled
2.	Maharashtra Shops and Establishment Act, 2017	M/s. Piotech Industries Limited, F-2 Block, Plot No.16/2, Pimpri, MIDC, Chinchwad (Municipal Corporation), haveli Pune-411018 Maharashtra	Registration Certificate No.2331000 317937749 Application ID-101302303	Shop Inspector Office, Chinchwad, District-Pune	August 11,2023	Valid till Cancelled

**Business Related Approvals:**

S.No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1	Udyam Registration Certificate	M/s. Piotex Industries Limited, Plot No.16/2,F-II Block, Pimpri, Pune-411018 Maharashtra	UDYAM-MH-26-0063693	Ministry Of Micro, Small and Medium Enterprises	January 11, 2021	Valid till Cancelled

**Intellectual Property**

*Trademarks registered/Objected/Abandoned in the name of our company*

S. No	Brand Name/Logo Trademark	Class	Application Number and date of application	Owner	Authority	Status
1.	Device of Piotex 	24	5977275 Dated June 13,2023	M/s. Piotex Industries Private Limited, Plot No.16/2,F-II Block, Pimpri, Pune-411018 Maharashtra	Registrar of Trademark, Maharashtra	Objected

**Domain Name**

S.No	Domain Name and ID	Registry Domain ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	<a href="https://piotexindustries.com/">https://piotexindustries.com/</a>	2761688443_DOMAIN_COM-VRSN	Name Cheap, Inc, 1068	February 28,2023	February 28, 2025

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 except that for change of address and name of the Company pursuant to change of its constitution from Private Limited to Public Limited.



## **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 September 20, 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 below mentioned company is identified as our Group Company: -

1. Piotex Textech Private Limited.
2. Piotex Ventures Private Limited
3. Piotex Grover International Private Limited
4. Adler Bizsol LLP (Adler Technologies)

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. PIOTEX TEXTECH PRIVATE LIMITED**

##### ***Corporate Information***

Piotex Textech Private Limited was incorporated on September 17, 2012 under the Companies Act, 1956 as a Private Limited Company, bearing Registration No. 144785. The CIN of Pidotex Textech Private Limited is U29262PN2012PTC144785. The Registered Office is situated at F/II Block Plot No. 16/2, M.I.D.C., Pimpri Pune, Maharashtra- 411018, India.

#### **2. PIOTEX VENTURES PRIVATE LIMITED**

##### ***Corporate Information***

Piotex Ventures Private Limited was incorporated on September 17, 2020 under the Companies Act, 2013 as a Private Limited Company, bearing Registration No. 194145. The CIN of Pidotex Ventures Private Limited is U17299PN2020PTC194145. The Registered Office is situated at F/II Block Plot No. 16/2, M.I.D.C., Pimpri Pune, Maharashtra- 411018, India.

#### **3. PIOTEX GROVER INTERNATIONAL PRIVATE LIMITED**

##### ***Corporate Information***

Piotex Grover International Private Limited was incorporated on September 17, 2022 under the Companies Act, 2013 as a Private Limited Company, bearing Registration No. 390629. The CIN of Pidotex Grover International Private Limited is U01100MH2022PTC390629. The Registered Office is situated at C/O Shri. Dattatraya V. Narke, Ashish Bunglow, Plot No. 80, Rahate Colony, Na Nagpur, Maharashtra-440010, India.

#### **4. ADLER BIZSOL LLP**

##### ***Corporate Information***

Adler Bizsol LLP was incorporated on December 12, 2019 under the LLP Act, 2008 as a Limited Liability Partnership. The LLPIN of Adler Bizsol LLP is AAR-2974. The Registered Office is situated at F/II Block Plot No. 16/2, M.I.D.C., Pimpri Pune, Maharashtra- 411018, 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 our Group Companies for financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 available in terms of the SEBI ICDR Regulations are available on its website at [www.piotexindustries.com](http://www.piotexindustries.com)

##### ***Litigations***

Except as disclosed in the chapter titled 'Outstanding Litigations and Material developments' on page 142 of this prospectus, there is no other pending litigations against our Group Company which can have a material impact on our Company.

##### ***Common Pursuits***

As on the date of this Prospectus, our Group Company i.e. Pidotex Textech Private Limited, Pidotex Grover International Private Limited and Adler Bizsol LLP is engaged in similar line of business. As a result, conflicts of interests may arise in allocating business opportunities amongst our Companies and in circumstances where our respective interests diverge.

##### ***Related business transactions within our Group Company 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 132 of this prospectus, there are no other related business transactions between Group Company and our company.

##### ***Business Interest***

Except as disclosed in the Related Party Transactions in the chapter titled "Financial Information of our company" on page 132 of this prospectus, our Group Company 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 20 of this Prospectus.

##### ***Nature and Extent of Interest of Group Companies***

###### ***a) In the promotion of our Company:***

Our Group Company 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 Company 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 Company 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 September 14, 2023 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on September 15, 2023 under section 62 (1) (c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the BSE SME for using its name in the Draft Prospectus/Prospectus pursuant to letter dated April 16, 2024. BSE Limited 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 142 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 (1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue paid-up capital is less than ten crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE Limited i.e. BSE SME).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of BSE Limited 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 42 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 accordance with Regulation 246 of the SEBI (ICDR) Regulations, we will file Prospectus with SEBI as well as stock exchange (s). However, Board shall not issue any observation pursuant to Regulation 246(2) of the SEBI (ICDR) Regulations.
4. In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the LM and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the market making arrangement see chapter titled “General Information” beginning on page 42 of this Prospectus.
5. The Post Issue paid up capital of the company will be less than ₹ 25 Crore.
6. The Company has a track record of at least 3 years as on the date of filing Prospectus.
7. The Net-worth of our Company is Positive as per latest audited financial statement.
8. Our Company’s net worth Cash Accruals (earnings before depreciation and tax) and Net Tangible Assets, based on the Restated Financial Statements included in this Prospectus are set forth below:

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net Worth	897.18	440.07	151.32
Cash Accruals	404.19	392.20	99.90
Net Tangible Assets	897.18	440.07	151.32

- (i) Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.
- (ii) Cash Accruals has been defined as the Earnings before depreciation and tax.
- (iii) Net Tangible Assets is calculated as total tangible assets less outside liabilities.

9. The Company will mandatorily facilitate trading in demat securities and has enter 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. There has been no change in the promoters of the Company in the preceding one year from date of filing application to SME Platform of BSE.
14. 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.
15. Our Company has a website i.e., [www.piotexindustries.com](http://www.piotexindustries.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.
- 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. 142 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. 142 of this Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Prospectus has been filed with BSE Limited and our Company has made an application to BSE Limited for listing of its Equity Shares on the SME platform. BSE Limited is the Designated Stock Exchange.
- Our Company has entered into an agreement dated September 11, 2023 with NSDL and agreement dated September 06, 2023 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 are in dematerialized form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy-five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals – Not required as the object of Issue is working capital requirement, general corporate purpose and issue expenses, for details, please refer the chapter “Objects of the Issue” on page no. 67 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, BEE LINE CAPITAL ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 06, 2024.

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, Pune 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 September 21, 2023 and the Underwriting Agreement dated January 19, 2024 entered into between the Underwriters and our Company and the Market Making Agreement dated January 19, 2024 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 Pune, Maharashtra.

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 BSE Limited**

BSE Limited ("BSE") has vide its letter dated April 16, 2024 given permission to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company.

BSE does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai".

#### **Filing**

This Draft Prospectus is being filed BSE Limited, 25th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400001, Maharashtra, India.



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, ROC PCNTDA Green Building, Block A, 1<sup>st</sup> & 2<sup>nd</sup> Floor, Near Akurdi Railway Station, Akurdi, Pune-411044, Maharashtra, India.

### **Listing**

The Equity Shares of our Company are proposed to be listed on BSE SME. Our Company has obtained in-principle approval from BSE Limited by way of its letter dated April 16, 2024 for listing of equity shares on BSE SME.

BSE Limited 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 BSE Limited, 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 BSE Limited 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 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 S V J K & 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 this 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 132 and 76 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 50 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 50 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 September 20, 2023. For further details on the Stakeholders Relationship Committee, please refer to section titled “Our Management” beginning on page 115 of this Prospectus.

**Our Company has appointed Mr. Mahendra Singh Rajpoot, 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:**

#### **Mr. Mahendra Singh Rajpoot**

F/II Block, Plot No. 16/2, M.I.D.C., Pimpri,  
Pune Maharashtra- 411018, India.

**Tel. No.:** +91-9156744401

**E-mail:** [office@piotex.in](mailto:office@piotex.in)

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

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

#### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this 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 42 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 50 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 76 of this Prospectus.

