



KHOBSURAT LIMITED

Corporate Identification Number: L23209WB1982PLC034793

Our Company was originally incorporated as Khoobsurat Limited on April 17, 1982, under the Companies Act, 1956, vide Certification of Incorporation bearing registration number 34793 of 1982 issued by the Registrar of Companies, West Bengal. We received Certificate of Commencement of Business dated May 1, 1982, issued by the Registrar of Companies, West Bengal. For details of changes in the registered office of our Company, please refer to the chapter entitled 'General Information' beginning on page no. 36 of the Draft Letter of Offer.

Registered Office: 7A, Bentinck Street, 3rd Floor, Kolkata -700001, West Bengal, India
Tel: +91 33 40617068; **Website:** www.khoobsuratltd.co.in; **E-mail:** khoobsurat.kolkata@gmail.com
Contact Person: Neha Agarwal, Company Secretary and Compliance Officer

PROMOTER OF OUR COMPANY: ALOK KUMAR DAS

FOR PRIVATE CIRCULATION TO ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY

ISSUE OF UP TO [●]/- EQUITY SHARES WITH A FACE VALUE OF ₹ 1/- EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●]/- PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE) FOR AN AMOUNT AGGREGATING UPTO ₹3,500.00* LAKHS ON RIGHTS BASIS IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID UP EQUITY SHARES HELD BY THE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●]. THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES OF THE FACE VALUE OF THE RIGHTS EQUITY SHARES. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 124.

*** ASSUMING FULL SUBSCRIPTION. SUBJECT TO FINALIZATION OF THE BASIS OF ALLOTMENT.**

WILFUL DEFAULTER OR A FRAUDULENT BORROWER

Neither our Company nor our Promoter or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines issued by the Reserve Bank of India.

GENERAL RISKS

Investment in equity and equity related securities involves 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 making an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have neither been recommended nor approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. **Specific attention of the Investors is invited to the section "Risk Factors" on page 21 before making an investment in the Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares of our Company are listed on the BSE Limited ("BSE", the "Stock Exchange"). Our Company has received "in-principle" approval from BSE for listing the Rights Equity Shares through its letter dated [●]. For the purposes of the Issue, the Designated Stock Exchange is BSE.

REGISTRAR TO THE ISSUE



PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg,
Opp. Kasturba Hospital Lane, Lower Parel (E),
Mumbai – 400011, Maharashtra, India
Tel No.: +91 22 2301 2518 / 8261
Email: support@purvashare.com
Investor Grievance Email: support@purvashare.com
Website: www.purvashare.com
SEBI Registration No: INR000001112
Contact Person: Deepali Dhuri, Compliance Officer

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON#
[●]	[●]	[●]

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.*

Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Company Related Terms

Term	Description
“Khoobsurat Limited”, “Khoobsurat” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to Khoobsurat Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at 7A, Bentinck Street, 3rd Floor, Kolkata -700001, West Bengal, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, our Company.
Annual Financial Statements	The audited financial statements of the Company as at and for the financial year ended March 31, 2023 which comprises the balance sheet as at March 31, 2023 and the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
AOA/Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Board/ Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted Committees thereof.
Chairman & Managing Director	Chairman & Managing Director of our Company, being Mr. Sanjay Mishra
Chief Financial Officer	Chief financial officer of our Company, being Mr. Ajay Kumar Mishra
Company Secretary & Compliance Officer	Company Secretary & Compliance Officer of our Company in this case being, Ms. Neha Agarwal
Director(s)	Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified.
Equity Shareholders	The holders of the Equity Shares.
Equity Shares/Shares	The equity shares of our Company of a face value of ₹1.00 each unless otherwise specified in the context thereof.
Financial Statements	Audited Financial Statements for FY 2023 and Limited Review Report for 6 months period ended September 30, 2023.
Limited Review	Limited Reviewed Financial Results for the 6 months period ended September 30, 2023
Independent Directors	Independent Directors on our Board, and eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see “Our Management” beginning on page 58.
Internal Auditor	M/s P R Shukla & Associates, Chartered Accountant
Key Management Personnel / KMP	Key management/ managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in “Our Management – Key Managerial Personnel” on page no. 60.
Memorandum / Memorandum of Association / MoA	Memorandum of association of our Company, as amended from time to time

Promoter	Alok Kumar Das
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations. The name of Promoter Group is as follows: <ul style="list-style-type: none"> • Karikish Vyapaar Private Limited
Registered Office	The registered office of our Company situated at 7A, Bentinck Street, 3rd Floor, Kolkata - 700001, West Bengal, India.
Registrar of Companies / RoC	Registrar of Companies, Kolkata
Statutory Auditor	The Statutory Auditor of our Company, being M/s. S P M L & Associates, Chartered Accountants.
Secretarial Auditor of the Company	M/s Kriti Daga, Practising Company Secretaries

Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Advisor to the Issue	First Overseas Capital Limited
Allot / Allotment /Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of the Draft Letter of Offer, including an ASBA Investor
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
ASBA Applicant(s) / ASBA Investor	Eligible Equity Shareholders who make an application to subscribe to the Issue through ASBA process.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Banker(s) to the Company	Axis Bank Limited
Bankers to the Issue/ Public Issue Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●].
Banker to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors,

Term	Description
	transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in “Terms of the Issue” beginning on page no. 124.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor’s address, PAN, DP ID, Client ID, bank account details and occupation, where applicable.
Designated Branches	Such branches of the SCSBs which shall collect the Applications, as the case may be, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996
Draft Letter of Offer/ DLOF	The draft letter of offer dated December 15, 2023 filed with BSE Limited in accordance with the SEBI ICDR Regulations
Eligible Equity Shareholder(s)	Existing Equity Shareholders as on the Record Date, i.e. [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders.
Equity Shareholder/ Shareholder	Means a holder of Equity Shares of our Company
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Rights Issue Account and Refund Account will be opened, in this case being, [●].
Investor(s)	Equity Shareholders as on Record Date and/or Renounees applying in the Issue.
Issue	Issue of up to [●] Equity Shares of face value of ₹ 1 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 3,500.00 lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date. The issue price for the rights equity shares is [●] times the face value of the equity shares. * Assuming full subscription. Subject to finalization of the Basis of Allotments.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ [●] per Rights Equity Share
Issue Proceeds	Gross proceeds of the Issue
Issue Size	Issue of up to [●] Rights Equity Shares aggregating to an amount up to ₹ 3,500.00 lakhs
Letter of Offer/ LOF	The final letter of offer dated [●] to be filed with the Stock Exchanges after incorporating observations received from Stock Exchange on the Draft Letter of Offer
Material Subsidiaries	Following company have been identified by our Company based on the materiality threshold adopted by our Board under SEBI Listing Regulations as Material Subsidiaries; Our Company does not have any Material Subsidiaries as of now except as defined under “Subsidiaries” above: NIL
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renounee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.

Term	Description
Net Proceeds	Issue Proceeds less Issue related expenses. For details, see “ <i>Objects of the Issue</i> ” on page 43.
Non-Institutional Investor(s) / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renounees.
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock-broker in accordance with the SEBI Rights Issue Circulars, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●].
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws.
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, to be decided prior to filing of the Draft Letter of Offer
Refund Bank	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Registrar to the Issue / Registrar	Purva Sharegistry (India) Private Limited
Renounee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI – Rights Issue Circular, the Companies Act and any other applicable law
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through Off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.
Retail Individual Investor / RII	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹ 200,000 (including an HUF applying through karta) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlement / REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder. The Rights Entitlements with a separate ISIN: [●] will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares/ Rights Shares	Equity Shares of our Company having a face value of Re. 1.00 per share and to be allotted pursuant to this Issue
Rights Issue Account	The account(s) opened with the Banker(s) to this Issue, into which the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Rights Issue Account Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●].
Self-Certified Syndicate Banks/ SCSB(s)	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Stock Exchanges	Stock exchange where the Equity Shares are presently listed, being BSE.

Term	Description
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful defaulter or a Fraudulent Borrower	A Company or person, as the case may be, categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (III) of SEBI ICDR Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Technical / Industry Related Terms

Term	Description
Covid 19	Corona Virus
GDP	Gross Domestic Product
GMP	Good Manufacturing Practices
HFI	High-Frequency Indicators
IBEF	Indian Brand Equity Foundation
M&A	Mergers and Acquisitions
MUDRA	Micro Units Development and Refinance Agency
NASSCOM	The National Association of Software and Service Companies
PE	Private Equity

Conventional and General Terms and Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
B. A.	Bachelor of Arts
B.Com	Bachelor of Commerce
Banking Regulation Act	Banking Regulation Act, 1949
BE	Bachelor's degree in engineering
BIFR	Board of Industrial and Financial Reconstruction
Bn	Billion
BSc	Bachelor's degree in science
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Company Identification Number
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified

Term	Description
	Sections, read with the rules, regulations, clarifications and modifications thereunder
Copyright Act	The Copyright Act, 1957
CS	Company Secretary
CSR	Corporate Social Responsibility
DB	Designated Branch
Depositories Act	Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's identity number
EBITDA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECB	External Commercial Borrowings
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPFO	Employees' Provident Fund Organisation
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
ESIC	Employees' State Insurance Corporation
ESOP	Employee Stock Ownership Plan
ESPS	Employee Stock Purchase Scheme
F&NG	Father and Natural Guardian
F&O	Futures and Options
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal / Fiscal Year / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FMC	Forward Market Commission
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FTA	The Foreign Trade (Development and Regulation) Act, 1992
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors), 2000, as amended from time to time
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods & Services Tax
HNI	High Net worth Individual
HUF(s)	Hindu Undivided Family(ies)
I.T. Act	Income Tax Act, 1961, as amended from time to time
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IMF	International Monetary Fund
Income Tax Act	Income Tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
Indian GAAP	Generally Accepted Accounting Principles in India

Term	Description
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
IPR	Intellectual Property Rights
IRDA	Insurance Regulatory and Development Authority
ISIN	International Securities Identification Number
ISO	International Standards Organization
IT Act	Income Tax Act, 1961 as amended from time to time except as stated otherwise
JV	Joint Venture
KMP	Key Managerial Personnel
KW	Kilo Watt
L/C	Letter of Credit
LIBOR	London interbank offered rate
Ltd.	Limited
MAPIN	Market Participants and Investors' Integrated Database
MCA	The Ministry of Corporate Affairs, GoI
MCI	Ministry of Commerce and Industry, GoI
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MNC	Multi National Company
MoEF	Ministry of Environment and Forests
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable
NAV	Net asset value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid-up share capital, securities premium account and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and debit balance of the profit and loss account
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
NIFTY	National Stock Exchange Sensitive Index
No.	Number
NOC	No Objection Certificate
Non Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
NWR	Negotiable Warehouse Receipt
OCB	Overseas Corporate Bodies
OD	Overdraft
Overseas Corporate Body /	A company, partnership, society or other corporate body owned directly or indirectly to the

Term	Description
OCB	extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent account number
PAT	Profit after tax
Patents Act	Patents Act, 1970
PBT	Profit Before Tax
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934 , as amended from time to time
RERD Act	Real Estate (Regulation and Development) Act, 2016
RoC or Registrar of Companies	Registrar of Companies, Kolkata
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (FPI) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (VCF) Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
Sec.	Section
Securities Act	The U.S Securities Act as amended from time to time
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME	Small and Medium Enterprise
SSI	Small Scale Industry
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TPH	Tonnes per hour
Trademarks Act	The Trademarks Act, 1999
TRS	Transaction Registration Slip
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VAT	Value Added Tax

Term	Description
VCF	Venture Capital Funds
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f	With effect from
Water Act	Water (Prevention and Control of Pollution) Act, 1974
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the CAF may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and CAF to Eligible Equity Shareholders who have an address in India. Those overseas Shareholders who do not update the records with their Indian address, prior to the date on which we propose to dispatch the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF, shall not be sent the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer was filed with BSE for their observations. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute in or send the same into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address. Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. We, the Registrar, or any other person acting on behalf of us, reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. A Shareholder may not renounce his entitlement to any person resident in the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. Neither the delivery of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

The contents of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Equity Shares or Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Equity Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States.

The rights and securities of our Company, including the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (*Securities Act*), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (*United States* or *U.S.*) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (*Regulation S*), except in a transaction exempt from the registration requirements of the Securities Act. The rights

referred to in the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF are being offered in India, but not in the United States. The offering to which the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor any person acting on our behalf will accept subscriptions from any person or his agent, if to whom an offer is made, would require registration of this Draft Letter of Offer with the United States Securities and Exchange Commission.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India. Our Company is making this issue of Rights Equity Shares on a rights basis to the Equity Shareholders of our Company and the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and CAF will be dispatched to Equity Shareholders who have an Indian address. Any person who acquires rights and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF.

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

Certain Conventions

In this Draft Letter of Offer, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to Khoobsurat Limited.

Use of Financial Data

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from Financial Statements for FY 2023 and Limited Review Report on financials for 6 months period ended September 30, 2023 which have been prepared in accordance with Indian Accounting Standard (Ind AS) and are included in this Draft Letter of Offer. The financial year of our Company commences on April 1 and ends on March 31. Unless otherwise stated, references in this Draft Letter of Offer to a particular ‘Financial Year’ or ‘Fiscal Year’ or ‘Fiscal’ are to the financial year ended March 31.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled “Risk Factors” have been calculated on the basis of the Financial Statements of our Company prepared in accordance with Ind AS and the Companies Act, 2013.

Currency and units of presentation

In this Draft Letter of Offer, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’. Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operation*" and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Statements.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Letter of Offer has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Exchange Rates

This Draft Letter of Offer does not contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

Conversion rates for foreign currency

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

(Amt. in Rs.)		
Name of Currency	31-03-2023	31-03-2022
1 U.S. Dollar	82.2169	75.81
1 EUR	89.6076	84.66
1 GDP	101.8728	99.55

Source: www.fbil.org.in

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Letter of Offer that are not statements of historical facts constitute ‘forward-looking statements’. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Letter of Offer regarding matters that are not historical facts. These forward looking statements and any other projections contained in this Draft Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely 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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- Inability to identify or acquire new clients;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer “*Risk Factors*” on page 21.

Forward looking statements reflects views as of the date of this Draft Letter of Offer and not a guarantee of future performance. 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. Neither our Company / our Directors, nor any of its 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 will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

SECTION II - SUMMARY OF THE OFFER DOCUMENT

A. Primary business of the Issuer and the industry:

Summary of Business:

We are engaged in the business of purchase and selling of stocks and shares. We purchase and sell stock and shares both on short-term or long term basis. Our inventories mainly consist of quoted shares. We also purchase stake in unlisted Companies. Currently we operate through our Kolkata office.

Our Company is also engaged in making investment in the form of Equity in various companies, both listed and unlisted. The investment strategies are mostly long-term and are based on an analysis of investment fundamentals.

Our Company proposes to invest Rs. 600.00 Lacs of the Net Proceeds, in **Salcete Brewing Limited, Goa**, (Salcete) by way of subscription to the Equity shares of Salcete Brewing Limited. The price and percentage of investment in Equity Shares will be determined at the time of investment. Salcete intends to set-up a brewery with an installed capacity of 60,000 litres per month, for the production of Alcoholic Beer. The process of land and building transfer is approved under Goa-IDC Transfer & Sublease Regulations, 2018 subject to payment of transfer fees. The total cost of setting up of Brewery is ₹ 876.00 Lakhs. For details please refer to “*Objects of the Issue*” beginning on page 43 of the Draft Letter of Offer.

Summary of Industry:

DOMESTIC INVESTMENT IN INDIA

INTRODUCTION

A rise in domestic investments has been one of the most significant contributors to the growth story of India. Domestic investments in India are divided into two parts - public investments and private investments. Private investments are further divided into two parts, which are household investments and corporate investments. Private domestic investments depend on a slew of factors - macroeconomic stability, high household savings, productivity, access to credit, resolution of non-performing assets, clearing up of balance sheets, etc.

Domestic investments and foreign investments in India work hand-in-hand to help the growth of the country. Growth in emerging economies like India results mainly from innovations that allow domestic sectors to catch up with cutting-edge technology. The process of catching up with the leader in any sector requires the cooperation of a foreign investor who is familiar with the leading technology and a domestic entrepreneur/investor who is familiar with the local conditions.

The Indian private investing space has also been showcasing signs of maturity over the past few years. The market has revealed that new investments accounted for about 50% of VC transactions. The VC-to-PE pipeline has also become robust and consistent.

Source: <https://www.ibef.org/economy/domestic-investments>

TOP BEER MARKET TRENDS IN 2023

Currently, the Indian beer market is expanding. According to the [Expert Market Research Report](#), In 2020, the Indian beer market was estimated to be worth close to INR 371 billion. The industry is also anticipated to grow at a projected CAGR of roughly 9.2% between 2023 and 2028, reaching approximately INR 662 billion by 2026.

In the Indian beer industry today, there are more than 140 different beer brands, according to Ken Research report 2022, which may satisfy the tastes of any customer group. Due to factors like Indian consumers demanding for more health-conscious beverages, the market may experience tremendous growth in the upcoming years.

As the beer industry navigates another year of uncertainty and changing consumer preferences, we have listed down some of the top beer market trends to expect in 2023.

Source: <https://www.brewer-world.com/look-ahead-to-these-top-beer-market-trends-in-2023/>

For further information please refer to the section ‘Industry Overview’ beginning on page 52 of the Draft Letter of Offer.

B. Names of the promoters

Alok Kumar Das is the promoter of our Company.

C. Objects of the Issue:

We intend to utilize the Net Proceeds as set forth in the following table:

Sr. No.	Object	Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs upto)
1.	Purchase of Corporate Office in Mumbai and Kolkata	350.00
2.	Equity Investment in Salcete Brewing Limited	600.00
3.	Purchase of Tradable and Strategic, securities and Stock	1,700.00
4.	General Corporate Purposes	700.00
	Total	3,350.00*

**The actual amount may differ based on the final rights ratio to be decided on the record date and determination of Issue Price.

D. Subscription to the Issue by our Promoters and Promoter Group

Pursuant to the letter dated April 8, 2024, our Promoters and members of the Promoter Group, have confirmed that:

- The Promoters and members of the Promoter Group of our Company do not intend to subscribe to their Rights Entitlement.
- The eligible members of our Promoter Group do not intend to subscribe for additional Equity Shares in the Rights Issue.

E. Summary of Outstanding Litigations:

A summary of tax proceedings, in a consolidated manner, involving our Company, our Promoters, our Directors, or our Group Companies are stated below:

Nature of case	Number of cases	Amount involved (in ₹ lakhs)
Our Company		
Direct Tax		
Financial Year 2009-10 – Income tax Appeal	1	7.39
Financial Year 2011-12 – Income tax Appeal	1	16.13
Financial Year 2012-13 – Income tax Appeal	1	106.01
Financial Year 2013-14 – Income tax Appeal	1	4.39
Financial Year 2015-16 – Income tax Appeal	1	1.94
Indirect Tax	Nil	Nil
Our Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Group Companies		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

For further details, please refer to the chapter titled ‘Outstanding Litigations and Material Developments’ beginning on page 117 of the Draft Letter of Offer.

F. Risk Factors:

Please see ‘*Risk Factors*’ beginning on page 21.

G. Summary of Contingent Liabilities of our Company:

For details regarding our contingent liabilities for FY 2023, please refer to note 19 on page no. 103 of the Draft Letter of Offer and see “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Contingent Liabilities” on page no. 110 of the Draft Letter of Offer. There are no Contingent Liabilities for 6 months period ending on September 30, 2023.

H. Summary of Related Party Transactions:

Our Company has Related Party Transactions during FY 2023, for details of the related party transactions, as reported in the Financial Statements, see “*Financial Statements*” on page 62.

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

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Letter of Offer.

J. Any split/consolidation of equity shares in the last one year.

Our Company has not undertaken any split/consolidation of equity shares in the last one year preceding the date of this Draft Letter of Offer.

SECTION III - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us, the Equity Shares, the industry in which we operate or the regions in which we operate. If one, or any combination, of the following risks or other risks which are not currently known or are now deemed immaterial actually occurs or were to occur, our business, results of operations, financial condition and prospects could suffer and the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Further, some events may be material collectively rather than individually.

We have described the risks and uncertainties that our management believes are material but the risks set out in this Draft Letter of Offer may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Issue.

This Draft Letter of Offer also contains forward-looking statements, which refer to future events that may involve known and unknown risks, uncertainties and other factors, many of which may be beyond our control, and which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, see “Forward Looking Statements” on page 17.

Unless otherwise stated, the financial information used in this section is derived from our Company’s financial statements as of and for the six months period ended September 30, 2023 and audited financial statements as of and for the year ended March 31, 2023.

INTERNAL RISKS

1. Our Audit Report for FY 2023 has Audit qualifications.

Our Auditor’s report for the FY 2023 contains audit qualifications for which our Auditor has issued Qualified Opinion for the year ended March 31, 2023.

Basis for Qualified Opinion FY 2023

We draw to attention to: We are unable to determine the consequential impact of certain specific transactions /matters and disclosures on the Standalone Financial Statements. Such specific transactions/ matters include:

1. The company had not conducted the Fair Value Assessment for the Investments held of Rs. 10,85,31,800/- in the shares of unlisted companies as required under Ind AS 109. Hence, we are unable to comment on the realizable value of such investment.

As suggested by our Statutory Auditor, to clear the qualified opinion given by the statutory auditor as on March 31, 2023, the management has decided to go for the Fair Value Assessments of the Investments in the shares of unlisted companies (through registered valuer) to get the realizable value and to be reported as on March 31, 2024. So, the investments which will be reported as on March 31, 2024, will be on the basis of Fair Value Assessments and accordingly will address the audit qualifications of past.

The specific risks associated with an audit qualification can vary depending on the nature and severity of the issues leading to the qualification. A qualified audit opinion can damage a company's reputation, affecting its relationships with customers, suppliers, and business partners. Shareholders and potential investors may lose confidence in the company if the financial statements are consistently qualified. This can lead to a decline in the company's stock price and overall market valuation.

2. Our Company is involved in certain legal proceedings, which, if determined adversely, may adversely affect our business, results of operations and prospects.

Our Company is involved in certain legal proceedings (including tax and commercial disputes) at different levels of adjudication before various courts, tribunals and appellate authorities. A summary of the proceedings involving our Company including the aggregate approximate amount involved to the extent ascertainable, is provided below:

Nature of case	Number of cases	Amount involved (in ₹ lakhs)
Our Company		
Direct Tax		
Financial Year 2009-10 – Income tax Appeal	1	7.39
Financial Year 2011-12 – Income tax Appeal	1	16.13
Financial Year 2012-13 – Income tax Appeal	1	106.01
Financial Year 2013-14 – Income tax Appeal	1	4.39
Financial Year 2015-16 – Income tax Appeal	1	1.94
Indirect Tax	Nil	Nil
Our Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Group Companies		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

The amounts claimed in these proceedings have been disclosed to the extent ascertainable. We may incur significant expenses and management time in such legal proceedings. Any adverse ruling in any of the above proceedings or consequent levy of penalties by other statutory authorities may render us / them liable to liabilities / penalties and may have a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For further details regarding these legal proceedings, refer ‘Outstanding Litigation and Material Developments’ on page 117.

3. Our company falls under GSM Stage 0, meaning market participants should carry out necessary due diligence while dealing in the shares of company.

Securities and Exchange Board of India (SEBI) and Exchanges in order to enhance market integrity and safeguard interest of investors, have introduced Graded Surveillance Measures (GSM) wherein certain identified securities shall be subjected to enhanced monitoring and surveillance actions. The main objective of these measures is to alert and advise investors to be extra cautious while dealing in these securities and advise market participants to carry out necessary due diligence while dealing in these securities. Our company falls under GSM Stage 0, meaning market participants should carry out the necessary due diligence while dealing in the shares of the company. GSM has different stages, with Stage 0 being the least severe. The purpose of GSM Stage 0 is to keep a close watch on securities that may potentially exhibit abnormal trading patterns or other market-related anomalies. It helps the exchange maintain market integrity and protect investors' interests by promptly identifying and addressing any emerging risks or irregularities. We cannot assure you that our Company will not move to other GSM categories or come out of GSM, hence investors investing in our equity shares to be aware of the various GSM stages as they can impact trading restrictions and other regulatory actions on securities listed on the BSE.

4. Our investments activity and inventory are subject to market risk and judgement of our Management. The income from the sale & purchase of shares was Rs. Nil Lakhs and Rs. Nil Lakhs for FY 2022-23 and for the 6 months ended March 31, 2022 respectively.

The income from the sale & purchase of shares was Rs. Nil Lakhs and Rs. Nil Lakhs for FY 2022-23 and for the 6 months ended March 31, 2022 respectively. The value of Current Investments stood at Rs. 1105.27 Lakhs and Rs. 788.17 Lakhs as on March 31, 2023 and March 31, 2022 respectively. There are no long term investments as on September 30, 2023 and March 31, 2023. The amount of Inventory of the Company stood at Rs.3.64 Lakhs and Rs. 3.32 Lakhs for FY 2022-23 and FY 2021-22 respectively. As at March 31, 2022, our investments subject to market risks primarily include Quoted and Unquoted equity shares. Quoted shares are highly volatile forms of investment, while Unquoted equity shares cannot be traded in online platforms. Also our inventory stock-in-trade primarily includes the purchase and sale of Equity Shares, Equity linked Derivatives and may also include in future units of mutual funds, debt securities, equity instruments, government securities and certificates of deposits. The value of these investments depends on several macro factors beyond

our control, including interest rates, the domestic and international economic and political scenario, inflationary expectations, Government policy and the RBI's monetary policies.

They also depend on the various micro factors related to the specific securities including their individual performance, investor sentiment, results, profitability, specific sector, trading liquidity, penal & regulatory actions, etc. Any decline in the value of these investments, their tradability & micro - macro factors may have an adverse effect on our business, financial condition, cash flows, market price and results of operations.

Further, the Management of our Company exercise discretion and judgment on purchase and sale, subscription, acquisition of investment, inventory and stock in trade, mainly Equity Shares and Equity linked Derivatives which are subject to various market risks and are highly volatile forms of investments. Any error in judgment, failure to take timely action, related to purchase, sale, subscription or investment in Equity Shares or Financial Instruments or any unprecedented market volatility & equity-specific performance beyond the control of the Management could expose the Company to potential loss which may adversely affect its business, performance, cash flows, results of operations as well as Market price.

5. *100% of our investments are classified as short term in nature.*

At the end of FY 2022-23, 100.00% of the investments we made are due within one year of disbursement or are to be renewed within one year if need be or are given on-call basis, thus they are short term in nature. The relatively short-term nature of our investments means that our long-term income stream is less certain than if a portion of our loans were for a longer term. The potential instability of our income could materially and adversely affect our results of operations and financial position.

6. *We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchanges and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any wrong disclosure made to the Stock Exchange, or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.*

As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI Listing Regulations and other rules and regulations imposed by SEBI, which require us to make certain periodic disclosures, including disclosures about any material events or occurrences with respect to our Company, disclosure of our financial statements and disclosure of our updated shareholding pattern. Any failure to comply with these continuous disclosure requirements or any wrongful disclosure made by us to the Stock Exchange, or any other statutory authority may lead to penalties being imposed on us.

There has been, on few occasions, inadvertent Non-Compliances done by our Company as required under the provisions of SEBI LODR 2015. We believe, we are in compliance with rules and regulations imposed by the BSE and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong disclosure/ Non filing to the BSE, MSEI and CSE or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

7. *We may be unable to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business and operate our manufacturing facilities, which could result in an adverse effect on our results of operations.*

We require various statutory and regulatory permits, licenses and approvals to operate our business such as consents to establish and operate from the state pollution control boards (where our manufacturing facilities are located), importer-exporter code, registration and licenses issued under the Factories Act for our various manufacturing facilities, fire safety licenses from municipal fire safety authorities, registration certificates issued under various labour laws, including contract labour registration certificates and licenses as well as various direct and indirect taxation related registrations.

While we will endeavor to renew or obtain such approvals as required, there can be no assurance that the relevant authorities will issue any such approvals within our anticipated timeframe or at all. Further, our licenses, permits and approvals impose certain terms and conditions that require us to incur significant costs and inter alia, restrict certain activities. There can be no assurances that the approvals, licenses, permits and registrations may not be revoked in the event of any non-compliance with any terms or conditions imposed thereof.

In future, we will be required to regularly renew permits, licenses and approvals for our business, and to obtain new permits, licenses and approvals for any proposed expansion. An inability to renew, maintain or obtain any required permits, licenses or approvals may result in the interruption of our operations and have a material adverse effect on our business, financial

condition and results of operations. For further information regarding licenses and approvals, refer section “Government and Other Approvals” on page 119.