### Purchase of Property

Other than as disclosed in Section “Business Overview” on page 92 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 115 and Restated Statement of Related Party Transactions” under chapter titled “Financial Information of our Company” beginning on page 132 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:

MAIN BOARD IPO's-NIL									
SME ISSUE									
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]	+/- % change in closing price, [+/- % change in closing benchmark]	+/- % change in closing price, [+/- % change in closing benchmark]	+/- % change in closing price, [+/- % change in closing benchmark]



						- 30 <sup>th</sup> calendar days from listing	- 90 <sup>th</sup> calendar days from listing	- 180 <sup>th</sup> calendar days from listing
1.	Australian Premium Solar (India) Limited	28.08	54.00	January 18, 2024	147.00	343.70% (+2.70%)	320.00% (+3.19%)	N.A.
2.	Konstelec Engineers Limited	28.70	70.00	January 30, 2024	210.00	210.71% (+1.91%)	N.A.	N.A.
3.	Fonebox Retail Limited	20.37	70.00	February 02, 2024	200.00	145.00% (+2.40%)	N.A.	N.A.
4.	Rudra Gas Enterprise Limited	14.16	63.00	February 15, 2024	119.70	150.75% (+0.50%)	N.A.	N.A.
5.	V R Infraspace Limited	20.40	85.00	March 12, 2024	90.00	29.94% (+1.87%)	N.A.	N.A.
6.	Pratham EPC Projects Limited	36.00	75.00	March 18, 2024	113.30	139.80% (+0.42%)	N.A.	N.A.
7.	KP Green Engineering Limited	189.50	144.00	March 22, 2024	200.00	234.24% (+0.35%)	N.A.	N.A.
8.	TAC Infosec Limited	29.99	106.00	April 05, 2024	290.00	N.A.	N.A.	N.A.
9.	Greenhitech Ventures Limited	6.30	50.00	April 22, 2024	95.00	N.A.	N.A.	N.A.
10.	Emmforce Autotech Limited	53.89	98.00	April 30, 2024	195.51	N.A.	N.A.	N.A.

Source: Price Information [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

**Note:**

1. The S&P NSE Sensex and NSE Nifty are considered as the Benchmark.
2. “Issue Price” is taken as “Base Price” for calculating % Change in Closing Price of the respective Issues on 30th / 90th/180th Calendar days from listing.
3. “Closing Benchmark” on the listing day of respective scripts is taken as “Base Benchmark” for calculating % Change in Closing Benchmark on 30th / 90th/180th Calendar days from listing. Although it shall be noted that for comparing the scripts with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for respective script in the manner provided in Note No. 5 below.
4. In case 30th/ 90th/180th day is not a trading day, closing price on BSE/NSE of the previous trading day for the respective Scripts has been considered, however, if scripts are not traded on that previous trading day, then last trading price has been considered.
5. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information

**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](http://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 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 67 and 154, 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 September 14, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on September 15, 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 217 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 131 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 ₹94/- per equity Share (including premium of ₹84/- 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 72 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 217 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 September 11, 2023 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated September 06, 2023 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 1200 Equity Shares and the same may be modified by the SME platform of BSE Limited (BSE SME) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 1200 Equity Shares and is subject to a minimum allotment of 1200 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

#### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders in case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

#### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

#### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **Withdrawal of the Issue**

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

#### **Period of Operation of Subscription List of Public Issue**

<b>ISSUE OPENS ON</b>	FRIDAY, MAY 10, 2024
<b>ISSUE CLOSES ON</b>	TUESDAY, MAY 14, 2024

#### **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 1200 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 50 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 217 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 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**

Our Company may migrate to the main board of BSE on a later date, subject to the following:

If the paid up Capital of the company is more than ₹ 10 crores and up to ₹ 25 crores, we may migrate equity shares to the main board of the stock exchanges if shareholders approve such a migration by passing a special resolution through postal ballot to this effect and if Company fulfils the eligibility criteria for listing laid down by the Main Board

Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters 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.

OR

Where the post-issue face value capital of the Company listed on a SME exchange is likely to increase beyond twenty five crore rupees by virtue of any further issue of capital by the Company by way of rights issue, preferential issue, bonus issue, etc. the Company shall migrate its specified securities listed on a SME exchange to the Main Board and seek listing of the specified securities proposed to be issued on the Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board:

Provided that no further issue of capital by the Company shall be made unless;



- a) the shareholders of the Company have approved the migration by passing a special resolution through postal ballot wherein the votes cast by shareholders other than promoters 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;
- b) the Company has obtained an in-principle approval from the Main Board for listing of its entire specified securities on it.

### Market Making

The shares offered through this Issue are proposed to be listed on the SME platform of BSE Limited (BSE SME), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE Limited (BSE SME). For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to “General Information” on page 42 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%

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 Pune, Maharashtra.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is less than Rs. 10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE Limited i.e. BSE SME). 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 165 and 172 of the Prospectus.

The Issue comprise of a Public Issue of 15,39,600 Equity Shares of Face Value of ₹10/- each fully paid (The “Equity Shares”) for cash at a price of ₹94/- per Equity Shares (*including a premium of ₹84/- per equity share*) aggregating to ₹1447.22 lakhs (“*the issue*”) by our Company of which 78,000 Equity Shares of ₹10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of 14,61,600 Equity Shares of ₹10/- each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 30.17% and 28.64% 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	14,61,600 Equity Shares	78,000 Equity Shares
Percentage of Issue Size available for allocation	94.93% of the Issue Size	5.07% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 1200 Equity Shares and further allotment in multiples of 1200 Equity Shares each. For further details please refer to “Issue Procedure” on page 172 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	<b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of 1200 Equity Shares at an Issue price of ₹94/- each, such that the Application Value exceeds ₹2.00 Lakh.  <b><u>For Retail Individuals Investors:</u></b> 1200 Equity Shares at an Issue price of ₹94/- each	78,000 Equity Shares
Maximum Application Size	<b><u>For Other than Retail Individual Investors:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.  <b><u>For Retail Individuals Investors:</u></b> Such number of Equity Shares in multiples of 1200 Equity Shares such that the Application Value does not exceed ₹2,00,000/-	78,000 Equity Shares
Trading Lot	1200 Equity Shares	1200 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	1200 Equity Shares thereafter Equity Shares and in multiples of 1200	

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
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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 170 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:

<b>ISSUE OPENING DATE</b>	<b>FRIDAY, MAY 10, 2024</b>
<b>ISSUE CLOSING DATE</b>	<b>TUESDAY, MAY 14, 2024</b>

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by LM to BSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

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 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 BSE to act as intermediaries for submitting Application Forms are provided on [www.bseindia.com](http://www.bseindia.com). For details on their designated branches for submitting Application Forms, please see the above mentioned website of BSE Limited.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus and the Prospectus.

This section applies to all the Applicants.

## FIXED PRICE ISSUE PROCEDURE

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI (ICDR) Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via Fixed Price Issue method. In terms of Regulation 253(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be issued to Non Retail Category i.e. QIBs and Non Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at Issue Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange. However, if the retail individual investor category is entitled to more than fifty per cent of the net Issue on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI.

In case of QIB Applicants, the Company, in consultation with the Lead Manager, may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

## PHASED IMPLEMENTATION OF UPI FOR BIDS BY RETAIL INDIVIDUAL BIDDERS AS PER THE UPI CIRCULAR

SEBI has issued UPI Circular in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 and till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and the continuation of this phase has been extended until March 31, 2020. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**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 (BSE) i.e. [www.bseindia.com](http://www.bseindia.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)

Retail investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), shall enter their UPI ID in the application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the applicants has a bank account and shall not submit it to any non-SCSB Bank.

For applications submitted to Designated Intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of Stock Exchange. Further, Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer/Registrar to the Issue. However, in case of Electronic forms, “printouts” of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

SCSB, after accepting the form, shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and blocked funds available in the bank account specified in the form, to the extent of the application money specified.

It is clarified that Retail Individual Investors may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form submitted by RIIs (without using UPI for payment), NIIs and QIBs, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors (other than Retail Individual Investors) to intermediaries other than SCSBs without use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	<p>After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).</p> <p>Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis through API integration, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds.</p> <p>Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor shall accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.</p>

Stock exchange(s) shall validate the electronic application details with depository's records for DP ID/Client ID and PAN Combination, on a real time basis through API Integration and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the application details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or Subsequent notice of such changes to the Applicants.

## WHO CAN APPLY?

**As per the existing RBI regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

Each Applicants should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

**Subject to the above, an illustrative list of Applicants is as follows:**

- a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) QIBs;
- e) Mutual Funds registered with SEBI;
- f) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- g) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- h) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;



- l) Foreign Venture Capital Investors registered with the SEBI;
- m) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- p) Provident Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) Pension Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- r) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- s) Insurance funds set up and managed by army, navy or air force of the Union of India;
- t) Multilateral and bilateral development financial institution;
- u) Eligible QFIs;
- v) Insurance funds set up and managed by army, navy or air force of the Union of India;
- w) Insurance funds set up and managed by the Department of Posts, India;
- x) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- |                                       |  |
|---------------------------------------|--|
| 1. Minors (except under guardianship) | 2. Partnership firms or their nominees |
| 3. Foreign Nationals (except NRIs)    | 4. Overseas Corporate Bodies           |

*The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.*

**PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER**

The Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, in the Non-Institutional Category where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Lead Manager and syndicate members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Promoter and Promoter Group and any persons related to our Promoters and Promoter Group cannot participate in the Issue.

**APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

#### **APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

- No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company.

Provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds.

- No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications, provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

#### **APPLICATIONS BY ELIGIBLE NRIS ON REPATRIATION BASIS**

**ELIGIBLE NRIS APPLYING ON A REPATRIATION BASIS ARE ADVISED TO USE THE APPLICATION FORM MEANT FOR NON-RESIDENTS (BLUE IN COLOUR).**

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants making application on a repatriation basis by using the Non Resident Forms, should authorize their SCSB to block their Non-Resident External (NRE) accounts, or Foreign Currency Non-Resident (FCNR) or ASBA Accounts.

**Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non Resident Ordinary (NRO) accounts for the full Application Amount, at the time of the submission of the Application Form.**

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

#### **APPLICATIONS BY ELIGIBLE 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 divestment of shares made by the Central Government or any State Government;
  - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - viii. Any other transaction specified by the Board.
- (e). A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of FEMA Act, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

4. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.
8. No foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:
  - (a). Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
  - (b). Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

9. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.
10. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.
11. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.
12. A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
13. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
14. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.
15. The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub



account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.

16. In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.
17. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.
18. In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Further, the SEBI, AIF Regulations prescribes, among others, the investment restrictions on AIFs.

The holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicants on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all such Applicants will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

## **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The “IRDA Investment Regulations”), are broadly set forth below:

- (a.) Equity shares of a Company: the least of 10% of the investee Company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b.) The entire group of the investee Company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c.) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

## **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

## **APPLICATION UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI’s, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a.) With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b.) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c.) With respect to applications made by provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.
- d.) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.



The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

*The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

## INDICATIVE PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE

### ASBA PROCESS

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>  
<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 funds in the RIIs account by the SCSB would continue.		Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.  For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.	Not Applicable

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, 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 1200 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 2400 Equity Shares so as to ensure that the Application Amount exceeds ₹2,00,000 and in multiples of 1200 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 regional newspaper.

#### **SIGNING OF UNDERWRITING AGREEMENT**

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on January 19, 2024

#### **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 BSE Limited 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 BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com).

Applicants may note that forms not filled completely or correctly as per instructions provided in this 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**



<b>COMMON APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Registered Office: Tel. No.:      Fax No.:      Email:      Website: Contact Person:      CIN:	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, NON INSTITUTIONAL INVESTORS, RETAIL INDIVIDUAL INVESTORS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
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<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXXX	Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> Address <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	
<b>2. PAN OF SOLE/FIRST APPLICANT</b>		

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.	<input type="checkbox"/> Individual(s)    - IND <input type="checkbox"/> Non- Resident Indians (Non- Repatriation Basis)    - NRI <input type="checkbox"/> Hindu Undivided Family*    - HUF <input type="checkbox"/> Bodies Corporate    - CO <input type="checkbox"/> Banks & Financial Institutions    - FI <input type="checkbox"/> Mutual Funds    - MF <input type="checkbox"/> National Investment Funds    - NIF <input type="checkbox"/> Insurance Funds    - IF <input type="checkbox"/> Insurance Companies    - IC <input type="checkbox"/> Venture Capital Funds    - VCF <input type="checkbox"/> Alternative Investment Funds    - AIF <input type="checkbox"/> Others (Please Specify)    - OTH

<b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b>	<b>5. CATEGORY</b>
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [•]/- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price (In Figures) <span style="border: 1px solid black; display: inline-block; width: 50px; height: 20px;"></span> (In Words) <span style="border: 1px solid black; display: inline-block; width: 50px; height: 20px;"></span>	<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
<b>ALLOTMENT WILL BE IN DEMAT MODE ONLY<sup>2</sup></b>	
<sup>1</sup> Please note that applications must be made in minimum of [•] shares and further multiples of [•] shares accordingly. <sup>2</sup> Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE.	

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>
Amount Blocked (₹ in Figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> (₹ in words) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	
ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	
Bank Name & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	
OR	
UPI Id <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	
(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.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: ....., 2019	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	<div style="border: 1px solid black; width: 100%; height: 100%;"></div>
	1) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	
	2) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	
	3) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	

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<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - R</b>	Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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<b>DPID / CLID</b>	<span style="border: 1px solid black; display: inline-block; width: 100%; height: 20px;"></span>	<b>PAN of Sole/First Applicant</b> <span style="border: 1px solid black; display: inline-block; width: 100%; height: 20px;"></span>
Amount Blocked (₹ in figures)	ASBA Bank & Branch	<div style="border: 1px solid black; width: 100%; height: 100%;"></div>
ASBA Bank A/c No./UPI Id		
Received from Mr./Ms.		
Telephone / Mobile	Email	

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XYZ LIMITED - INITIAL PUBLIC ISSUE - R		In Figures	In Words	Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	<b>Name of Sole / First Applicant</b>
	No. of Equity Shares	<span style="border: 1px solid black; display: inline-block; width: 50px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 50px; height: 20px;"></span>		<span style="border: 1px solid black; display: inline-block; width: 100%; height: 20px;"></span>
	Amount Blocked (₹)	<span style="border: 1px solid black; display: inline-block; width: 50px; height: 20px;"></span>	<span style="border: 1px solid black; display: inline-block; width: 50px; height: 20px;"></span>		<span style="border: 1px solid black; display: inline-block; width: 100%; height: 20px;"></span>
	ASBA Bank A/c No. / UPI Id:	<span style="border: 1px solid black; display: inline-block; width: 100%; height: 20px;"></span>			
Bank & Branch:	<span style="border: 1px solid black; display: inline-block; width: 100%; height: 20px;"></span>				
					<b>Acknowledgement Slip for Applicant</b>
					Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.



COMMON APPLICATION 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 : XXXXXXXX

Application Form No.

SYNDICATE MEMBER'S STAMP & CODE, BROKER/SCSB/CDP/RTA STAMP & CODE, 1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT, SUB-BROKER'S / SUB-AGENT'S STAMP & CODE, SCSB BRANCH STAMP & CODE, BANK BRANCH SERIAL NO., SCSB SERIAL NO., 2. PAN OF SOLE/FIRST APPLICANT

3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS, 6. INVESTOR STATUS, 4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off"), 5. CATEGORY, ALLOTMENT WILL BE IN DEMAT MODE ONLY

7. PAYMENT DETAILS, PAYMENT OPTION : Full Payment, Amount Blocked, ASBA Bank A/c No., Bank Name & Branch, UPI Id, 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.

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)

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - NR

Application Form No.

DPID / CLID, Amount Blocked (₹ in figures), ASBA Bank & Branch, Stamp & Signature of SCSB Branch, Received from Mr./Ms., Telephone / Mobile, Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR, In Figures, In Words, 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 ₹94/- per equity shares (including premium of ₹84/- 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 1200 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 2400 Equity Shares and in multiples of 1200 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 1200 equity shares at Issue Price. Applications by Retail Individual Investors and Retail Individual Shareholders must be for 1200 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 2400 equity shares such that the Application Amount exceeds ₹2,00,000 and in multiples of 1200 Equity Shares thereafter, as may be disclosed in the Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to make application at Cut off Price.
- g.) RII may revise or withdraw their application until Issue Closing Date. QIBs and NII's cannot withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after making application and are required to pay the Application Amount upon submission of the Application.
- h.) In case the Application Amount reduces to ₹2,00,000 or less due to a revision of the Price, Application by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- i.) An Application cannot be submitted for more than the net issue size.
- j.) The maximum application by any applicant including QIB applicant should not exceed the investment limits prescribed for them under the applicable laws.

##### Multiple Applications

- k.) Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Application Forms bearing the same application number shall be treated as multiple Applications and are liable to be rejected.
- l.) Applicants are requested to note the following procedures that may be followed by the Registrar to the Issue to detect multiple Applications:

- i. All Applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple Application by Applicants and may be rejected.
- ii. For Application from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Application on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. Such Applications which have the same DP ID and Client ID may be treated as multiple applications and are liable to be rejected.

m.) **The following Applications may not be treated as multiple Applications:**

- i. Applications by Reserved Categories making application in their respective Reservation Portion as well as application made by them in the Issue portion in public category.
- ii. Separate Applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
- iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

## **5. FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a.) The categories of Applicants are identified as per the SEBI (ICDR) Regulations, 2018 for the purpose of Applications, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- b.) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI (ICDR) Regulations, 2018. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c.) The SEBI (ICDR) Regulations, 2018, specify the allocation or allotment that may be made to various categories of Application in an issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form.
- d.) For Issue specific details in relation to allocation, Applicants may refer to the Prospectus.

## **6. FIELD NUMBER 6: INVESTOR STATUS**

- a.) Each Applicants should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue follows the investment restrictions under applicable law.
- b.) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c.) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d.) Applicants should ensure that their investor status is updated in the Depository records.

## **7. FIELD NUMBER 7: PAYMENT DETAILS**

- a.) Applicants are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Applicants doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Applicants providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.
- b.) The full Application Amount shall be blocked based on the authorization provided in the Application Form.
- c.) RIIs who make application at Cut-off price shall be blocked on the Cap Price.



- d.) All Applicants (other than Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- e.) RIIs submitting their applications through Designated Intermediaries can participate in the Issue through the UPI mechanism, through their UPI ID linked with their bank account.
- f.) Application Amount cannot be paid in cash, cheque, and demand draft, through money order or through postal order.

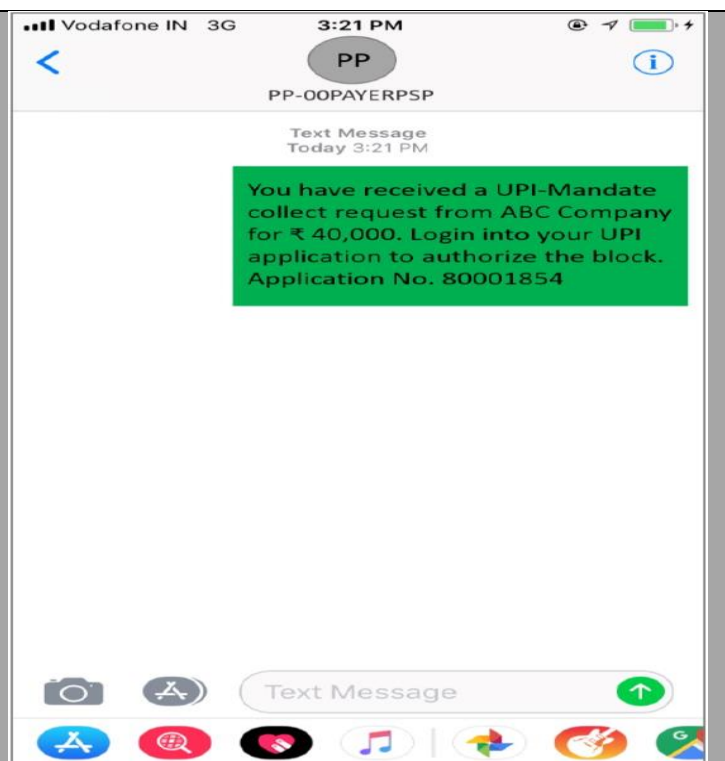
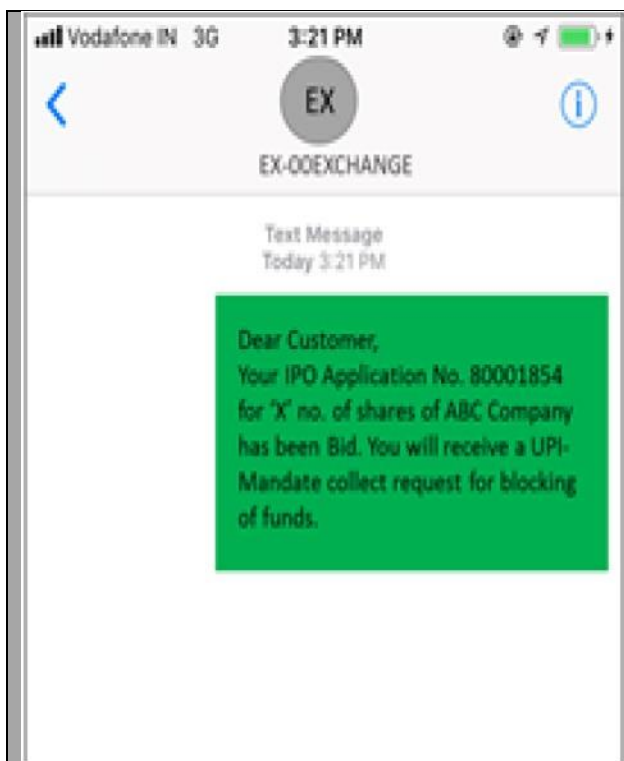
**Payment instructions for Applicants (other than Anchor Investors)**

- a.) From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

Category of Investor	Channel I	Channel II	Channel III	Channel IV
Retail Individual Investor (RII)	Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.	Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.		RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.
Non- Institutional Investor (NII)	For such applications the existing process of uploading the Application and blocking of finds in the RIIs account by the SCSB would continue.		Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.  For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.	Not Applicable

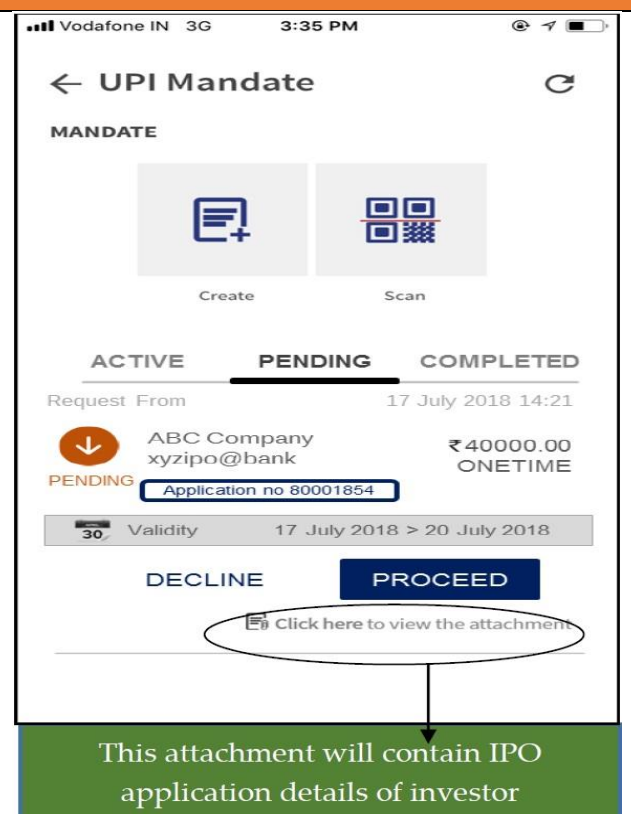
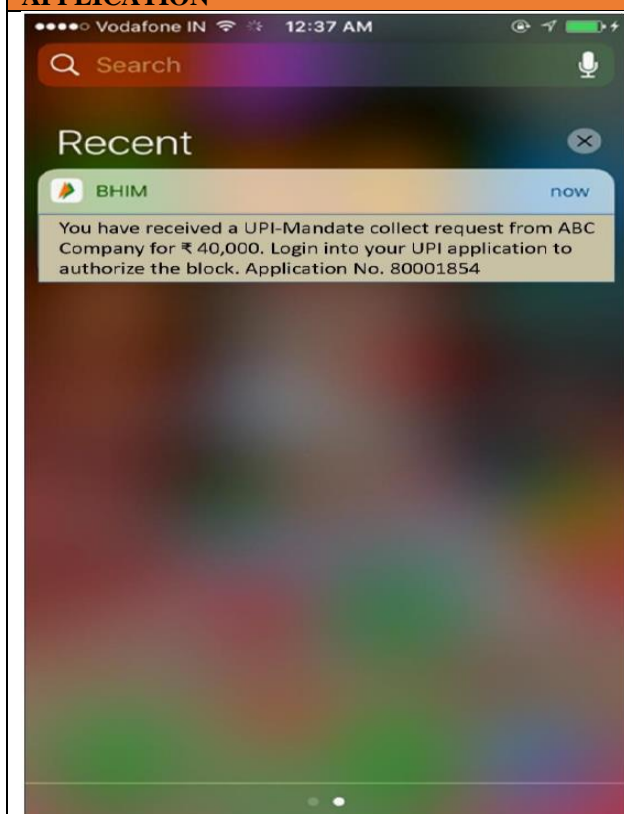
Please see below a graphical illustrative process of the investor receiving and approving the UPI mandate request:

<b>ILLUSTRATIVE SMS</b>	<b>BLOCK REQUEST SMS TO INVESTOR</b>
-------------------------	--------------------------------------



**BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION**

**BLOCK REQUEST SMS TO INVESTOR**



**SAMPLE OF IPO DETAILS IN ATTACHMENT**

**POST VERIFICATION OF DETAILS ABOVE**

Secure | https://

1 Enter Details

**Investor Details**

Depository Name	DP ID	Client ID
NSDL	IN300513	14871468
Beneficiary No.	PAN Card	Investor's Name
-	AAMPF7581P	SHYAM SHARAM

**IPO Details**

Company Name	IPO Symbol	Bid Lot
IPO	SUPREMEENG	40000
Face Value	Maximum Price	Minimum Price
10.00	₹ 32.00	₹ 27.00
Cut Off Price	IPO Start Date	IPO End Date
₹ 32.00	20 July 2018	27 July 2018
Discount Amount	Discount Category	
NA	-	

Vodafone IN 3G 5:43 PM

← **Create Mandate**

TO

**ABC Company**

✓ xyzipo@bank **Verified Merchant**

Mandate Amount

**₹ 40000.00**

The Amount entered will be blocked immediately & debited from payer account as per your Mandate inputs

Frequency

**ONETIME**

Validity

Start Date **20 JULY 2018** > End Date **27 JULY 2018**

Users account will be debited within validity period.