8. *We intend to invest ₹600 lakhs out of the proceeds of the Rights Issue in the brewery being set up by Salcete Brewing Limited in Salcete, Goa. We are not sure about the return on investment out of the above.*

We intend to invest ₹ 600.00 lakhs out of the proceeds of the Rights Issue in the brewery being set up by Salcete Brewing Limited in Salcete, Goa. For details, please refer to “Objects of Issue” beginning on page no. 43 of the Draft Letter of Offer. A significant risk factor when considering an investment in a company is its financial stability and performance, which can be impacted by various factors such as economic conditions, market competition, management decisions, and industry-specific challenges. These factors can influence the company's ability to generate profits, sustain growth, and provide a return on your investment, making a thorough financial analysis and due diligence essential before committing capital. Investing in a beer brewery company carries inherent risks, including the potential for changing consumer preferences, regulatory challenges related to alcohol production and distribution, and exposure to fluctuations in raw material costs, such as grains and hops. These factors can impact the company's profitability and market positioning, necessitating a careful assessment of the industry and a well-informed investment strategy.

9. *We intend to invest ₹ 350.00 lakhs out of the proceeds of the Rights Issue in the purchase of Corporate Offices in Mumbai and Kolkata. We have not yet identified the properties as on date.*

We intend to invest ₹ 350.00 lakhs out of the proceeds of the Rights Issue in the purchase of Corporate Offices in Mumbai and Kolkata. Investing in office space can be a lucrative opportunity, but it also comes with various risk factors. Economic downturns can lead to increased vacancies as businesses cut costs or downsize. Economic downturns can lead to increased vacancies as businesses cut costs or downsize. An economic recession can affect the demand for office space, potentially resulting in lower rental income and reduced property values. We have not yet identified the properties as on date. We cannot assure you that we will be able to identify the property in timely manner or at all. Any sch delay may result delayed execution of our business plans, which can further impact our financial conditions.

10. *We may be unsuccessful in protecting our intellectual property rights. Unauthorised use of our intellectual property may result in the development of products which compete with our products. We may also be subject to third-party claims of intellectual property infringement.*

Our intellectual property rights are important to our business. We rely on copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property. Our Corporate logo is not registered and we do not enjoy the statutory protections accorded to a registered trademark and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. The registration of any trademark is a time-consuming process, and there can be no assurance that any such registration will be granted as and when applied. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. These trademarks are integral to our business, and the loss of any of these intellectual property rights could have an adverse effect on our business.

11. *The small and medium scale enterprises in which we invest may not perform and we may not be able to control the non-performance of such companies. Further, the segment to which we cater are more likely to be affected by declining economic conditions than larger corporate companies.*

A significant majority of our customer base belongs to the small and medium enterprises sector. We do not manage, operate or control such companies and have no control over their functions or operations. We primarily invest in unlisted companies for the long term. We have invested in the equity shares of 11 companies and our total investment as on March 11, 2024, was Rs. 1106.82 Lakhs. We intend to generate revenues by way of selling investments, dividends and other exit strategies such as IPOs, acquisitions and in some case secondary market sales. The returns extended to such companies will depend to a significant extent on the specific management team of the relevant investee company. Failure to maintain sufficient credit assessment policies, particularly for small and medium enterprise borrowers, could adversely affect our credit portfolio, which could have a material and adverse effect on its results of operations and/or financial condition.

12. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.*

We have not paid any dividends in last five years. Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable

from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders.

Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

13. We have in the past entered into related party transactions and may continue to do so in the future.

We have entered into related party transactions with our Promoters, Group Companies, Promoter group members and Directors. For details on related party transactions for FY 2023, see note 22 on page no. 103 of the Draft Letter of Offer. We cannot assure you that we will be able to maintain the terms of such transactions or in the event that we enter future transactions with related parties, that the terms of the transactions will be favorable to us. Additionally, while it is our belief that all our related party transactions have been conducted on an arm's-length basis, we cannot provide assurance that we could have achieved more favorable terms had such transactions been entered into with third parties. We may also enter related party transactions in the future, which could involve conflicts of interest, although going forward, all related party transactions that we may enter will be subject to audit committee or board or shareholder approval, as applicable, as under the Companies Act, 2013 and the SEBI (LODR) Regulations. As such, we can provide no assurance that these transactions will not adversely affect our business, results of operation, cash flow and financial condition.

14. Our business and profitability could be adversely affected if we fail to keep pace with evolving industry standards and norms or fail to enhance existing products and develop and introduce new latest products in a timely manner.

The markets for our products are characterized by evolving industry standards and norms and new product or molecule introductions. Adaptability is one of the key attributes for success in our industry. Our success will depend on several factors, including proper identification of market demands. Our failure to successfully adopt investment strategies in a cost-effective and timely manner could increase our costs and lead to us being less competitive in terms of our prices or the quality of investments we make.

15. If we are unable to raise additional capital for our business, it may delay our Company's growth plan and have a material adverse effect on our business and financial condition.

We will continue to incur significant expenditure in maintaining and growing our existing business operations. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, if we are unable to arrange adequate financing on timely basis, it could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and regulatory framework that allows us to raise capital. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

16. Our Company has not taken any insurance coverage which may protect us against certain operating hazards and from all losses and this may have an adverse impact on the financial conditions of the business.

Our Company has not taken any insurance cover at present. Hence, we may not be able to protect ourselves from any damage or loss suffered by us. To the extent that we suffer any loss or damage, the operational results of the company could be adversely affected. The company does not maintain a directors and officers liability insurance policy for the directors or key managerial personnel of the Company.

17. We face risks associated with potential acquisitions, investments, strategic partnerships or other ventures that could adversely affect our results of operations.

We may acquire or make investments in complementary businesses, technology, services or products or enter into strategic partnerships with parties who can provide access to those assets, if appropriate opportunities arise. The general trend towards consolidation in the financial services industry increases the importance of our ability to successfully complete such acquisitions and investments. We may not identify suitable acquisition, investment or strategic partnership candidates, or if we do identify suitable candidates, we may not complete those transactions on commercially acceptable

terms or at all. If we acquire another company, we could have difficulty in assimilating that company's personnel, operations, technology and software. In addition, the key personnel of the acquired company may decide not to work for us. If we make other types of acquisitions, we could have difficulty in integrating the acquired products, services or technologies into our operations. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

18. *Our business requires substantial capital, and any disruption in funding sources would have a material and adverse effect on our liquidity and financial condition.*

The liquidity and ongoing profitability of our business are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from a combination of shareholder funding, secured and unsecured loan funds, with equity being a pre-dominant source. Thus, our business depends and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities, and our current and future results of operations and financial condition. Further as we grow, we may have to finance our funding from debt also. Any disruption in our primary funding sources at competitive costs would have a material adverse effect on our liquidity and financial condition.

19. *Our inability to build and maintain our brand name will adversely affect our business, prospects, financial condition and results of operation.*

Brand recognition is important to the success of our business. Establishing and maintaining our brand name for people relying on our services to look for desired results is critical to the success of the customer acquisition process of our business. No assurance can be given that our brand name will be effective in attracting and growing user and customer base for our businesses or that such efforts will be cost-effective, which may negatively affect our business, prospects, financial condition and results of operations.

20. *We have not identified any alternate source of raising the funds 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 investment 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 of our subsidiary and Company. The delay/shortfall in receiving these proceeds could result in inadequacy of investment in subsidiary or may require our Company to borrow funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the Company.

21. *Our Company may incur penalties or liabilities for non-compliance with few provisions of the Companies Act and other applicable laws in the last five (5) Years.*

In the past, there have been few instances of delays/ Non-filing of statutory forms as per the reporting requirements under the Companies Act, 2013 with the RoC. Our Company may incur penalties or liabilities for non-compliance with few provisions including lapses/ delays in certain filings and/or erroneous filing/ Non-filing of e-forms under Company Act, 2013 applicable to it. There have not been any non-compliances made under Companies Act, 2013 other than delay in filing of certain RoC forms. The same have been filed after making the payment of requisite additional fees. Such non compliances/delay Compliances / erroneous filing/ Non-filing /Non-Registration may incur the penalties or liabilities which may affect the results of operations and financial conditions.

22. *Our success depends largely on our senior management and skilled employees and our ability to attract and retain them.*

Our success depends on the continued services and performance of the members of our senior management team and other key employees. Our continued success also depends upon our ability to attract and retain skilled staff, particularly managers and skilled workers. The loss of the services of our senior management or our inability to recruit, train or retain a sufficient number of skilled professionals could have a material adverse effect on our operations and profitability. Competition for senior management in our industry in which we operate is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. Moreover, we do not maintain "key man" life insurance policies for senior members of our management team or other key personnel. Any such loss of the services of

our senior management personnel or skilled staff could adversely affect our business, prospects, financial condition and results of operation.

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

Our Promoters are interested in us to the extent of any transactions entered into or his shareholding and dividend entitlement in us. Our Directors are also interested in us to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Promoters have given personal guarantees for our borrowings to secure our loans. For further details, please refer “Our Management” on page 58.

24. We have significant funding requirements.

Our business involves significant working capital. We meet our working capital requirements through internal accruals and debt. Any shortfall in our internal accruals and our inability to raise debt would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations.

25. Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

	(₹ in lacs)	
Cash flow from	FY 31.03.23	FY 31.03.22
Cash generated/(used) in operating activities	--	(128.94)
Cash generated/(used) in investing activities	(243.80)	--

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled ‘Financial Information’ beginning on page 62, of the Draft Letter of Offer.

26. We do not own our Registered Office.

We do not own the premises on which our Registered office situated in Kolkata. We have taken our registered office on rental basis. Our business operations are also conducted from the said premises. As per the lease agreement if there are any non-compliance by us in relation to any term of lease, lease fee and any other terms and conditions, the lease may result in the termination of the lease agreement and consequently we have to vacate the said premises. We cannot be sure of continuity of the said premises after expiry of the current rental period and if such agreement is not renewed, there may be temporary disruption in our operations due to relocation of our offices. Further, the terms and conditions on which the said premises may be renewed on rental basis may not be favourable to us.

27. Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution.

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our Board. In addition, schedule of implementation as described herein are based on management’s current expectations and are subject to change due to various factors some of which may not be in our control.

28. Our Company’s management will have flexibility in utilizing the Net Proceeds. There is no monitoring agency appointed by our Company and the deployment of funds is at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.

The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors and is not subject to monitoring by external independent agency. As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹10,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor

the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Net Issue Proceeds to the BSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

29. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Letter of Offer shall be subject to certain compliance requirements, including prior Shareholders' approval.

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 Draft Letter of Offer without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of 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, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

30. Certain data mentioned in this Draft Letter of Offer has not been independently verified.

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

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

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

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

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

33. The recent outbreak of the novel coronavirus could have a significant effect on our results of operations, and could negatively impact our business, revenues, financial condition, and results of operations.

An outbreak of COVID-19 was recognised as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Since May 2020 many of these measures have been lifted. We proactively engaged with our clients to reassure them and to demonstrate our commitment to restart

our operations and to build confidence in the safety protocols deployed at our office. If we do not respond appropriately to the pandemic, or if customers do not perceive our response to be adequate, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future.

Further, the lockdown was again imposed by the government in some parts of India during April 2021, which was partially relaxed in June 2021, during this lockdown although we have continued with our business, the execution of our business operations was delayed by few weeks.

We cannot predict the degree to, or the time period over, which our business will be affected by the COVID-19 outbreak. For example, this pandemic could necessitate further lockdowns, resulting in significant additional effects on our revenue, financial condition and results of operations. There are numerous uncertainties associated with the COVID-19 outbreak, including the number of individuals who will become infected, availability of a vaccine or a cure that mitigates the effect of the virus, the extent of the protective and preventative measures imposed by governments and whether the virus' impact will be seasonal, among others. Consequently, there may be adverse effects of this pandemic on our short-term business operations and our financial results may be impacted.

ISSUE SPECIFIC RISKS

34. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further in case the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements.

35. *Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

36. *Investors may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.*

The Equity Shares that the Investors subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. Investors can start trading the Equity Shares allotted to them only after receipt of the listing and trading approval in respect thereof. Since the Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for the Issue Shares to the date when trading approval is granted for them. Further, we cannot assure you that the Equity Shares allocated to an Investor will be credited to the Investor's demat account or that trading in the Equity Shares will commence in a timely manner or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

37. *Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form and the Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar.*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our

Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of the Equity Shares and except the pending transfers). For details, refer chapter titled “Terms of the Issue – Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 129 of this Draft of Letter of Offer.

38. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

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

39. *Your ability to acquire and sell the Issue Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Draft Letter of Offer.*

No actions have been taken to permit an offering of the Issue Shares in the Issue in any jurisdiction except India. As such, our Issue Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Further, your ability to acquire Issue Shares is restricted by the distribution and solicitation restrictions set forth in this Draft Letter of Offer. For further information, please refer to the chapters entitled ‘Other Regulatory and Statutory Disclosures’ and ‘Restrictions on Foreign Ownership of Indian Securities’ on pages 120 and 150, respectively. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Issue Shares made other than in compliance with applicable law.

40. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, any company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained Government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to long-term capital gains tax in India if Securities Transaction Tax (STT) is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition

of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the GoI under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, Finance Act, 2018, taxes such long term capital gains exceeding ₹1 lakh arising from sale of equity shares on or after April 1, 2018. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

42. *Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.*

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Prices of listed securities are subject to volatility linked among other factors to the uncertainty in the global markets and the rising inflationary and interest rate pressures domestically. The governing bodies of the Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Future fluctuations or trading restrictions could have a material adverse effect on the price of our Equity Shares.

43. *The Issue Price of our Rights Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.*

The Issue Price of Rights Equity Share may not be indicative of the market price for our Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- (a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- (b) changes in revenue or earnings estimates or publication of research reports by analysts;
- (c) speculation in the press or investment community;
- (d) general market conditions; and,
- (e) domestic and international economic, legal and regulatory factors unrelated to our performance.

44. *There is no guarantee that the Rights Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, permission for listing of the Rights Equity Shares will not be granted until after those Rights Equity Shares have been issued and allotted. In addition, we are required to deliver the Draft Letter of Offer to SEBI and the Stock Exchanges under the applicable provisions of the Companies Act and the SEBI ICDR Regulations. The trading approvals shall be granted subject to the submission of all other relevant documents authorizing the issuing of Rights Equity Shares. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares. Further, a closure of, or trading stoppage on the Stock Exchanges could adversely affect the trading price of the Equity Shares.

EXTERNAL RISK FACTORS

45. *Political instability or changes in the government or government policies could impact the liberalization of the Indian economy.*

The performance and growth of our Company is dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and / or political changes. While the current government is expected

to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

46. *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, 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 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.

47. *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 economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Currently, the Russia- Ukraine conflict has resulted in significant increase in a global oil prices which could have a significant impact on inflation and cost of production. Additionally, essential raw materials for the manufacture of various products could be affected globally due to the aforementioned European crisis which could have cascading effect on the Indian economy and the trading price of our Equity Shares.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax

payments (prospectively or retrospectively) and / or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial condition.