REMARKS

Application no 80001834

Click here to view the attachment

**PROCEED**

**PRE-CONFIRMATION PAGE**

Vodafone IN 3G 3:48 PM

Please check the below details as the amount will be **blocked** for the validity period and will be debited as per the mandate inputs. In case of non-execution of the Mandate, the amount will be unblocked

**Mandate Details**

To

**ABC Company**

✓ xyzipo@bank

AMOUNT

**₹ 0000.00**

FREQUENCY

**ONETIME**

VALIDITY

20 JULY 2018 to 27 JULY 2018

REMARKS


Application no 80001854

**CANCEL** **CONFIRM**

**ENTERING OF UPI PIN**

Vodafone IN 3G 1:39 AM

**CANCEL**

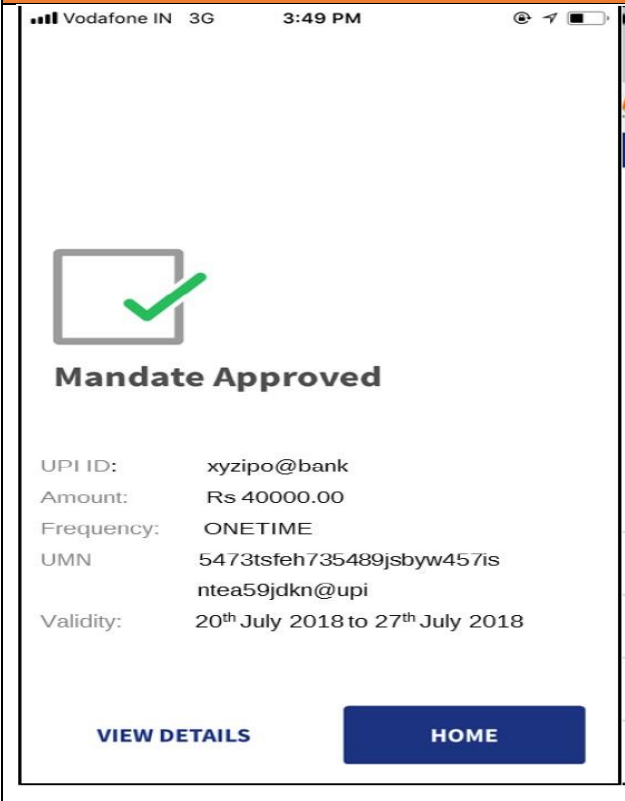
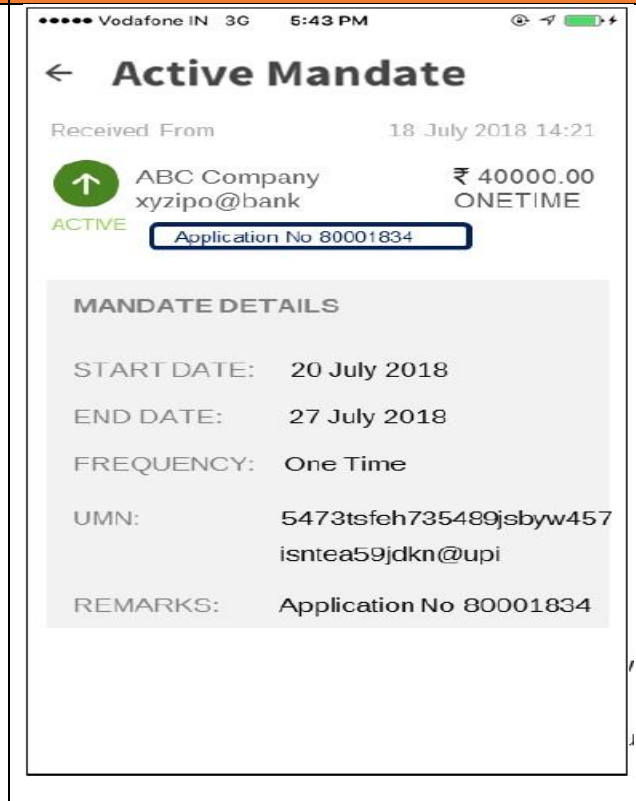
**STATE BANK OF INDIA** 

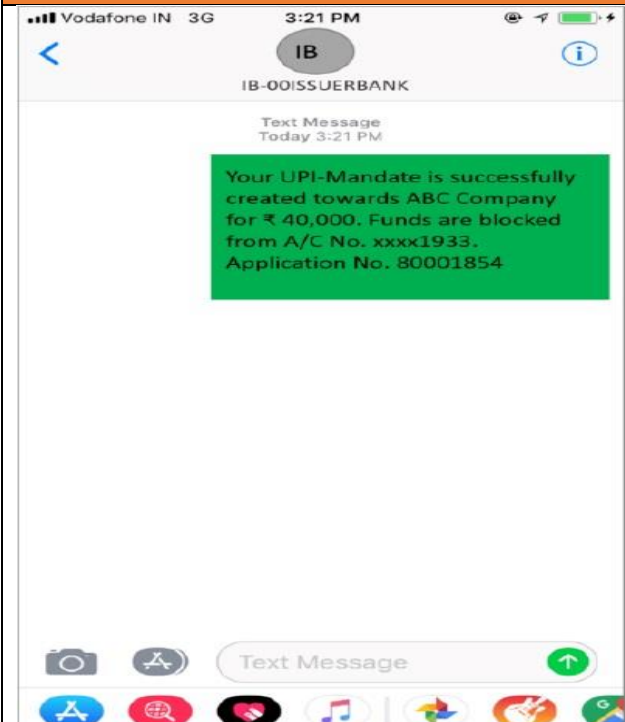

**ABC Company** ₹ 40000

**ENTER UPI PIN**

— — — — —

1	2	3
4	5	6
7	8	9
✕	0	SUBMIT

CONFIRMATION PAGE	APPROVED MANDATES VISIBLE IN UPI APPLICATION
 <p><b>Mandate Approved</b></p> <p>UPI ID: xyzipo@bank            Amount: Rs 40000.00            Frequency: ONETIME            UMN: 5473tsfeh735489jsbyw457isntea59jdkn@upi            Validity: 20<sup>th</sup> July 2018 to 27<sup>th</sup> July 2018</p> <p><a href="#">VIEW DETAILS</a> <a href="#">HOME</a></p>	 <p><b>Active Mandate</b></p> <p>Received From: 18 July 2018 14:21</p> <p>ABC Company xyzipo@bank ₹ 40000.00 ONETIME</p> <p>ACTIVE Application No 80001834</p> <p><b>MANDATE DETAILS</b></p> <p>START DATE: 20 July 2018            END DATE: 27 July 2018            FREQUENCY: One Time            UMN: 5473tsfeh735489jsbyw457isntea59jdkn@upi            REMARKS: Application No 80001834</p>

BLOCK CONFIRMATION SMS TO INVESTOR	BLOCK CONFIRMATION APPLICATION INTIMATION
 <p>IB IB-00ISSUERBANK</p> <p>Text Message Today 3:21 PM</p> <p>Your UPI-Mandate is successfully created towards ABC Company for ₹ 40,000. Funds are blocked from A/C No. xxxx1933. Application No. 80001854</p>	 <p>Recent</p> <p>BHIM now</p> <p>Your UPI-Mandate is successfully created towards ABC Company for ₹ 40,000. Funds are blocked from A/C No. xxxx1933. Application No. 80001854</p>

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:



**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 NR1s APPLYING ON A NON-REPATRIATION BASIS

<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXXX	<b>Application Form No.</b>
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ Address _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	

**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)							Price per Equity Share (₹) [*]												"Cut-off" (Please ✓ tick)
	(In Figures)							Issue Price				Discount, if any				Net Price				
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1	
Option 1 (OR) Option 2 (OR) Option 3	ORIGINAL APPLICATION							ORIGINAL APPLICATION												

**5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off")**

Options	No. of Equity Shares Application (Application must be in multiples of [*] Equity Share)							Price per Equity Share (₹) [*]												"Cut-off" (Please ✓ tick)
	(In Figures)							Issue Price				Discount, if any				Net Price				
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1	
Option 1 (OR) Option 2 (OR) Option 3	REVISED APPLICATION							REVISED APPLICATION												

**6. PAYMENT DETAILS**      **PAYMENT OPTION : Full Payment**

Additional Amount Blocked (₹ in Figures) \_\_\_\_\_ (₹ in words) \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_  
 Bank Name & Branch \_\_\_\_\_  
 OR  
 UPI Id \_\_\_\_\_  
 (Maximum 45 characters)

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: _____, 2019	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1) _____	
	2) _____	
	3) _____	

----- TEAR HERE -----

<b>LOGO</b>	<b>XYZ LIMITED</b> REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	<b>Application Form No.</b>
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DPID / CLID	PAN	Stamp & Signature of SCSB Branch
Additional Amount Blocked (₹ in figures)	ASBA Bank & Branch	
ASBA Bank A/c No./UPI Id		
Received from Mr./Ms.		
Telephone / Mobile	Email	

----- TEAR HERE -----

<b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	Option 1	Option 2	Option 3	Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Name of Sole / First Applicant
	No. of Equity Shares				
	Issue Price				
	Additional Amount Blocked (₹)				
ASBA Bank A/c No. / UPI Id: _____					<b>Acknowledgment Slip for Applicant</b>
Bank & Branch: _____					
Application Form No.					

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.



<b>COMMON APPLICATION REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Registered Office: Tel. No.:      Fax No.:      Email:      Website: Contact Person:      CIN:	FOR ELIGIBLE NRIs, FIIs/FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS
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<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXX	Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ Address _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	

PLEASE CHANGE MY APPLICATION  PHYSICAL

Options	No. of Equity Shares Application (Application must be in multiples of [*] Equity Share)							Price per Equity Share (₹) [*]												"Cut-off" (Please tick)
	(In Figures)							Issue Price				Discount, if any				Net Price				
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1	

5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off")																				
Options	No. of Equity Shares Application (Application must be in multiples of [*] Equity Share)							Price per Equity Share (₹) [*]												"Cut-off" (Please tick)
	(In Figures)							Issue Price				Discount, if any				Net Price				
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	4	3	2	1	

<b>6. PAYMENT DETAILS</b>															<b>PAYMENT OPTION : Full Payment</b>			
Additional Amount Blocked (₹ in Figures) _____ (₹ in words) _____																		
ASBA Bank A/c No. _____																		
Bank Name & Branch _____																		
OR																		
UPI Id _____ (Maximum 45 characters)																		

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date: _____, 2019	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
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----- TEAR HERE -----

<b>LOGO</b>	<b>XYZ LIMITED</b> REVISION FORM - INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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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	

----- TEAR HERE -----

<b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - NR</b>		Option 1	Option 2	Option 3	<b>Stamp &amp; Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Name of Sole / First Applicant</b>
	No. of Equity Shares					
	Issue Price					
	Additional Amount Blocked (₹)					
	ASBA Bank A/c No. / UPI Id:					

**Acknowledgment Slip for Applicant**

<b>Application Form No.</b>	<span style="border: 1px solid black; display: inline-block; width: 100%; height: 20px;"></span>
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Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

## **11. FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 1, 2 and 3 above under the heading “Instructions for Filling the Application Form”.

## **12. FIELDS 4 AND 5: APPLICATION OPTIONS REVISION ‘FROM’ AND ‘TO’**

- a.) Apart from mentioning the revised number of shares in the Revision Form, the Applicants must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form. For example, if Applicant has applied for 1200 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 1200 equity shares, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- b.) In case of revision, applicants’ options should be provided by applicants in the same order as provided in the Application Form.
- c.) In case of revision of Applicants by Retail Individual Investors and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, Subsequent to revision, does not exceed ₹200,000. In case the Application Amount exceeds ₹200,000 due to revision of the Application or for any other reason, the Application may be considered, subject to eligibility, for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected. The Cut-off Price option is given only to the Retail Individual Investors and Retail Individual Shareholders indicating their agreement to apply for and purchase the Equity Shares at the Issue Price.
- d.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹200,000, the Application will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Application or make additional payment and the Issue Price is higher than the price disclosed in the Prospectus, the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised application at Cut-off Price.
- e.) In case of a downward revision in the Price, RIIs who have applied at the Cut-off Price could either revise their application or the excess amount paid at the time of application may be unblocked in case of applicants.

## **13. PAYMENT DETAILS**

- a.) All Applicants are required to make payment of the full Application Amount along with the Application Revision Form.
- b.) Applicant may Issue instructions to block the revised amount based on the revised Price in the ASBA Account of the UPI Linked Bank Account, to the same Designated Intermediary through whom such applicant had placed the original application to enable the relevant SCSB to block the additional Application Amount, if any.
- c.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹200,000, the Application may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the application or make additional payment and the Price is higher than Issue price disclosed in the Prospectus prior to the revision, the number of Equity Shares applied for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the applicant is deemed to have approved such revised application at the Cut-off Price.
- d.) In case of a downward revision in the Price, RIIs and Retail Individual Shareholders, who have applied at the Cut-off Price, could either revise their application or the excess amount paid at the time of application may be unblocked.

## **14. FIELD NUMBER 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 9 above under the heading “Instructions for Filling the Application Form” for this purpose.



## **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

*Please note that, providing bank account details or UPI ID in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.*

*Please note that, furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.*

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code, occupation (hereinafter referred to as 'Demographic Details') or UPI ID (in case of Retail Individual Investors). These Bank Account or UPI ID details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

## **PAYMENT BY STOCK INVEST**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## **OTHER INSTRUCTIONS**

### **JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **MULTIPLE APPLICATIONS**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- I. All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- II. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- III. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application or Application through UPI Mechanism either in physical or electronic mode, an Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected.

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the Income Tax Act, 1961. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the General Index Registration (“GIR”) number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB’s in the ASBA system, without any fault on the part of Applicant.**

#### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

#### **GROUND FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and not firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 1200;
- 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 September 11, 2023 with NSDL, our Company and Registrar to the Issue;
- b. a tripartite agreement dated September 06, 2023 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE0R4W01015

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.



- e) If incomplete or incorrect details are given under the heading ‘Applicants Depository Account Details’ in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

## COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc. at below mentioned addresses;**

<p><b>To</b>  <b>Mr. Mahendra Singh Rajpoot</b>  <b>Piotex Industries Limited</b>          F/II Block, Plot No. 16/2, M.I.D.C., Pimpri,          Pune Maharashtra- 411018, India.  <b>Tel. No.:</b> +91-9156744401  <b>E-mail:</b> <a href="mailto:cs@piotex.in">cs@piotex.in</a>          Website: <a href="http://www.piotexindustries.com">www.piotexindustries.com</a></p>	<p><b>To the Registrar to the Issue</b>  <b>CAMEO CORPORATE SERVICES LIMITED</b>          No.01, Club House Road, Mount Road,          Chennai-600002, India.  <b>Tel. No.:</b> 044 40020700/28460390  <b>Email:</b> <a href="mailto:ipo@cameoindia.com">ipo@cameoindia.com</a>  <b>Website:</b> <a href="http://www.cameoindia.com">www.cameoindia.com</a>  <b>Investor Grievance Email:</b> <a href="https://wisdom.cameoindia.com">https://wisdom.cameoindia.com</a>  <b>Contact Person:</b> Ms. K Sreepriya  <b>SEBI Registration No.:</b> INR000003753</p>
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## DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall make best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE Limited where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

## IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

- a) **‘Any person who: makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b) **makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) **Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.**

*Section 447 of the Companies Act, 2013, is reproduced as below:*

*Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:*

*Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years. Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.*

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with BSE Limited (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 1200 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 1200 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 1200 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 1200 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows;
  - (a). minimum fifty per cent. to retail individual investors; and
  - (b). remaining to:
    - i) individual applicants other than retail individual investors; and
    - ii) other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

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

**Explanation:** If the retail individual investor category is entitled to more than fifty per cent of the net issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.



Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail Individual Investor in the manner in this para titled “BASIS OF ALLOTMENT”.

“Retail Individual Investor” means an investor who applies for shares of value of not more than ₹2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the SME Platform of BSE Limited.