49. *General economic conditions in India and globally could adversely affect our business, results of operations and financial condition.*

Our business, prospects, results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, prospects, results of operations and financial condition. Our Company mainly derives revenue from operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, volatility in currency exchange rates, volatility in commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our Company's employee costs and decrease our operating margins, which could have an adverse effect on our business, prospects, results of operations and financial condition.

Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our Company's business. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards the industry in which our Company operates, which may in turn, adversely affect our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, results of operations and financial condition as well as the market price of the Equity Shares.

50. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition. India's physical infrastructure is in a developing phase, as compared to that of many developed nations.*

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

51. *A downgrade in ratings of India, may affect the trading price of the Equity Shares.*

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating is Baa3 with a "stable" outlook (Moody's), BBB- with a "stable" outlook (S&P) and BBB- with a "negative" outlook (Fitch). Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

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

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

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board dated January 18, 2023, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions, and by our Equity Shareholders pursuant to e-voting, the results of which were declared on February 22, 2023.

The following is a summary of this Issue and should be read in conjunction with and is qualified in its entirety by, the information detailed in “*Terms of the Issue*” on page 124 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Rights Equity Shares being offered by our Company	[●] Rights Equity Shares
Rights Entitlement	[●] Rights Equity Shares for every [●] fully paid-up Equity Shares held on the Record Date i.e. [●], 2023
Record Date	[●], 2023
Face Value per Rights Equity Shares	₹ 1/- per Equity Share
Issue Price per Rights Equity Share	₹[●]/- per Rights Equity Shares including a premium of ₹[●] per Rights Equity Share
Equity Shares outstanding prior to the Issue	13,28,44,740 Equity Shares
Issue Size	Upto ₹3,500 Lakhs* * Assuming full subscription. Subject to finalization of the Basis of Allotments
Voting Rights and Dividend	The Rights Equity Shares issued pursuant to the issue shall rank <i>pari passu</i> in all respects with the existing Equity Shares of our Company.
Equity Shares outstanding after the Issue	[●] Equity Shares
Terms of the Issue	Please see the chapter titled ‘ <i>Terms of the Issue</i> ’ on page 124 of this Draft Letter of Offer.
Use of Issue Proceeds	Please refer “ <i>Objects of the Issue</i> ” on page 43.
Security Codes for the Equity Shares	ISIN: INE731G01027 BSE: 535730
ISIN for Rights Entitlements@	[●]
Terms of Payment	The full amount, i.e., Rs. [●] per Rights Equity Share (including premium of [●] per Rights Equity Share) is payable on application.

For details in relation fractional entitlements, see "Terms of the Issue-Fractional Entitlements" beginning on page 139 of this Draft Letter of Offer.

GENERAL INFORMATION

Our Company was originally incorporated as Khoobsurat Limited on April 17, 1982 under the Companies Act, 1956, vide Certification of Incorporation bearing registration number 34793 of 1982 issued by the Registrar of Companies, West Bengal. We received Certificate of Commencement of Business dated May 1, 1982, issued by the Registrar of Companies, West Bengal.

Company Identification Number	L23209WB1982PLC034793
Address of Registered Office of Company	7A, Bentinck Street, 3 rd Floor, Kolkata -700001, West Bengal, India E-mail: khoobsurat.kolkata@gmail.com Website: www.khoobsuratltd.co.in Contact Person: Ms. Neha Agarwal, Company Secretary & Compliance Officer
Address of Registrar of Companies	Registrar of Companies, Kolkata Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata-700020, West Bengal, India Phone: +91 33 22877390
Designated Stock Exchange	BSE Limited

Company Secretary and Compliance Officer

Neha Agarwal

7A, Bentinck Street, 3rd Floor,
Kolkata -700001,
West Bengal, India

Website: www.khoobsuratltd.co.in

E-mail: khoobsurat.kolkata@gmail.com

Tel: +91 33 40617068

Investors are advised to contact the Company Secretary and Compliance Officer or Registrar to the Issue for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer / CAF / letter of allotment, Split Application Forms, Share Certificate(s) or refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the Applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Rights Equity Shares applied for, amount blocked, where the CAF or the plain paper application, was submitted by the ASBA Investors.

Chief Financial Officer

Ajay Mishra

7A, Bentinck Street, 3rd Floor,
Kolkata -700001,
West Bengal, India

Website: www.khoobsuratltd.co.in

E-mail: khoobsurat.kolkata@gmail.com

Tel: +91 33 40617068

Details of Key Intermediaries pertaining to this Issue of our Company:

Registrar to the Issue	Banker to the Company
PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai – 400011, Maharashtra, India Tel No.: +91 22 2301 2518 / 8261 Email: support@purvashare.com Investor Grievance Email: support@purvashare.com	Axis Bank Limited Shop No. 1-7, Venus Tower, Azad Nagar Road 2, Veera Desai Road, Andheri West, Mumbai – 400058, Maharashtra, India Tel. : +91-22- 26733637 Fax: +91-22- 26733697 Email Id: veeradesairoad.branchhead@axisbank.com Website: www.axisbank.com

Website: www.purvashare.com SEBI Registration No: INR000001112 Contact Person: Deepali Dhuri, Compliance Officer	SEBI Registration No: INR000003639 Contact Person: Sheetal Sandesh Vichare
Legal Advisor to the Issue DRC Legal & Associates Francis Chawl, Opp Jayshree Hotel, Dayal Das Road, Vile Parle (East), Mumbai – 400 057 Maharashtra, India Tel: +91 22 2610 4513 Email: drelegal.associates@gmail.com Contact Person: D. R. Chaudhary	Statutory & Peer Review Auditor of the Company M/s. S P M L & Associates, Chartered Accountants Office No. 09, Wing B-3, Ramanuj, Mahesh Nagar, S. V. Road, Goregaon (West), Mumbai - 400 104, Maharashtra, India Tel No.: +91 93234 67923 / 99200 75471 Email: spml.mumb@gmail.com Contact Person: CA Gautam Jain Membership No: 449094 Firm Registration No: 136549W
Banker to the Issue/ Sponsor Bank [●]	Advisor To The Issue FIRST OVERSEAS CAPITAL LIMITED 1-2 Bhupen Chambers, Ground Floor, Dalal Street, Mumbai-400 001 Tel No.: +91 22 40509999 Email Id: shreya@focl.in/mala@focl.in Contact Person Ms. Shreya Jhawar / Ms. Mala Soneji Website : www.focl.in SEBI Registration No.: INM000003671 CIN: U67120MH1998PLC114103

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the CAF, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process as well as for non-ASBA process, see “*Terms of the Issue*” on page 124.

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks (SCSB’s)

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

Inter-se Allocation of responsibilities

Since no Lead Manager has been appointed for purposes of the Issue, there is no requirement of an inter-se allocation of responsibilities.

Credit Rating

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

Debenture Trustees

This is an issue of equity shares; hence appointment of debenture trustee is not required.

Monitoring Agency

Since the size of the Issue is less than ₹ 10,000 Lakhs, our Company is not required to comply with the provisions of the

SEBI ICDR Regulations including the provisions relating to appointment of monitoring agency.

Appraising Agency

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any bank or financial institution.

Underwriting

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

Expert Opinion

Except for the reports in the section on “Statement of Tax Benefits” on page 49, from the Statutory Auditors, our Company has not obtained any expert opinions.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period, at such rates as prescribed under the applicable laws.

If our Company does not receive the minimum subscription of at least 90% of the Equity Shares being offered under this Issue, on an aggregate basis, of the Issue Size, or the subscription level falls below 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period, at such rates as prescribed under the applicable laws.

Filing of the Offer Document

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer will be filed with the Stock Exchange and not with SEBI.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 535730); CSE and MSEI (KHOBSURAT). Though the Equity Shares of the Company are listed on all three exchanges, for all practical purposes there is no compliance to be done on CSE and MSEI. We will file this DLOF with BSE for approval and with CSE and MSEI for information purpose only and there is no approval required from them.

However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Issue Schedule:

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS	[●]
ISSUE CLOSING DATE	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date.

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non- submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, see “**Terms of the Issue**” beginning on page 124.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.bigshareonline.com after keying in their respective details along with other security control measures implemented there at. For further details, see “**Terms of the Issue – Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**” on page 135.

CAPITAL STRUCTURE

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

No.	Particulars	Amount (₹ in lakhs)	
		Aggregate nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	65,00,00,000 Equity Shares of face value of ₹1.00 each	6,500.00	-
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	13,28,44,740 Equity Shares of ₹1.00 each	1,328.45	-
C.	Present Issue in terms of this Draft Letter of Offer*		
	Issue of [●] Equity Shares for cash at a price of ₹[●] per Equity Share	[●]	Upto 3,500.00**
D.	Issued, Subscribed and Paid-up Share Capital after the Issue		
	[●] Equity Shares of face value of ₹1.00 each	[●]	-
E.	Securities Premium Account		
	Before the Issue***		Nil
	After the Issue**		[●]

* This Issue has been authorized through a resolution passed by our Board dated January 18, 2023, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions, and by our Equity Shareholders pursuant to e-voting, the results of which were declared on February 22, 2023.

**Assuming full subscription for and Allotment of Equity Shares. Subject to finalization of Basis of Allotment, Allotment and deduction of Issue related expenses.

***As on March 31, 2023

Notes to the Capital Structure:

- Our Company does not have any employee stock option scheme or employee stock purchase scheme.
- Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Draft Letter of Offer, which would entitle the holders to acquire further Equity Shares.

3. Shareholding of Promoters and Promoter Group:

The details of specified securities held by the Promoters and Promoter Group including the details of lock-in, pledge and encumbrance on such securities as on the date of this Draft Letter of Offer are set forth hereunder:

Sr. No.	Name of the Promoters & Promoter Group	No. of Equity Shares held	% of total share capital	Details of Equity Shares pledged/encumbered		Details of Equity Shares locked-in	
				No. of Equity Shares	% of total share capital	No. of Equity Shares	% of total share capital
	Promoters						
1	Alok Kumar Das	6,00,000	0.45%	0	0.00	0	0.00
	Promoter Group						
	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Grand Total	6,00,000	0.45%	0	0.00	0	0.00

4. No Equity Shares have been acquired by the Promoters or members of the Promoter Group in the year immediately preceding the date of the Draft Letter of Offer.

5. Intention and extent of participation in the Issue by the Promoters and Promoter Group

Pursuant to the letter dated April 8, 2024, our Promoters and members of the Promoter Group, have confirmed that:

- a. The Promoters and members of the Promoter Group of our Company do not intend to subscribe to their Rights Entitlement.
 - b. The eligible members of our Promoter Group do not intend to subscribe for additional Equity Shares in the Rights Issue.
6. All the Equity Shares of our Company are fully paid-up as on the date of this Draft Letter of Offer. Further, the Equity Shares offered in the Rights Issue shall be made fully paid at the time of their allotment.
7. The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI (SAST) Regulations is ₹ [●].

8. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:

- a. The details of the shareholding pattern of our Company as on September 30, 2023 can be accessed on the website of BSE at: <https://www.bseindia.com/stock-share-price/khoobsurat-ltd/khoobsurat/535730/shareholding-pattern/>
- b. Statement showing holding of the Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on September 30, 2023 can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=535730&qtrid=119.00&QtrName=September%202023>
- c. Statement showing holding of the Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of the Equity Shares as on September 30, 2023 can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=535730&qtrid=119.00&QtrName=September%202023>
- d. Statement showing shareholding pattern of the Non Promoter-Non Public shareholder of our Company as on September 30, 2023 can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=535730&qtrid=119.00&QtrName=September%202023>

9. Details of the Shareholders holding more than 1% of the issued and paid-up equity share capital as on September 30, 2023 is as follows:

<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=535730&qtrid=119.00&QtrName=September%202023>

OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses (“Net Proceeds”) towards the following objects:

1. Purchase of Corporate Office in Mumbai and Kolkata;
2. Equity Investment in Salcete Brewing Limited;
3. Purchase of Tradable and Strategic, securities and Stock; and
4. General Corporate Purposes

(Collectively, referred to herein as the “Objects”).

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

Issue Proceeds and Net Proceeds

The details of the estimated Net Proceeds are set out below:

S. No.	Particulars	Amount (₹ in lakhs)**
1	Gross Proceeds of the Issue*	Up to 3500.00
2	Rights Issue Expenses	150.00
3	Net Proceeds of the Issue (excluding the Issue Expenses) (“Net Proceeds”)	3,350.00

*Assuming full subscription and Allotment in the Issue. Subject to finalization of the Basis of Allotment and the Allotment of the Equity Shares.

**The actual amount may differ based on the final rights ratio to be decided on the record date and determination of Issue Price.

Utilization of Net Proceeds and Means of Finance

The proposed utilisation of the Net Proceeds is set forth below:

Sr. No.	Object	Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs)
1.	Purchase of Corporate Offices in Mumbai and Kolkata	350.00
2.	Equity Investment in Salcete Brewing Limited	600.00
3.	Purchase of Tradable and Strategic, securities and Stock	1,700.00
4.	General Corporate Purposes#	700.00
	Net proceeds from the Issue #	3,350.00*

Assuming full subscription and Allotment in the Issue. Subject to finalization of the Basis of Allotment and the Allotment of the Equity Shares. While the amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall amount utilization towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

*The actual amount may differ based on the final rights ratio to be decided on the record date and determination of Issue Price.

In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, the requirements of Regulation 32 and 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time shall be complied with.

Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable internal accruals.

There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, Directors, key managerial personnel or associate companies (as defined under Companies Act, 2013), other than payment of trade creditors to our associate entities in the normal course of business.

Means of Finance

The fund requirement mentioned above are based on, inter alia our, Company's internal management estimates and have not been appraised by any bank or financial institution or any other external agency. They are based on our current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, cost of commodities and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, subject to compliance with applicable laws. Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Details of Use of Net Issue Proceeds:

1. Purchase of Corporate offices in Mumbai or Kolkata

We intend to purchase 2 properties, one located at Nariman Point area Mumbai and second property will be located either at Bentinck Street, Lal Bazaar or RN Mukherjee Road area of Kolkata. Both of these offices will act as our Corporate Office. However, our Company has not yet identified the properties to be purchased. We may further shift our Registered Office to our new Corporate Office at Kolkata subject to approval received from our Board of Directors. The property will give additional impetus for growth and better opportunities. The details of the properties to be purchased are as under:

(₹ Lakhs, until otherwise stated)

Particulars	Location	Amount deployed as on October 31, 2023 out of internal accruals *	Amount to be deployed from Net Proceed in FY 2023-24	Owned/ leased property	Price Per Sq.ft. (₹)	Total Cost (₹ in lakhs)
Mumbai Office*	Nariman Point, Mumbai	Nil	₹ 200.00	Owned	₹ 40,000.00	350.00
Kolkata Office**	Bentinck Street, Lal Bazaar or RN Mukherjee Road	Nil	₹ 150.00	Owned	₹20,000.00	
Total						350.00

*Based on quotation received from Noble Properties, Mumbai.