#### **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. 42 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 BSE Limited – 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 October 15, 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.	<p>In these Articles unless there be something in the subject matter or context inconsistent therewith:</p> <ul style="list-style-type: none"> <li>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.</li> <li>ii. “Articles” means Articles of Association of the Company as originally framed or altered from time to time</li> <li>iii. “Beneficial Owner” shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.</li> <li>iv. “Board” or “Board of Director” means the Collective body of the Board of Directors of the Company.</li> <li>v. “Chairman” means the Chairman of the Board of the Directors of the Company.</li> <li>vi. “The Company” means Piotex Industries Limited.</li> <li>vii. “Depositories Act, 1996” shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.</li> <li>viii. “Depository” shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.</li> <li>ix. “Directors” mean the Directors for the time being of the Company.</li> <li>x. “Dividend” includes any interim dividend.</li> <li>xi. “Document” means a document as defined in Section 2 (36) of the Companies Act, 2013.</li> <li>xii. “Equity Share Capital”, with reference to any Company limited by shares, means all share capital which is not preference share capital;</li> <li>xiii. “KMP” means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.</li> <li>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.</li> <li>xv. “Month” means Calendar month.</li> <li>xvi. “Office” means the registered office for the time being of the Company.</li> <li>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;</li> <li>xviii. “Postal Ballot” means voting by post or through any electronic mode.</li> <li>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.</li> <li>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.</li> <li>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</li> </ul>	Interpretation



	<p>functions under this Act.</p> <p>xxii. “Rules” means the applicable rules as prescribed under the relevant sections of the Act for time being in force.</p> <p>xxiii. “SEBI” means Securities &amp; Exchange Board of India established under Section 3 of the Securities &amp; Exchange Board of India Act, 1992.</p> <p>xxiv. “Securities” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)</p> <p>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.</p> <p>xxvi. “Seal” means the common seal of the Company.</p> <p>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>(i)</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  <i>(ii)</i> 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;</p> <p>xxviii. “Persons” include corporations and firms as well as individuals.</p> <p>Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.</p> <p>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.</p> <p>‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.</p>	
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



<p><b>6.</b></p>	<p>i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within 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,—</p> <p>a. one certificate for all his shares without payment of any charges; or</p> <p>b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.</p> <p>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;</p> <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>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.</p>	<p>Issue of Share Certificate</p>
<p><b>7.</b></p>	<p>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.</p>	
<p><b>8.</b></p>	<p>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.</p>	
<p><b>9.</b></p>	<p>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..</p>	
<p><b>10.</b></p>	<p>i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>	<p>Power to pay Commission In connection with the Securities issued</p>
<p><b>11.</b></p>	<p>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p>	<p>Variations of Shareholder's rights</p>

	<p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>	
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 <i>pari passu</i> 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.	<p>(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:</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>	Further Issue of shares
15.	<p>i. The Company shall have a first and paramount lien—</p> <p>a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company;</p> <p>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</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>	Lien

<p><b>16.</b></p>	<p>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—</p> <ul style="list-style-type: none"> <li>a. unless a sum in respect of which the lien exists is presently payable;</li> <li>or</li> <li>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.</li> </ul>	
<p><b>17.</b></p>	<ul style="list-style-type: none"> <li>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</li> <li>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</li> <li>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.</li> </ul>	
<p><b>18.</b></p>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	
<p><b>19.</b></p>	<p>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: -</p> <ul style="list-style-type: none"> <li>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</li> <li>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.</li> <li>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.</li> <li>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</li> <li>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.</li> </ul> <p>(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.</p> <p>(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.</p>	<p>Joint Holdings</p>

	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.	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>	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.	<p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>	
24.	<p>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.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>	
25.	<p>The Board—</p> <p>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</p> <p>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.</p>	
26.	<p>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.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>	
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.	<ul style="list-style-type: none"> <li>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.</li> <li>ii. Each share in the Company shall be distinguished by its appropriate number.</li> <li>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.</li> </ul>	
30.	<ul style="list-style-type: none"> <li>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</li> <li>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.</li> </ul>	
31.	<p>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-</p> <ul style="list-style-type: none"> <li>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</li> <li>ii. any transfer of shares on which the Company has a lien.</li> <li>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.</li> </ul>	
32.	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <ul style="list-style-type: none"> <li>i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</li> <li>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.</li> </ul> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <ul style="list-style-type: none"> <li>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),</li> <li>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;</li> <li>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.</li> </ul>	Transfer of Shares
33.	<p>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</p>	
34.	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year</p>	
35	<p>The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.</p>	
36.	<p>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.</p>	Register of Transfers

<p>37.</p>	<p>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.</p> <p>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>b. Option for Investors:</p> <p>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.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form: -</p> <ul style="list-style-type: none"> <li>• All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.</li> <li>• Nothing contained in Sections 88, 89, 112 &amp; 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.</li> </ul> <p>d. Rights of Depositories &amp; Beneficial Owners: -</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Dematerialisation of Securities</p>
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	<p>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.</p> <p>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.</p>	
38.	<p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	Transmission of Shares
39.	<p>i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p style="padding-left: 40px;">a. to be registered himself as holder of the share; or</p> <p style="padding-left: 40px;">b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>	
40.	<p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as 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.</p>	
41.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>	
42.	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>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.</p>	
43.	<p>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</p>	Forfeiture of Shares



	much of the call or instalment as is unpaid, together with any interest which may have accrued.	
<b>44.</b>	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.	
<b>45.</b>	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.	
<b>46.</b>	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.	
<b>47.</b>	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.	
<b>48.</b>	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.	
<b>49.</b>	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.	
<b>50.</b>	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.	
<b>51.</b>	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.	
<b>52.</b>	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.	
<b>53.</b>	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	Share Warrants

	<p>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.</p> <p>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.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>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.</p> <p>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.</p> <p>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.</p>	
<p><b>61.</b></p>	<ol style="list-style-type: none"> <li>i. The Company in general meeting may, upon the recommendation of the Board, resolve— <ol style="list-style-type: none"> <li>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</li> <li>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.</li> </ol> </li> <li>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— <ol style="list-style-type: none"> <li>a. paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>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;</li> <li>c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</li> <li>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;</li> <li>e. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</li> </ol> </li> <li>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</li> </ol>	<p>Capitalization of Profits</p>

	paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.	
<b>62.</b>	<ul style="list-style-type: none"> <li>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall— <ul style="list-style-type: none"> <li>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</li> <li>b. generally to do all acts and things required to give effect thereto.</li> </ul> </li> <li>ii. The Board shall have power— <ul style="list-style-type: none"> <li>a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</li> <li>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;</li> </ul> </li> <li>iii. Any agreement made under such authority shall be effective and binding on such members.</li> </ul>	
<b>63.</b>	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
<b>64.</b>	All General Meetings other than annual general meeting shall be called extraordinary general meetings	
<b>65.</b>	<ul style="list-style-type: none"> <li>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</li> <li>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.</li> <li>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.</li> </ul>	General Meeting
<b>66.</b>	<ul style="list-style-type: none"> <li>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.</li> <li>ii. <ul style="list-style-type: none"> <li>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.</li> <li>ii. In any other case, the quorum shall be decided as under: <ul style="list-style-type: none"> <li>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;</li> <li>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</li> </ul> </li> </ul> </li> </ul>	Proceedings at General Meetings
<b>67.</b>	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.	<ul style="list-style-type: none"> <li>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.</li> <li>iii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</li> </ul>	Demand for Poll
73.	<ul style="list-style-type: none"> <li>i. A poll demanded on a question of adjournment shall be taken forthwith.</li> <li>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.</li> </ul>	Time of taking Poll
74.	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul>	Adjournment of Meeting
75.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <ul style="list-style-type: none"> <li>i. on a show of hands, every member present in person shall have one vote; and</li> <li>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.</li> </ul>	
76.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	Voting Rights
77.	<ul style="list-style-type: none"> <li>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.</li> <li>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</li> </ul>	

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.	<p>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.</p> <p>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</p>	
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.	<p>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.</p> <p>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:</p>	Minutes of proceedings of general meeting and of Board and other meetings



	<p>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.</p> <p>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 Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p>C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <ol style="list-style-type: none"> <li>a. the names of the Directors present at the meetings, and</li> <li>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.</li> </ol> <p>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:</p> <ol style="list-style-type: none"> <li>a. is or could reasonably be regarded, as defamatory of any person</li> <li>b. is irrelevant or immaterial to the proceedings; or</li> <li>c. in detrimental to the interests of the Company.</li> </ol> <p>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.</p>	
<b>91.</b>	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
<b>92.</b>	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
<b>93.</b>	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Proxy
<b>94.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
<b>95.</b>	<p>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:</p> <p>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.</p>	
<b>96.</b>	<p>The First Directors of the Company shall be:</p> <ol style="list-style-type: none"> <li>1. Mr. Abhay Shriram Asalkar S/o Mr. Shriram Rajaram Asalkar</li> <li>2. Mr. Yogesh Omprakash Nimodiya S/o Mr. Omprakash Balibdra Nimodiya</li> </ol>	Board of Directors



<b>97.</b>	The Directors need not hold any “Qualification Share(s)”.	
<b>98</b>	<p>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:</p> <p>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.</p> <p>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.</p>	
<b>99.</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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— <ul style="list-style-type: none"> <li>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</li> <li>b. in connection with the business of the company.</li> </ul> </li> </ul>	
<b>100.</b>	The Board may pay all expenses incurred in getting up and registering the company.	
<b>101.</b>	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.	
<b>102.</b>	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.	
<b>103.</b>	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.	
<b>104.</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	
<b>105.</b>	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
<b>106.</b>	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.	
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.	Nominee Director
114.	<p>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.</p> <p>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.</p>	Nominee Director

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.	
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	<p>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-,</p> <p>(a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</p> <p>(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:</p> <p>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 part by the director notwithstanding that he is not a party to it.</p>	Removal of Director
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 contract 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.	Remuneration and sitting fees to Directors including Managing and

	<p>In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.</p> <p>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</p> <p>b. In connection with the business of the Company.</p>	<p>whole time Directors</p>
<p><b>125</b></p>	<p>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 &amp; 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.</p>	
<p><b>126.</b></p>	<p>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.</p> <p>a. The power to make calls on shareholders in respect of money unpaid on their shares;</p> <p>b. The Power to authorize buy-back of securities under Section 68 of the Act.</p> <p>c. Power to issue securities, including debenture, whether in or outside India</p> <p>d. The power to borrow moneys</p> <p>e. The power to invest the funds of the Company,</p> <p>f. Power to Grant loans or give guarantee or provide security in respect of loans</p> <p>g. Power to approve financial statements and the Board's Report</p> <p>h. Power to diversify the business of the Company</p> <p>i. Power to approve amalgamation, merger or reconstruction</p> <p>j. Power to take over a Company or acquire a controlling or substantial stake in another Company</p> <p>k. Powers to make political contributions;</p> <p>l. Powers to appoint or remove key managerial personnel (KMP);</p> <p>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</p> <p>n. Powers to appoint internal auditors and secretarial auditor;</p> <p>o. Powers to take note of the disclosure of director's interest and shareholding;</p> <p>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;</p> <p>q. Powers to invite or accept or renew public deposits and related matters;</p> <p>r. Powers to review or change the terms and conditions of public deposit;</p> <p>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>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.</p>	<p><b>Powers and duties of Directors:</b></p> <p><b>Certain powers to be exercised by the Board only at meeting</b></p>

	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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 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.</li> <li>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.</li> </ul>	
127.	<ul style="list-style-type: none"> <li>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting: <ul style="list-style-type: none"> <li>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;</li> <li>b) remit, or give time for the repayment of any debt, due by a Director;</li> <li>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</li> <li>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</li> <li>e) contribute to <i>bona fide</i> 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.</li> </ul> </li> <li>ii. Nothing contained in sub-clause (a) above shall affect: <ul style="list-style-type: none"> <li>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</li> <li>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.</li> </ul> </li> <li>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.</li> <li>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.</li> </ul>	<p style="text-align: center;"><b>Restriction on powers of Board</b></p>

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 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.	General powers of the Company vested in Directors
130.	<p>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:</p> <ul style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>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</li> </ul>	Specific Power given to Directors



	<p>accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</p> <p>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;</p> <p>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;</p> <p>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;</p> <p>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;</p> <p>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;</p> <p>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;</p> <p>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;</p> <p>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.</p> <p>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.</p>	
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	<p>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;</p> <p>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;</p> <p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>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.</p> <p>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.</p> <p>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</p>	
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	for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;	
<b>131.</b>	<p>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 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.</p> <p>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.</p> <p>c) Subject to the provisions of Sections 197 &amp; 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.</p>	<p>MANAGING DIRECTORS</p> <p>Power to appoint Managing or Whole-time Directors</p>
<b>132.</b>	<p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>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.</p>	
<b>133.</b>	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
<b>134.</b>	<p>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.</p> <p>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>	
<b>135</b>	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	Proceedings of the Board
<b>136.</b>	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.	
<b>137.</b>	<p>a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>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.</p>	
<b>138.</b>	<p>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.</p> <p>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.</p>	Delegation of Powers of Board to Committee

<p><b>139.</b></p>	<p>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.</p>	
<p><b>140.</b></p>	<p>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.</p>	
<p><b>141.</b></p>	<p>All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.</p>	
<p><b>142.</b></p>	<p>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</p>	
<p><b>143.</b></p>	<p>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 think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.</p>	<p>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</p>
<p><b>144.</b></p>	<p>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 Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.</p>	
<p><b>145.</b></p>	<p>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.</p>	<p>The Seal</p>
<p><b>146.</b></p>	<p>The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.</p>	
<p><b>147.</b></p>	<p>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.</p>	
<p><b>148.</b></p>	<p>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, think fit.</p>	<p>Dividends and Reserve</p>

	b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	
<b>149.</b>	<p>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.</p> <p>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.</p> <p>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.</p>	
<b>150</b>	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.	
<b>151.</b>	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
<b>152.</b>	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.	
<b>153.</b>	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	
<b>154.</b>	<p>No dividend shall bear interest against the Company.</p> <p>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;</p>	
<b>155.</b>	<p>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.</p> <p>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.</p>	
<b>156.</b>	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.	
<b>157.</b>	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.	
<b>158.</b>	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.</p>	Accounts
<b>159.</b>	<p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <ol style="list-style-type: none"> <li>i. be kept at the registered office of the Company, and</li> <li>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 meeting impose so however that not less than two hours in each day are allowed for inspection.</li> </ol> <p>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.</p> <p>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.</p>	Inspection of Statutory Documents of the Company:
<b>160.</b>	<p>Register of charges:</p> <p>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.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p> <ol style="list-style-type: none"> <li>a. by any member or creditor without any payment of fees; or</li> <li>b. by any other person on payment of such fees as may be prescribed,</li> </ol> <p>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.</p>	
<b>161.</b>	<p>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.</p> <p>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</p> <p>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.</p> <p>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.</p>	Audit

<p><b>162.</b></p>	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <ul style="list-style-type: none"> <li>i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</li> <li>ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</li> <li>iii. 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.</li> </ul>	<p>Winding up</p>
<p><b>163.</b></p>	<p>Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—</p>	<p>Indemnity</p>
<p><b>164.</b></p>	<ul style="list-style-type: none"> <li>(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.</li> <li>(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.</li> </ul>	<p>Secrecy</p>



## **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 11 a.m. and 5 p.m. on all Working Days from the date of this Prospectus until the Issue Closing Date and Copies of below Material Contracts and Documents are also available online on the website of the company on [www.piotexindustries.com](http://www.piotexindustries.com)

#### **Material Contracts**

1. Memorandum of Understanding dated September 21, 2023 between our Company Lead Manager to the Issue.
2. Agreement dated August 17, 2023 executed between our Company and the Registrar to the Issue (Cameo Corporate Services Limited)
3. Market Making Agreement dated January 19, 2024 between our Company, Lead Manager and Market Maker.
4. Banker to the Issue Agreement dated April 29, 2024 among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated January 19, 2024 between our Company, Lead Manager and Underwriters.
6. Tripartite Agreement dated September 06, 2023 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated September 11, 2023 among NDSL, 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 October 24, 2019 issued by the Registrar of Companies, Central Registration Centre.
3. Fresh Certificate of Incorporation dated August 11, 2023 issued by the Registrar of Companies, Pune consequent upon conversion of the Company to Public Company.
4. Copy of the Board Resolution dated September 14, 2023 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated September 15, 2023 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the year ended March 31, 2024, 2023 & 2022.
7. Peer Review Auditors Report dated April 27, 2024 on Restated Financial Statements of our Company for the year ended March 31, 2024, 2023 & 2022.
8. Copy of the Statement of Tax Benefits dated September 20, 2023 from the Statutory Auditor.
9. Certificate from the Statutory Auditor of the Company dated April 27, 2024 with respect to the KPIs disclosed in this Prospectus.
10. 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.
11. Board Resolution dated September 27, 2023 for approval of Draft Prospectus, dated May 06, 2024 for approval of Prospectus
12. Due Diligence Certificate from Lead Manager dated September 27, 2023 filed with BSE Limited and dated May 06, 2024 filed with SEBI.
13. Approval from BSE Limited vide letter dated April 16, 2024 to use the name of BSE Limited in the Prospectus for listing of Equity Shares on the BSE SME.

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. Abhay Shriram Asalkar**  
*Chairman and Managing Director*  
DIN: 06851614

\_\_\_\_\_  
**Mr. Yogesh Omprakash Nimodiya**  
*Executive Director and CFO*  
DIN: 06851606

\_\_\_\_\_  
**Mr. Sandeep Vitthalrao Deore**  
*Non -Executive Director*  
DIN: 05138825

\_\_\_\_\_  
**Mr. Sandeep Narayanrao Deore**  
*Independent Director*  
DIN: 00870467

\_\_\_\_\_  
**Mrs. Bhavisha Kunal Chauhan**  
*Independent Director*  
DIN: 10092854

### **SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY: -**

\_\_\_\_\_  
**Mr. Yogesh Omprakash Nimodiya**  
*Chief Financial Officer*

\_\_\_\_\_  
**Mr. Mahendra Singh Rajpoot**  
*Company Secretary and Compliance Officer*

**Date – May 06, 2024**

**Place – Pune, Maharashtra**