**Based on quotation received from DBC Baid Real Estate and Services Private Limited, Kolkata.

We have not yet identified the properties to be acquired. Hence the built-up area will be determined at the time of acquisition of properties, based on availability. These acquisition of offices will also increase our geographical presence. We are currently located in Kolkata, West Bengal. Our business is also mostly located in Kolkata. Going forward we plan to establish our presence in the other regions. Our emphasis is on expanding the scale of our operations as well as growing our network, which we believe will provide attractive opportunities to grow our client base and revenues. We intend to do this by setting up of two new offices.

We intend to complete the identification and acquisition of properties within 3 months of availability of funds. Pending utilization for the aforesaid purpose, we will deposit the funds in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934.

The properties that we will purchase will be free of encumbrance and free title free of title. Any excess payment over and above the amount earmarked will be paid either out of funds allocated for general corporate purposes or from the internal accruals. We further confirm that no property is proposed to be purchased from seller which is related to the Promoters, Promoter Group or Directors. Since, we have not yet identified the properties to be acquired, we have not entered into any MoUs or agreements regarding the purchase of aforesaid offices.

2. Equity Investment in Salcete Brewing Limited (Salcete)

Our Company proposes to invest Rs. 600.00 Lacs of the Net Proceeds, in Salcete Brewing Limited, Goa, by way of subscription to the Equity shares of Salcete Brewing Limited. Khoobsurat is only investing in Salcete, and the operation of the company will be run by its management. Our Company is investing in this Company to diversify our portfolio. Our Company will acquire the majority stake in this company. The price and percentage of investment in Equity Shares will be determined at the time of investment.

Salcete was incorporated on June 27, 2023 having its registered office at Dona Sa Maria Holiday Home, Tamborim Cavellissim, Goa - 403731 and intends to set-up a brewery with an installed capacity of 60,000 liters per month, for the production of Alcoholic Beer. The promoter of the Company is Mr. Serafino Roberto Cota a Goan resident. The promoter is not related to our Company, Promoter or Directors in any manner. The process of land and building transfer is approved under Goa-IDC Transfer & Sublease Regulations, 2018 subject to payment of transfer fees. The total cost of land and building is ₹ 823.22.00 Lakhs. The balance will be funded by promoters or other set of investors. For further details please refer to section “Our Business” beginning on page 55 of the Draft Letter of Offer.

The Cost of land and buildings is ₹ 135.00 lakhs.

Plant & Machinery

Salcete proposes to purchase the following plant & machinery:

25 HL 4 Vessels Brewhouse, Fully Automatic

Description of Items*	Name of Supplier	Date of Quotations	Amount (₹ Lacs)
800 kg/h Milling Section	LEHUI Finnah India Engineering And Equipment Private Limited, Vadodara	November 14, 2023**	8.74
25HL 5Vessels Brewhouse			243.55
Fermenter			214.24
Water Systems			65.83
Installation & Commissioning			29.70
	Sub-total		562.05
	GST@18%		101.17
	Total		663.22
Furniture	Lumpsum		15.00
Office Equipment	Lumpsum		10.00
	Grand Total		688.22

*No old machinery is proposed to be purchased for the project by Salcete.

**The quotation is valid for 30 days.

3. Purchase of Tradable as well as other Strategic securities and Stock

The allocation of funds for the purchase of tradable and strategic securities, as well as stocks, is a pivotal financial strategy employed by our Company. These investments can help diversify a company's portfolio and generate potential returns. Tradable securities encompass assets that can be readily bought and sold in the financial markets, offering liquidity and potential short-term gains, while strategic securities often represent long-term investments in companies that align with an entity's objectives or show promising growth prospects. Effective fund utilization in these areas requires meticulous analysis, risk management, and vigilant monitoring of market conditions to enhance financial stability and growth potential. We intend to allocate ₹[●] lakhs out of the Rights Issue Proceeds for the Purpose of this object. Effective fund utilization in these areas can enhance a company's financial stability and growth prospects.

4. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating to Rs. [●] Lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilisation of funds towards the specific purposes will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company intends

to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following: strategic initiatives; funding growth opportunities; meeting ongoing general corporate contingencies; meeting fund requirements of our Company, in the ordinary course of its business; and any other purpose, as may be approved by the Board, subject to compliance with the necessary regulatory provisions and applicable law.

Our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilize such unutilized amount in the subsequent Financial Years.

5. Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹[●] lakhs. The expenses of this Issue include, among others, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Issue expenses are as follows:

Issue expenses are as follows:

Activity	Estimated expenses	As a % of the total estimated Issue expenses	As a % of the total Issue size
Fees of Advisor to the Issue, Monitoring agency, Banker to the Issue, Registrar to the Issue, Legal Advisor, Auditor's Fees, payment of selling commissions, brokerages, Advisors to the Company, payment to other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses.	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery expenses, distribution and postage	[●]	[●]	[●]
Regulatory and other expenses including Listing Fee	[●]	[●]	[●]
Total estimated Issue expenses *^	[●]	[●]	[●]

*Amount will be finalised at the time of filing of the Letter of Offer and determination of Issue Price and other details.

*^ Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards General Corporate Purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Issue.

^Excluding taxes

#Assuming full subscription

Proposed Schedule of implementation

Our Company proposes to utilize Net Proceeds towards the aforesaid objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below and after finalisation of the basis of allotment.

Deployment of Funds in the Project and balance fund deployment*

Sr. No.	Particulars	Expenses Already Incurred till November 24, 2023*	FY 2023-24	Total
1.	Purchase of Corporate Offices in Mumbai and Kolkata	-	350.00	350.00
2.	Equity Investment in Salcete Brewing Limited	-	600.00	600.00
3.	Purchase of Tradable and Strategic, securities and Stock	325.00**	[●]	[●]
4.	General Corporate Purposes#	-	[●]	[●]
5.	Rights Issue Expenses	-	[●]	[●]
	Total#	325.00	[●]	[●]

*expense already incurred will be recouped out of the issue proceeds.

Assuming full subscription and Allotment in the Issue. Subject to finalization of the Basis of Allotment and the Allotment of the Equity Shares. While the amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall amount utilization towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

**As per the certificate dated December 4, 2023 issued by S P M L & Associates, Chartered Accountants.

Our Company proposes to deploy the Net Proceeds towards the objects of the Issue during Fiscal 2024. Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. If the actual utilisation towards any of the Objects is lower than the proposed deployment, then such balance will be used for future growth opportunities including funding other existing objects, if required and towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company.

Appraisal Report

None of the objects for which the Net Proceeds from the Issue will be utilised have been appraised by any financial institutions/banks.

Bridge Loan

As of the date of this Draft Letter of Offer, our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Monitoring of Utilization of Funds

As this is an Issue for an amount less than ₹ 10,000 Lakh, there is no requirement for the appointment of a monitoring agency. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Draft Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Objects of the 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 and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Draft Letter of Offer, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Other Confirmations

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoter, members of the Promoter Group, Directors, Group Entities or key management personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoter, Directors, key management personnel, associates or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

Key Industry Regulations for the Proposed Objects of the Issue

The Key Industry Regulations for the proposed Objects of the Issue are not different from the existing business of our Company.

Interest of Promoter, Promoter Group and Directors, in the objects of the Issue

Our Promoter, Promoter Group and Directors do not have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO KHOOBSURAT LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To

The Board of Directors

Khoobsurat Limited

7A, Bentinck Street, 3rd Floor,

Kolkata -700001, West Bengal, India.

Independent Auditor’s certificate on Statement of Tax Benefits under Income Tax Act 1961 available to Khoobsurat Limited and its Shareholders under the Applicable Laws in India.

We have been requested by Khoobsurat Limited (“the Company”), having its Corporate office at the above-mentioned address, to certify the Statement of Tax Benefits for the Right Shares Issue (the “Statement”) for the purpose of onward submission to Stock Exchanges i.e. BSE Limited, The Calcutta Stock Exchange Limited and Metropolitan Stock Exchange.

Management’s Responsibility

1. The preparation of the Statement (Annexure A) is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
2. The Management is also responsible for ensuring that the Company complies with the requirements of Stock Exchanges and provides all relevant information to which it submits this certificate.

Auditor’s Responsibility

3. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this Certificate.
4. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.
5. We enclose herewith the **Annexure A** showing the current positions of special tax benefits available to the Company, and its shareholders as per the provisions of Income-tax Act, 1961 as applicable to financial year 2023-2024. Several of these benefits are dependent on the Company, or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.
6. The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed Rights issue, particularly in view of ever changing tax laws in India.

7. We do not express any opinion or provide any assurance as to whether:
- the Company or its shareholders will continue to obtain these benefits in future; or
 - the conditions prescribed for availing the benefits have been/would be met.

Restriction on Use

8. The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. The certificate is issued solely for the purpose of onward submission for Stock Exchanges. This certificate should not be used by any other person or for any other purpose. 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 certificate is shown or into whose hands it may come without our prior consent in writing. S G C O & Co. LLP shall not be liable to the Company, or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment.

For S P M L & Associates
Chartered Accountants
ICAI Firm Registration No. 136549W

Gautam Jain
Partner
Membership No. 449094
UDIN: 23449094BHBCBZ5966
Place: Mumbai
Date: November 02, 2023

Annexure A

We report the Statement of Possible Special Tax benefits Available to the Company and its Shareholders.

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2023-2024.

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

The Company is not entitled to any special tax benefits under the Act.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither we are suggesting nor advising the investor to invest money based on this statement.

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

We hereby give consent to include this statement of tax benefits in the Draft Letter of Offer, the Letter of Offer and in any other material used in connection with the Issue.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

Indian Economy Overview

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

INTRODUCTION

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Real GDP at constant prices in the second quarter of 2022–23 is estimated at US\$ 1.94 trillion (Rs. 160.06 trillion), showing a growth of 7.2% as compared to the First Revised Estimates of GDP for the year 2021-22 of US\$ 1.81 trillion (Rs. 149.26 trillion), 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. In FY22, India's service exports stood at US\$ 254.4 billion. Furthermore, India's overall exports (services and merchandise) was estimated at US\$ 770.18 billion in FY23. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-December 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

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

India's appeal as a destination for investments has grown stronger and more sustainable as a result of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

MARKET SIZE

India's nominal gross domestic product (GDP) at current prices is estimated to be at US\$ 3.31 trillion (Rs. 272.41 trillion) in FY22. Additionally, the Nominal GDP at current prices in Q3 of 2022-23 was US\$ 874.84 billion (Rs. 71.82 trillion), as against US\$ 792.3 billion (Rs. 65.05 trillion) in 2021-22, estimating a growth of 10.4%. With 115 unicorns valued at more than US\$ 350 billion, as of February 2023, India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at US\$ 1.3 billion, 0.2% of GDP in the fourth quarter of FY23.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. 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.

ROAD AHEAD

In the second quarter of FY23, 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.

s
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 FY23 (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, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In June 2023 (Provisional), CPI-C inflation was 4.81%, down from 7.01% in June 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.

DOMESTIC INVESTMENT IN INDIA

Source: <https://www.ibef.org/economy/domestic-investments>

INTRODUCTION

A rise in domestic investments has been one of the most significant contributors to the growth story of India. Domestic investments in India are divided into two parts - public investments and private investments. Private investments are further divided into two parts, which are household investments and corporate investments. Private domestic investments depend on a slew of factors - macroeconomic stability, high household savings, productivity, access to credit, resolution of non-performing assets, clearing up of balance sheets, etc.

Domestic investments and foreign investments in India work hand-in-hand to help the growth of the country. Growth in emerging economies like India results mainly from innovations that allow domestic sectors to catch up with cutting-edge technology. The process of catching up with the leader in any sector requires the cooperation of a foreign investor who is familiar with the leading technology and a domestic entrepreneur/investor who is familiar with the local conditions.

The Indian private investing space has also been showcasing signs of maturity over the past few years. The market has revealed that new investments accounted for about 50% of VC transactions. The VC-to-PE pipeline has also become robust and consistent.

TOP BEER MARKET TRENDS IN 2023

Source: <https://www.brewer-world.com/look-ahead-to-these-top-beer-market-trends-in-2023/>

Currently, the Indian beer market is expanding. According to the [Expert Market Research Report](#), In 2020, the Indian beer market was estimated to be worth close to INR 371 billion. The industry is also anticipated to grow at a projected CAGR of roughly 9.2% between 2023 and 2028, reaching approximately INR 662 billion by 2026.

In the Indian beer industry today, there are more than 140 different beer brands, according to Ken Research report 2022, which may satisfy the tastes of any customer group. Due to factors like Indian consumers demanding for more health-conscious beverages, the market may experience tremendous growth in the upcoming years.

As the beer industry navigates another year of uncertainty and changing consumer preferences, we have listed down some of the top beer market trends to expect in 2023.

Sustainable Brewing practices

There is a growing need for more environmentally friendly alcohol options as customers become more aware of their purchase decisions. As a result, brewers are utilising innovative sustainable solutions in their production and offering products like sustainable beer. Some breweries are switching to locally sourced ingredients in addition to recyclable packaging and clean energy sources to cut emissions. Therefore, it shouldn't be shocking that more and more consumers are choosing sustainable beer, and this trend will continue to grow over the following several years.

Taprooms are enjoyable for customers but essential for any craft brewery just getting started in the industry. For years, they have been critical in getting their names out there and attracting customers. These taprooms also allow breweries to experiment with new brews in real time. They can make smaller batches to see how customers react to a new recipe without wasting ingredients if the beer isn't a hit.



Lighter Beers in Demand – The global market for light beer is driven by a shift in consumer preference toward beverages with lower alcohol content as people become more interested in health and fitness. Because light beer has a low alcoholic and calorific value, it allows people to limit their alcohol and calorie intake, which helps them control the negative side-effects of excessive beer consumption, such as diarrhoea, weight gain, and loss of control of the senses, among other things.

Furthermore, the rapid expansion of supermarkets, hypermarkets, and speciality stores, particularly in emerging markets, is expected to aid market growth during the forecast period, as this will increase the availability of light beer, propelling sales of the product.

Canned Beers – Consumers today are constantly looking for products that complement their way of life. Because people are drawn to products that taste good, make their lives easier, and catch their eye, a can is an excellent choice because it is lightweight, convenient, chills quickly, is easy to carry, frequently features vibrant, eye-catching imagery, and is infinitely recyclable.

Cans also protect beer from light better than bottles, preventing harmful UV rays from penetrating the packaging and leaving beer tasting skunky' or onion-like. The canning process also creates an airtight container, preventing air from leaking under a bottle's crown cap and oxidising the beer. Aluminium cans cool down much faster than glass bottles, allowing consumers to enjoy a chilled craft beer sooner, which may appeal to customers looking to relax and unwind at the end of a long day.

OUR BUSINESS

Following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Letter of Offer, including the information contained in the section titled ‘Risk Factors’, beginning on page 21 of the Draft Letter of Offer.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled ‘Risk Factors’ and ‘Financial Information’ and chapter titled ‘Management Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page 21, 62 and 110, respectively, of the Draft Letter of Offer.

Unless the context otherwise requires, in relation to business operations, in this section of the Draft Letter of Offer, all references to “we”, “us”, “our” and “our Company” are to Khoobsurat Limited.

Business Overview

We are engaged in the business of purchase and selling of stocks and shares. We purchase and sell stock and shares both on short-term and long term basis. Our inventories mainly consist of quoted shares. We also purchase stake in unlisted Companies. Currently we operate through our Kolkata office.

Our Company is also engaged in making investment in the form of Equity in various companies, both listed and unlisted. We are not bound by pre-defined restrictions in regard to our search for investment opportunities. We invest in companies in a variety of markets and stages.

We need sufficient financial liquidity and resources to be able to meet demands and opportunities from our growth plans as they arise over time. The investment strategies are mostly long-term and are based on an analysis of investment fundamentals.

Our Company proposes to invest Rs. 600.00 Lacs of the Net Proceeds, in **Salcete Brewing Limited, Goa**, by way of subscription to the Equity shares of Salcete Brewing Limited. The price and percentage of investment in Equity Shares will be determined at the time of investment.

Salcete was incorporated on June 27, 2023 having its registered office at Dona Sa Maria Holiday Home, Tamborim Cavellissim, Goa - 403731 and intends to set-up a brewery with an installed capacity of 60,000 litres per month, for the production of Alcoholic Beer. The promoter of the Company is Mr. Serafino Roberto Cota a Goan resident. The brewery will be located at Plot No. SA22 and SA23, Cuncolim Industrial Estate, Cuncolim, Salcete, Goa – 403703. The process of land and building transfer is approved under Goa-IDC Transfer & Sublease Regulations, 2018 subject to payment of transfer fees. The total cost of setting up of Brewery is ₹ 876.00 Lakhs. For details please refer to “Objects of the Issue” beginning on page 43 of the Draft Letter of Offer.

Business Strategy

1. Equity Investment in Salcete Brewing Limited

To diversify of business, we intend to invest ₹ 600.00 Lakhs out of the Rights Issue Proceeds in Salcete Brewing Limited. This strategic move aligns with our vision to expand into the beverage industry by subscribing to equity shares in Salcete Brewing Limited. Diversifying our portfolio through such investments enhances our growth prospects and adds value to our shareholders. We are confident that this strategic investment will contribute to our long-term success and strengthen our market presence. This aligns with our commitment to prudent financial decision-making, by way of subscription to the Equity shares of Salcete Brewing Limited.

2. Geographical Diversification

Geographical diversification is a strategy that involves expanding business operations into new geographic regions to reduce risk and tap into new markets. We intend to purchase 2 properties, one located at Mumbai and second property will be located at Kolkata. Both of these offices will act as our Corporate Offices. This approach can help mitigate the impact of regional economic fluctuations or natural disasters. By spreading operations across different areas, we can increase our market reach.

Plant and Machinery, Technology and Process

Purchase of Tradable as well as other Strategic securities and Stock

Our Company is also engaged in making investment in the form of Equity in various companies. We are not bound by pre-defined restrictions in regards to our search for investment opportunities. We invest in companies in a variety of markets and stages. Our Company invests its own funds. We seek companies that have a need for change and would benefit from an active investor with a longer term perspective. In such cases, we typically prefer to participate via active investments. The below mentioned is the typical flow chart for the investment process:

Identification of Investment Opportunities:

- Research and identify potential companies for investment.
- Consider factors such as industry, growth potential, and financial health.

Due Diligence:

Conduct thorough due diligence on selected companies.

- Evaluate financial statements, management team, market position, and risks.

Investment Decision:

- Based on due diligence, make a decision to proceed or reject the investment.
- Assess the alignment with investment criteria and objectives.

Valuation:

- Determine the valuation of the company.
- Use various methods such as discounted cash flows (DCF), comparable company analysis (CCA), or precedent transactions.

Term Sheet Negotiation:

- Draft and negotiate a term sheet outlining the key terms of the investment.
- Address issues like valuation, governance, and exit strategies.

Legal and Regulatory Compliance:

- Ensure compliance with legal and regulatory requirements.
- Draft and finalize legal documents, including investment agreements.

Investment Execution:

- Transfer funds and execute the investment.
- Issue shares or ownership certificates.

Post-Investment Management:

- Monitor the performance of the invested company.
- Engage with management to support strategic decisions.

Governance and Reporting:

- Establish governance structures and mechanisms.
- Receive regular reports on the company's financial and operational performance.

Exit Strategy:

- Develop and execute an exit strategy, such as selling shares or participating in an IPO.
- Maximize returns on investment.

Collaborations

We have not entered into any technical or other collaboration.

Utilities & Infrastructure Facilities

We require computers and laptops for our data preparation work. Our registered office is equipped with latest computer systems, relevant software's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

Manpower

Our Company is committed towards creating an organization that nurtures talent. We provide our employees an open atmosphere with a continuous learning platform that recognizes meritorious performance.

The following is a department-wise break-up of our employees as on the date of the Draft Letter of Offer:

Sr. No.	Category	Registered Office
1	Senior Management	3
2	Middle Management	3
3	Others	2
	Total	8

Competition

The market for Financial Services is both highly competitive and rapidly evolving. We primarily face competition from Indian Financial Services companies as well as international companies which offer broad-based services. We anticipate this competition to grow as the demand for these services increases and we also expect additional companies to enter the Indian market. We expect that further competition will increase recognizing that price alone cannot constitute a sustainable competitive advantage. We are likely to face additional competition from those who may be better capitalized, have longer operating history, have greater brand presence, and better management than us. If we are unable to manage our business, it might impede our competitive position and profitability. We intend to continue competing vigorously to capture more market share and adding more management personnel to manage our growth in an optimal way.

Approach to Marketing and Marketing Set-up

Our top management and key executives enjoy the confidence of several corporate clients. We interact with our customers to get the feedback on the quality of products and services and improve the same as well. The marketing team regularly stays in touch with our customers. They also regularly approach new customers to try and develop a business relationship.

Property

The following table sets forth the details of the properties of our Company:

Description of Property	Purpose	Purpose
7A, Bentinck Street, 3rd Floor, Kolkata -700001, West Bengal, India	Registered Office	Leasehold Property

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, we are required to have not less than 3 (three) directors and not more than 15 (fifteen) directors, subject to the applicable provisions of the Companies Act, 2013. We currently have 6 (six) Directors on our Board.

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Name, Designation, Occupation, Term, DIN and Nationality	Date of last appointment / re-appointment and term	Other Directorships
<p>Name: Sanjay R. Mishra</p> <p>Father's Name: Ramroop Mishra</p> <p>Date of Birth: October 1, 1972</p> <p>Age: 51 years</p> <p>Designation: Managing Director</p> <p>Address: D/310, Shri Krishna Complex, Navghar Phatak Road, Above Vimal Dairy, Goddev Naka, Bhayander East, Thane – 401105, Maharashtra, India</p> <p>Occupation: Service</p> <p>DIN: 09048557</p> <p>Nationality: Indian</p>	<p>Appointed as Managing Director for a period of 3 years w.e.f. February 2, 2021.</p>	<p><i>Companies</i></p> <ul style="list-style-type: none"> • Tanaya Vincom Private Limited <p><i>LLP</i></p> <ul style="list-style-type: none"> • Nil
<p>Name: Alok Kumar Das</p> <p>Father's Name: Subinoy das</p> <p>Date of Birth: January 2, 1963</p> <p>Age: 60 years</p> <p>Designation: Non-Executive Director</p> <p>Address: 20, Chanchal Sarani, Santoshpur, Kolkata-700075, West Bengal, India</p> <p>Occupation: Professional</p> <p>DIN: 00243572</p> <p>Nationality: Indian</p>	<p>Appointed as Non-Executive Director on August 28, 2017. Liable to retire by rotation.</p>	<p><i>Companies</i></p> <ul style="list-style-type: none"> • Durgadevi Raiment Limited <p><i>LLP</i></p> <ul style="list-style-type: none"> • Nil
<p>Name: Sudipta Bhattacharya</p> <p>Father's Name: Rash Mohan Bhattacharya</p> <p>Date of Birth: June 24, 1963</p>	<p>Appointed as Independent Director for a period of 5 years.</p>	<p><i>Companies</i></p> <ul style="list-style-type: none"> • N.C.L. Research And Financial Services Limited

<p>Age: 60 years</p> <p>Designation: Non-Executive and Independent Director</p> <p>Address: P-64 Phase 1, Jadavpur Cooperative Land and Housing Society, Near Green Club, Nayabad, Mukundapur, Sonarpur, South 24 Parganas - 700099, West Bengal, India</p> <p>Occupation: Service</p> <p>DIN: 09708283</p> <p>Nationality: Indian</p>		<p><i>LLP</i></p> <ul style="list-style-type: none"> • Nil
<p>Name: Haimonti Das</p> <p>Father's Name: Subrata Das</p> <p>Date of Birth: November 11, 1999</p> <p>Age: 24 years</p> <p>Designation: Non-Executive and Independent Director</p> <p>Address: P-192, Nayabad, Mukundapur, South 24 Parganas - 700099, West Bengal, India</p> <p>Occupation: Business</p> <p>DIN: 09705524</p> <p>Nationality: Indian</p>	<p>Appointed as Independent Director for a period of 5 years.</p>	<p><i>Companies</i></p> <ul style="list-style-type: none"> • N.C.L. Research And Financial Services Limited <p><i>LLP</i></p> <ul style="list-style-type: none"> • Nil

Relationship between our Directors and our Directors and Key Managerial Personnel

None of our Directors are related to each other or to any of the Key Managerial Personnel:

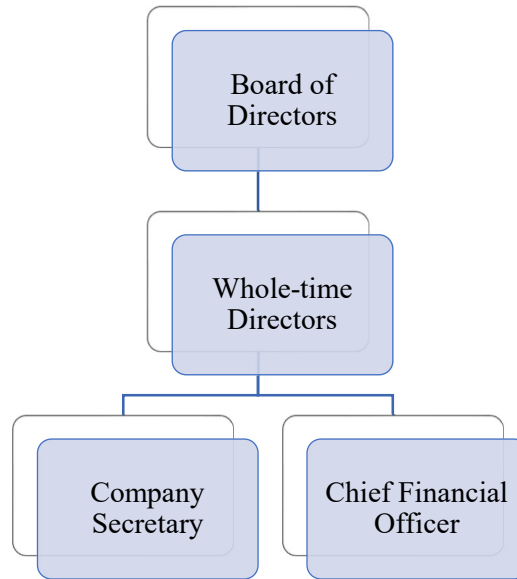
Further Confirmations:

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is categorized or are on the RBI List of wilful defaulters.
- None of the Directors is categorized or are on the RBI List of fraudulent borrowers.
- None of our Directors are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Letter of Offer, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.

- None of our Directors is or was a director of any listed company whose shares have been or were delisted from the Stock Exchange(s), during the term of their directorship in such company in the past 10 years.
- None of the Promoter, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

For details on legal cases, please refer to the chapter titles “*Outstanding Litigations And Material Information and Developments*” beginning on page 117 of this Draft Letter of Offer.

ORGANIZATION STRUCTURE



OUR KEY MANAGERIAL PERSONNEL

Set forth below are the details of our key managerial personnel in addition to our Whole-time Directors as on the date of the Draft Letter of Offer. For details of our Whole-time Directors please refer “*Our Management*” on page 58.

Ajay Mishra, aged 40 years, is the Chief Financial Officer of our Company. He holds a bachelor degree of commerce. He has experience of over 10 years in finance, accounts, audit and taxation. He has been associated with our Company as the Chief Financial Officer with effect from April 28, 2023.

Neha Agarwal, aged 35 years, is the Company Secretary & Compliance Officer of our Company. She is a qualified Company Secretary and an associate member of the Institute of Company Secretaries of India. She has experience of approximately 5 years in company law and secretarial compliance. She has been associated with our Company since October 9, 2023.

Status of Key Managerial Personnel

All our key managerial personnel are permanent employees of our Company.

Nature of family relationship

None of the above mentioned key managerial personnel are related to each other and neither are they related to our Promoters or Directors.

Bonus or Profit Sharing Plan for our Key Managerial Personnel

As on the date of this Draft Letter of Offer our Company does not have any performance linked bonus or profit sharing plan with any of our key managerial personnel.

Employees Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of the Draft Letter of Offer.

Payment or Benefit to officers of our Company

Except as stated in the Draft Letter of Offer and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in the section "*Financial Statements*" on page 58 of the Draft Letter of Offer, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors or our Promoters.

Currently, our Company does not have any profit sharing plans or any employee stock option or purchase schemes for our employees.

Arrangements and Understanding with Major Shareholders

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Material changes and commitments, if any, affecting our financial position

There are no material changes and commitments, which are likely to affect our financial position from September 30, 2023 till date of this Draft Letter of Offer. We have not given Restated Financials because we fall under Part B of SEBI (ICDR), 2018.

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Particulars	Page No.
Limited Review Report on Financial Results for the period ended on September 30, 2023	64
Audited Financial Statements for the financial year ended March 31, 2023	70

OTHER INFORMATION

STATEMENT OF ACCOUNTING AND OTHER RATIOS

Particulars	30.09.23	31.03.23	31.03.22
EBITDA (Rs. in Lacs)	11.76	36.49	33.05
Net Profit (Rs.in Lacs)	8.46	27.08	24.4
Net Worth (Rs.in Lacs)(Refer Note 1)	2,551.79	2,545.22	2,534.27
Return on Net worth (%) (Refer Note 2)	0.33%	1.06%	0.96%
Basic and Diluted Earnings per Equity Share (Refer Note 3)	0.006	0.02	0.02
Net Asset Value / Book Value per Equity share (Based on no of share at the end of year)	1.92	1.92	1.91

Note:

1. Net Worth: Equity Share Capital + Other Equity(Securities premium + Retained earnings+ Other Comprehensive Income.)

2.Return on Net Worth: Net Profit After Tax / Net Worth

3.Net Asset Value or Book Value : Equity Share Capital + Other Equity(Securities premium + Retained earnings+ Other Comprehensive Income)

CAPITALISATION STATEMENT

Particulars	Pre Issue
	As at 30.09.2023
Debt :	
Short term debt	0.00
Long term debt	0.00
Total Debt	0.00
Shareholders Funds	
Equity Share Capital	1,328.45
Reserves and Surplus	1,223.34
Less: Revaluation Reserves	0.00
Total Shareholders' Funds	2,551.79
Long Term Debt/ Shareholders' Funds	0.00
Total Debt / Shareholders Fund	0.00

**Post Issue Capitalization will be determined post finalization of relevant parameters at the time of finalizing the final Letter of Offer.*

Other financial Information is based on the certificate date December 4, 2023 issued by our Statutory Auditors, S P M L & Associates, Chartered Accountants.

MATERIAL DEVELOPMENTS

There are no material developments since September 30, 2023, which significantly affect the operations, performance, prospects or financial condition of our Company.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our financial statements included in the Draft Letter of Offer. You should also read the section entitled “Risk Factors” on page 21, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The Financial Information included in this Draft Letter of Offer are prepared and presented in accordance with Ind AS, in accordance with the requirements of Section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules 2014, as amended, the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectus (Revised 2019)” issued by the ICAI (the “**Guidance Note**”).

Our financial statements have been prepared in accordance with Ind AS, the Companies Act and the ICDR Regulations which is included in this Draft Letter of Offer under “Financial Statements”. The Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

Significant Developments Subsequent to the Last Financial Period

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Letter of Offer, there have not arisen any circumstance that materially or adversely affect or are likely to affect the business or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

Key factors affecting the results of operation:

Our Company’s future results of operations could be affected potentially by the following factors:

Economic conditions in the markets in which we operate

Our results of operations are dependent on the overall economic conditions in the markets in which we operate, including India. Any change in macro-economic conditions in these markets, including changes in interest rates, government policies or taxation and political, economic or other developments could affect our business and results of operations. While stronger macro-economic conditions tend to result into higher demand for our products, weaker macro-economic conditions tend to result into lower demand. Change in demand in the market segments we currently supply or improvement/deterioration in the market or a change in regulations, customs, taxes or other trade barriers or restrictions could affect our operations and financial condition.

Market Conditions: The specific conditions of the financial markets, such as stock, bond, and real estate markets, can have a direct impact on investment businesses. Market volatility, liquidity, and trends in asset prices can affect investment strategies and outcomes.

Investor Sentiment: Investor sentiment and confidence play a crucial role in investment markets. Positive sentiment can drive increased investment activity, while negative sentiment can result in risk aversion and reduced investment.

Risk Management: The ability to manage risk effectively is critical for investment businesses. Factors like risk assessment, diversification, and the quality of risk management practices can impact the success and stability of company engaged in business of purchase of stock and securities.

The following important factors could cause actual results to differ materially from the expectations include among others:

- Increasing competition in the industry;
- Changes in the value of the Indian rupee and other currencies;
- Changes in laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer *Significant Accounting Policies, “Annexure IV” beginning under “Auditors’ Report and Financial Information of our Company” on page 89.*

RESULTS OF OPERATIONS

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Revenue

Our Total Revenue comprises of revenue from operations and other income.

- **Revenue from operations** - Our revenue from operations primarily consists of Revenue from Interest Income, Dividend Income and Investment Income. For detailed breakup, see chapter titled “Our Business” on page 55 of this Letter of Offer.
- **Other Income** - The other income consists of interest income. This interest mainly consists of income from ICDs and other treasury operations.

Expenses

Our expenses comprise of Purchase of Stock-in-trade.

- **Purchase of stock-in-trade** - Purchase of stock-in- trade primarily comprises of Securities (Equity Shares & Derivatives).
- **Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress** - Changes in inventories of Securities (Shares).
- **Employee benefit expenses** - Our employee benefit expenses mainly include Salaries.
- **Finance costs** - Our finance costs mainly include Bank Charges.
- **Depreciation and amortization expenses** - Our depreciation and amortization expenses comprise of depreciation on furniture, fixtures, electricals and computers.
- **Other expenses** - Other expenses mainly include General expenses, Listing Fees, Legal & Professional charges and Printing & Stationery expenses.
- **Tax expenses**

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws.

Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

The following discussion on results of operations should be read in conjunction with the financial results of our Company for the 6 months period ended September 30, 2023 and financial years ended March 31, 2023 and 2022.

For the 6 months period ended September 30, 2023:

(₹ Lakhs)

Particulars	For the period ended 30.09.23	% of Total Income
Income		
Total Income	34.00	

Changes in Inventories	-0.14	-0.41%
Employee Benefit Expenses	9.92	29.17%
Other Expenses	12.46	36.63%
Total Expenditure	22.24	65.40%
EBITDA	11.76	34.60%
Interest & Financial Charges	0.00	0.00%
Depreciation	0.00	0.00%
PBT	11.76	34.60%
Exceptional Items	0	0.00%
Tax Expenses	3.31	9.72%
Profit After Tax	8.46	24.88%

Revenue from operations

The Total Revenue consists of interest on temporary business accommodation of ₹ 34.00 lakhs for the 6 months period ended September 30, 2023.

Expenditure:

The total operating expenditure aggregated to ₹ 22.24 lakhs which was 60.12% of the total income.

Changes in Inventories stood at ₹ (0.14) lakhs.

Employee Benefit Expenses stood at ₹ 9.92 lakhs which was 29.17% of the Total Income.

Other Expenses stood at ₹ 12.46 lakhs which was 36.63% of the Total Income.

Tax Expenses: Total tax expenses including current and deferred tax stood at ₹ 3.31 lakhs.

Profits

Our EBITDA stood at ₹ 11.76 lakhs for the 6 months period ended September 30, 2023. We recorded PBT of ₹ 11.76 lakhs. We recorded Net Profit of ₹ 8.46 lakhs. Our Net Profit Margin stood at 24.88%.

Comparison of Financial Years ended March 31, 2023 and 2022

Particulars	(₹ lakhs)	
	31-Mar-23	31-Mar-22
Total Income	73.30	83.42
Expenditure		
Purchase of Stock in Trade	0.00	2.00
Increase/Decrease (%)	-100.00%	
% to Total Income	0.00%	2.40%
Changes in Inventories	-0.32	-2.21
Increase/Decrease (%)	-85.52%	
% to Total Income	-0.44%	-2.65%
Employee Benefit Expenses	18.24	24.50

Increase/Decrease (%)	-25.54%	
% to Total Income	24.88%	29.37%
Other Expenses	18.89	26.09
Increase/Decrease (%)	-27.60%	
% to Total Income	25.77%	31.28%
Total Expenditure	36.81	50.38
Increase/Decrease (%)	-26.93%	
% to Total Income	50.22%	60.39%
EBITDA	36.49	33.04
Increase/Decrease (%)	10.43%	
% to Total Income	49.78%	39.61%
Depreciation, amortization and impairment	0.00	0.15
Increase/Decrease (%)	-100.00%	
% to Total Income	0.00%	0.18%
Profit Before Interest and Tax	36.49	32.90
Increase/Decrease (%)	10.93%	
% to Total Income	49.78%	39.43%
Tax Effect	9.41	8.50
Increase/Decrease (%)	10.71%	
% to Total Income	12.84%	10.19%
Profit After Tax	27.08	24.40
Increase/Decrease (%)	11.01%	
% to Total Income	36.94%	29.24%

Comparison of FY 2023 with FY 2022:

Revenue from operations

The Total Income for the FY 2023 is ₹ 73.30 lakhs as compared to ₹ 83.42 lakhs during the FY 2022 showing decrease of 12.13%. This increase was primarily due to decrease in interest from temporary business accommodation.

Expenditure:

Purchase of Stock in Trade

Purchase of Stock in Trade decreased to ₹ Nil lakhs for FY 2023 from ₹ 2.00 lakhs for FY 2022. The Purchase of Stock in Trade was 0.00% of total income during FY 2023 as against that of 2.40% during FY 2022.

Changes of Inventories

Changes of Inventories were ₹ (0.32) lakhs for FY 2023 and ₹ (2.21) lakhs for FY 2022.

Employee Benefit Expenses

Employee Benefit Expenses decreased from ₹ 24.50 lakhs for the year ended March 31, 2022 to ₹ 18.24 lakhs for FY 2023 showing an decrease of 25.54%. This increase was mainly due to increase in staff salary and wages bonus expenses. Employee Benefit Expenses stood at 29.37% and 24.88% of Total income for FY 2022 and FY 2023, respectively.

Other Expenses

Other Expenses decreased to ₹ 18.89 lakhs for FY 2023 from ₹ 26.09 lakhs for FY 2022 showing a decrease of 27.60%. The decrease was mainly due to decrease in bad debts written off. Other Expenses was 25.77% of Total income during FY 2023 as against 31.28% during FY 2022.

Depreciation and amortisation

Depreciation and amortisation expenses decreased from ₹ 0.15 lakhs for the year ended March 31, 2022 to ₹ Nil lakhs for FY 2023.

EBITDA

EBITDA increased from ₹ 33.04 lakhs for FY 2022 to ₹ 36.49 lakhs for FY 2023. During FY 2023, our Company recorded EBITDA of 49.78% of the Total income as against 39.61% during FY 2022.

Profit after Tax

We incurred net profit of ₹ 24.40 lakhs for the FY 2022 and ₹ 27.08 lakhs in FY 2023. During FY 2023, our Company recorded PAT margin of 36.94% as against 29.24% for FY 2022.

Liquidity And Capital Resources

The table below summaries our cash flows from our Audited Financial Information for the financial year ended March 31, 2023 and for 6 months period ending on September 30, 2023:

Particulars	(Rs. in Lakhs)	
	As on Sept. 30, 2023	FY 2022-23
Net cash generated from / (used in) operating activities	(28.43)	241.73
Net cash generated from / (used in) Investing Activities	33.99	(243.80)
Net cash generated from / (used in) from financing activities	-	-
Net Increase / (decrease) in Cash & Cash Equivalents	5.57	(2.60)
Cash and cash equivalents at the beginning of the year	0.73	2.80
Cash and cash equivalents at the end of the year	6.31	0.73

Net Cash generated from Operating Activities: During the year the Cash Flow from Operating Activities has decreased from Rs. 241.83 Lakhs during FY 2022-23 to Rs. -28.43 Lakhs in for 6 months period ended September 30, 2023.

Net Cash used in Investing Activities: During the year the Cash Flow from Investing Activities has Increased from - 243.80 in FY 22-23 to Rs. 33.99 Lakhs for 6 months period ended September 30, 2023.

Net Cash flow used in Financing Activities: NIL

Quantitative And Qualitative Disclosure About Market Risk

Credit risk

We are exposed to credit risk from our operating and financial activities. We manager credit risk in relation to our customers by ensuring that our marketing department follows our establish policies, procedures and controls, and by reviewing the creditworthiness of our customers on an on-going basis. We estimate expected credit loss on the basis of past experience and data and provide for doubtful debts accordingly.

Liquidity risk

We may experience liquidity risk due to the accumulation of receivables due from our clients which exposes us to the risk of not being able to meet our obligations. The senior management team of our Company oversees our processes and policies are formulated to minimize such risk.

Equity price risk

Our Company has invested in the equity shares of our Subsidiaries as a part of our overall business strategy and growth policy. Accordingly, we are exposed to risk because of fluctuations to the prices of the equity shares. We manage our exposure to this risk by placing limits on the individual and total equity investment carried out by us in our Subsidiaries based on their respective business plans.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

1. Unusual or infrequent events or transactions

There were no unusual or infrequent events or transactions during FY 2023 and 6 months period ended September 30, 2023.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in ‘*Factors Affecting our Results of Operations*’ and the uncertainties described in the section entitled ‘*Risk Factors*’ beginning on page 21 of the Draft Letter of Offer. To our knowledge, except as we have described in the Draft Letter of Offer, there are no known factors which we expect to bring about significant economic changes.

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 titled “*Risk Factors*” on page 21 in the Draft Letter of Offer, 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, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by service providers.

5. Total turnover of each major industry segment in which the issuer company operated.

For details on the total turnover of the industry please refer to “*Industry Overview*” on page 52.

6. Status of any publicly announced new products or business segment.

Our Company has not announced any new product or business segment, other than investment in Brewery Company.

7. The extent to which business is seasonal.

Our Company’s business is not seasonal in nature.

8. Any significant dependence on a single or few suppliers or customers.

We are not dependent upon few suppliers or customers.

9. Competitive conditions.

Competitive conditions are as described under “*Industry Overview*” and “*Our Business*” on pages 52 and 55, respectively.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

Neither our Company, nor our Promoter or any of our Directors are or have been categorized as a wilful defaulter or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines issued by the RBI.

SECTION VI – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoters or Group Companies; (ii) action taken by statutory or regulatory authorities involving our Company, Directors, Promoters or Group Companies; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action; (iv) outstanding claim involving our Company, Directors, Promoters or Group Companies for any direct and indirect tax liabilities; (v) outstanding proceedings initiated against our Company for economic offences; (vi) defaults or non-payment of statutory dues by our Company; (vii) issues of moral turpitude or criminal liability on the part of our Company (viii) pending litigations involving our Company, Directors, Promoters, 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.

For the purpose of material litigation in (viii) above, our Board in its meeting held on August 12, 2019 has considered and adopted the following policy on materiality for identification of material outstanding litigations to be disclosed by our Company in the Draft Letter of Offer:

- (a) All criminal proceedings, taxation matters, disciplinary actions and actions by statutory or regulatory authorities, involving our Company, Promoters, Directors, or Group Companies, as the case may be has been considered as material;
- (b) All pending litigation (other than those covered in (a) above) involving our Company, Promoters, Directors, or Group Companies as the case may be, has been considered 'material' where (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of ₹10,00,000/- or 5% of the net profits after tax of the Company for the most recent audited fiscal period, whichever is lower; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoters, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company;
- (c) All pending litigations involving our Directors where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company has been considered as material;
- (d) Notices received by our Company, Promoters, 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, has not been evaluated for materiality until such time that the Company / Directors / Promoters / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.

As on the date of this Draft Letter of Offer, our Company, our Promoters 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 Promoters 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.

Unless otherwise stated, all proceedings are pending as of the date of the Draft Letter of Offer. All information provided below is as of the date of the Draft Letter of Offer.

I. LITIGATION INVOLVING OUR COMPANY

Litigation filed against our Company: Nil

Criminal Proceedings against our Company: Nil

Material violations of the statutory regulations by our Company: Nil

1. A penalty of ₹ 30,000 and ₹ 10,000/- was imposed on our Company by BSE for non-compliance with Reg. 6 and 10 respectively of SEBI (Listing Obligation and Disclosure Requirement) 2015.

Criminal Proceedings by our Company: Nil

TAX PROCEEDINGS

A summary of tax proceedings, in a consolidated manner, involving our Company, our Promoters, our Directors, or our Group Companies are stated below:

Nature of case	Number of cases	Amount involved (in ₹ lakhs)
Our Company		
Direct Tax		
Financial Year 2009-10 – Income tax Appeal	1	7.39
Financial Year 2011-12 – Income tax Appeal	1	16.13
Financial Year 2012-13 – Income tax Appeal	1	106.01
Financial Year 2013-14 – Income tax Appeal	1	4.39
Financial Year 2015-16 – Income tax Appeal	1	1.94
Indirect Tax	Nil	Nil
Our Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Group Companies		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Litigation involving our Promoter: Nil

Litigation involving our Directors: Nil

Litigation involving our Promoter Group/ Entities: Nil

LEGAL NOTICES RECEIVED BY OUR COMPANY, OUR PROMOTERS AND OUR DIRECTORS: NIL

Confirmations

There have been no past cases in which penalties have been imposed on the Company, its Subsidiaries, its Directors and its Promoters.

There has been no disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Company, its Subsidiaries, its Directors and its Promoters during the last 5 financial years.

GOVERNMENT AND OTHER APPROVALS

Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations (“Approvals”) for carrying on its present business activities. The requirement for the Approvals may vary based on factors such as the legal requirements in the jurisdiction, in which the Manufacturing Facility is located. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Material pending government and regulatory approvals pertaining to the Objects of the Issue

Since, our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses towards investments, purchase of corporate offices at Mumbai and Kolkata and for general corporate purposes, no government and regulatory approval pertaining to the Objects of the Issue will be required.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by our Board pursuant to a resolution dated January 18, 2023, and by our Equity Shareholders pursuant to e-voting, the results of which were declared on February 22, 2023.

The Board of Directors in their meeting held on [●], 2023 have determined the Issue Price at ₹[●] per Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived by our Board of Directors.

Our Company has received in-principle approval from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in this Issue pursuant to their letter dated [●]. Our Company will also make application to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see “Terms of the Issue” on page 124.

Prohibition by SEBI or other Governmental Authorities

Other than as mentioned below, our Company, our Promoters, members of our Promoter Group and our Directors are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

As on date of this Draft Letter of Offer, our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Further, except as stated above, there is no outstanding action initiated against our company or any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoters nor our Directors are declared as Fugitive Economic Offenders.

Association of our Directors with securities market

None of our Directors are, in any manner, associated with the securities market.

Prohibition by RBI

Neither our Company, our Promoters nor our Directors have been or are identified as Wilful Defaulters.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Eligibility for this Issue

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares are presently listed on the BSE. Our Company is eligible to offer Rights Equity Shares pursuant to the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with SEBI;
2. The reports, statements and information referred to above are available on the website of BSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is less than ₹ 5,000.00 lakhs.

Disclaimer clauses from our Company

Our Company accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and its directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorised information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Consents

Consents in writing of our Promoter, Directors, Auditors, Banker to the Company, Banker to Issue, and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Except for the reports in the section on “Statement of Tax Benefits” on page 49, from the Statutory Auditors, our Company has not obtained any expert opinions.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders’ Relationship Committee. The broad terms of reference include redressal of investors’ complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates etc. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company. The Investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint.

Investors may contact our Compliance Officer or the Registrar in case of any pre-Issue/post-Issue related problems such as non-receipt of Allotment advice/demat credit/refund orders etc. The contact details of the Compliance Officer and Registrar to the Issue are as follows:

Registrar to the Issue

PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg,
Opp. Kasturba Hospital Lane, Lower Parel (E),
Mumbai – 400011, Maharashtra, India

Tel No.: +91 22 2301 2518 / 8261
Email: support@purvashare.com
Investor Grievance Email: support@purvashare.com
Website: www.purvashare.com
SEBI Registration No: INR000001112
Contact Person: Deepali Dhuri, Compliance Officer

Company Secretary and Compliance Officer

Neha Agarwal
7A, Bentinck Street, 3rd Floor,
Kolkata -700001,
West Bengal, India
Website: www.khoobsuratltd.co.in
E-mail: khoobsurat.kolkata@gmail.com
Tel: +91 33 40617068

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA.

Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see 'Making Application by Eligible Equity Shareholders holding Equity Shares in physical form' beginning on page 129.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) our Company at www.khoobsuratltd.co.in.
- (ii) the Registrar at support@purvashare.com.
- (iv) the Stock Exchanges at www.bseindia.com, www.cse-india.com and www.msei.in

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.purvashare.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.khoobsuratltd.co.in).

Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Eligible Shareholders desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Eligible Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see ‘Making of an Application through the ASBA Process’ beginning on page 126 of this Draft Letter of Offer.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “Grounds for Technical Rejection” below. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” below.

• **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i. apply for its Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii. apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- v. renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

Eligible Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Eligible Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Eligible Shareholders may apply for the Issue Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Eligible Shareholders while applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Do's for Shareholders applying through ASBA:

- a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying through ASBA:

- (a) Do not apply if you are not eligible to participate in the Issue under securities laws applicable to your jurisdiction.
- (b) Do not submit the Application Form after you have submitted a plain paper Application to a designated Branch of the SCSB or *vice versa*.
- (c) Do not send your physical Application to the the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (e) Do not submit Application Form using third party ASBA account.

• Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper

with the same details as per the Application Form that is available on the website of the Registrar or Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- i. Name of our Company, being Khoobsurat Limited;
- ii. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- iii. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;
- iv. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- v. Number of Equity Shares held as on Record Date;
- vi. Allotment option – only dematerialised form;
- vii. Number of Equity Shares entitled to;
- viii. Number of Equity Shares applied for within the Rights Entitlements;
- ix. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- x. Total number of Equity Shares applied for;
- xi. Total amount paid at the rate of ₹ [●] per Equity Share;
- xii. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- xiii. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- xiv. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- xv. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- xvi. All such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a “U.S. Person” as defined in (“Regulation S”), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at www.purvashare.com.

Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date.

Acceptance of this Issue

Eligible Equity Shareholders may accept this Issue and apply for the Issue Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected. Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section 'Making of an Application by Eligible Equity Shareholders on plain paper under ASBA Process' on page 127.

□ Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “Basis of Allotment” mentioned below.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares.

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Shareholders in relation to making of an application

a. Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.

b. Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

c. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” mentioned above.

d. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

e. Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.

f. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.

g. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three

parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

h. By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

i. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.

j. Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

k. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

l. All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

m. Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

n. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

o. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

p. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

q. Do not pay the Application Money in cash, by money order, pay order or postal order.

r. Do not submit multiple Applications.

s. No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

t. An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

• **Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand s.
- (o) If a Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

• ***Multiple Applications***

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each

scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “*Procedure for Applications by Mutual Funds*” mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) an Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure - Intention and extent of participation by our Promoter*” mentioned above.

• ***Procedure for Applications by certain categories of Shareholders***

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSSBs that are

providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will 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 will 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. 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.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Shareholders**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is, [●], *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “- *Basis of Allotment*” mentioned on page 143.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Issue Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

• Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.purvashare.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.khoobsuratltd.co.in).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights

Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Letter of Offer and the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company. This Draft Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

The Letter of Offer the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar and our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws) and on the Stock Exchange website. The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares and/ or the Rights Entitlements on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Issue Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Issue Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Issue Shares under the laws of any jurisdiction which apply to such person.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit / credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) instances where credit of the Rights Entitlements returned/reversed/failed; or (f) Equity Shares, the ownership of which is currently under dispute, including in any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self- attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

• Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

• Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

• Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Issue Equity Shares.

₹[●] per Issue Share (including premium of ₹[●] per Issue Share) shall be payable on Application.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Eligible Shareholders.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

Since we are a BSE listed company. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to trade. The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agree to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

- **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less

than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to [●] Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than two Equity Shares shall have ‘zero’ entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

• Ranking

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

• Listing and trading of the Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 535730); CSE and MSEI (KHOBSURAT) under the ISIN: INE731G01027. Though the Equity Shares of the Company are listed on all three exchanges, for all practical purposes there is no compliance to be done on CSE and MSEI. We will file this DLOF with BSE for approval and with CSE and MSEI for information purpose only and there is no approval required from them. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and members of the Promoter Group

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see “*Capital Structure - Intention and extent of participation by our Promoter*” mentioned above.

• Rights of Holders of Equity Shares of our Company

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

- a. The right to receive dividend, if declared;
- b. The right to receive surplus on liquidation;
- c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d. The right to free transferability of Equity Shares;
- e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Draft Letter of Offer; and
- f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

• Market Lot

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Issue Shares in dematerialised mode is one Equity Share.

• Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

• Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

• Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be 1 Equity Shares and hence, no arrangements for disposal of odd lots are required.

• Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circular, our Company will send, primarily through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Draft Letter of Offer will be provided, primarily through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one regional language newspaper with wide circulation in Kolkata, West Bengal, where our Registered Office is situated.

This Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on its website.

• **Offer to Non-Resident Eligible Equity Shareholders/Shareholders**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.purvashare.com. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Draft Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at www.purvashare.com.

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” AS MENTIONED ABOVE.

VIII. ISSUE SCHEDULE:

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, [●], 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, [●], 2023. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be ‘unsubscribed’.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment Advice, refund intimations, if applicable or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are “officers in default” shall pay interest at such rate as specified under applicable law from the expiry of such 15 days’ period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

Credit and Transfer of the Rights Equity Shares in case of the Eligible Equity Shareholders holding the Equity Shares in physical form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner

In case of allotment to the Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

- a. The Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;

b. Within 6 months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;

c. Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;

d. In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchange at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, etc. to such Eligible Equity Shareholders to remit such proceeds. Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchange after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the amount paid by such Eligible Equity Shareholders at the time of subscribing such shares;

e. Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updating the details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares;

After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges;

f. If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law; and

g. In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

Notes:

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold the Equity Shares in physical form as on at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.

2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.

3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares on the Rights Equity Shares, as permitted under applicable laws.

4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).

5. Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

XI. PAYMENT OF REFUND

• Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

• Receipt of the Equity Shares in Dematerialized Form

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Shareholders's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholders's depository participant.

- If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
- The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.
- Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 10 Lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 10 Lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 50 Lakhs or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- D. Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- i. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

- ii. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- iii. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- iv. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- v. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- vi. Adequate arrangements shall be made to collect all ASBA Applications.
- vii. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- viii. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- ix. Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

XVI. SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1) Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2) All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**Khoobsurat Limited – Rights Issue**” on the envelope and postmarked in India or in the e- mail) to the Registrar at the following address:

PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg,

Opp. Kasturba Hospital Lane, Lower Parel (E),

Mumbai – 400011, Maharashtra, India

Tel No.: +91 22 2301 2518 / 8261

Email: support@purvashare.com

Investor Grievance Email: support@purvashare.com

Website: www.purvashare.com

SEBI Registration No: INR000001112

Contact Person: Deepali Dhuri, Compliance Officer

3) In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar www.purvashare.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 2301 2518 / 8261.

4) The Shareholders can visit www.purvashare.com for the below-mentioned purposes also:

i. Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders.

ii. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company.

- iii. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form.
- iv. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders.

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

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 FEMA. While the Industrial Policy, 1991, of the Government of India, 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. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the 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. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the “Department of Industrial Policy and Promotion”) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors 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.

SECTION VIII – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

SECTION IX – OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of filing of the Draft Letter of Offer until the Issue Closing Date.

Material Contracts for the Issue

1. Agreement between Purva Shareregistry (India) Private Limited and our Company dated December 1, 2023 appointing them as the Registrar to the Issue.
2. Rights Issue Account Agreement dated [●] among our Company, the Registrar to the Issue and the Bankers to the Issue.

Material Documents

1. Certificate of Incorporation of our Company dated April 17, 1982 issued by the Registrar of Companies.
2. Certificate of Commencement of Business dated May 1, 1982 issued by the Registrar of Companies.
3. Certified true copy of the Memorandum and Articles of Association of our Company, as amended.
4. Certified true copy of the Memorandum and Articles of Association of our Company, as amended.
5. Copy of the resolution passed at the meeting of the Board of Directors dated January 25, 2023 authorizing the Rights Issue.
6. Copy of the shareholders resolution passed pursuant to e-voting, the results of which were declared on March 04, 2023 authorising the Rights Issue.
7. Resolution passed by our Board dated [●], 2023 determining the Record Date.
8. Resolution of our Board dated [●], 2023, approving the Issue and finalizing the terms of the Issue including Issue Price and Rights Entitlement ratio.
9. Consents of our Promoter, Directors, Company Secretary and Compliance Officer, Statutory Auditors, legal counsel to the Issue, Bankers to our Company, Bankers to the Issue, Advisor and the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities.
10. Annual Reports of our Company for Fiscals 2022, 2021, 2020 and the limited review report for the six months period ended September 30, 2023.
11. Consent letter dated December 4, 2023, from our Statutory Auditors, namely, M/s S P M L & Associates, Chartered Accountants, to include its name in this Draft Letter of Offer, as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the 2023 and 2022 Audited Standalone Financial Statements, and the reports issued by them, and the statement of special tax benefits dated November 2, 2023, included in this Draft Letter of Offer.
12. Copy of Statement of Tax Benefits dated November 2, 2023 issued by M/s S P M L & Associates, Chartered Accountants, included in this Draft Letter of Offer.
13. Copy of Fund deployment Certificate dated December 4, 2023, by M/s S P M L & Associates, Chartered Accountants, included in this Draft Letter of Offer.
14. Tripartite Agreement dated October 18, 2023, between our Company, NSDL and the Registrar to the Company.

15. Tripartite Agreement dated October 18, 2023, between our Company, CDSL and Registrar to the Company.
16. In-principle approval dated [●], 2023 issued by BSE, respectively under Regulation 28(1) of the SEBI Listing Regulations.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

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 the 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 and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

Signed by all the Directors of Khoobsurat Limited

Name and designation	Signature
Sanjay R. Mishra <i>Managing Director</i>	
Alok Kumar Das <i>Non-executive Director</i>	
Sudipta Bhattacharya <i>Independent Director</i>	
Haimonti Das <i>Independent Director</i>	

Signed by the – Chief Financial Officer

Ajay Mishra
Chief Financial Officer

Place: Kolkata

Date: April 10, 2024