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[Please scan this QR Code to view the Addendum]



MAGENTA LIFECARE LIMITED
Corporate Identification Number: U74120GJ2015PLC084050

Our Company was originally incorporated as “Magenta Lifecare Private Limited” as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated August 04, 2015, issued by the Assistant Registrar of Companies, Gujarat. Subsequently, upon the conversion of our Company into a public limited company, pursuant to a special resolution passed by our shareholders on June 19, 2023, the name of our Company was changed to “Magenta Lifecare Limited” and a fresh certificate of incorporation dated July 05, 2023 was issued by the Registrar of Companies, Ahmedabad. For further details, please refer to the chapter titled “**History and Certain Corporate Matters**” beginning on page no 137 of the Draft Prospectus dated October 31, 2023 (the “**Draft Prospectus**”).

Corporate Identification Number: U74120GJ2015PLC084050
Registered Office: N P Patel Estate, A & T Padamla, Vadodara – 391350, Gujarat, India
Tel No.: +91 7573022234; **Email:** info@magentalifecare.com ; **Website:** <https://www.magentamattresses.com> ;
Contact Person: Anita Kumawat, Company Secretary & Compliance Officer
OUR PROMOTER: DIVYESH MODI AND KHYATI MODI

NOTICE TO INVESTORS: ADDENDUM TO THE DRAFT PROSPECTUS DATED OCTOBER 31, 2023 (THE “ADDENDUM”)

INITIAL PUBLIC ISSUE* OF 20,00,000 EQUITY SHARES OF FACE VALUE ₹ 10/- EACH (“EQUITY SHARES”) OF MAGENTA LIFECARE LIMITED (“OUR COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE) (“ISSUE PRICE”), AGGREGATING UP TO ₹ [●] LAKHS (THE “ISSUE”). [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 232 OF THE DRAFT PROSPECTUS.

*Subject to finalisation of basis of allotment

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE

Potential Bidders may note the following:

1. The section titled “Risk Factors” beginning on page 27 of the Draft Prospectus has been updated to include or amend the details as mentioned in the risk factor section of this addendum. Please note that all other details in, and updates to the section titled “Risk Factors” will be carried out in the offer document.
2. The section titled “The Offer” beginning on page 48 of the Draft Prospectus has been updated to include the details of the Issue. Please note that all other details in, and updates to the section titled “The Offer” will be carried out in the offer document.
3. The section titled “Capital Structure” beginning on page 62 of the Draft Prospectus has been updated. Please note that all other details in, and updates to the section titled “Capital Structure” will be carried out in the offer document.
4. The section titled “Our Business” beginning on page 108 of the Draft Prospectus has been updated to include the manufacturing process updates. Please note that all other details in, and updates to the section titled “Our Business” will be carried out in the offer document.
5. The section titled “Government and other key approvals” beginning on page 217 of the Draft Prospectus has been updated to include details of factory license. Please note that all other details in, and updates to the section titled “Government and other key approvals” will be carried out in the offer document.
6. The section titled “Other Regulatory And Statutory Disclosures” beginning on page 217 of the Draft Prospectus has been updated to include details of factory license. Please note that all other details in, and updates to the section titled “Other Regulatory And Statutory Disclosures” will be carried out in the offer document
7. The section titled “Issue Structure” beginning on page 240 of the Draft Prospectus has been updated to include details of include the details of the Issue. Please note that all other details in, and updates to the section titled “Issue Structure” will be carried out in the offer document

The above changes are to be read in conjunction with the Draft Prospectus and accordingly their references in the Draft Prospectus stand updated pursuant to this Addendum. The information in this Addendum supplements the Draft Prospectus and updates the information in the Draft Prospectus, as applicable. Please note that the information included in the Draft Prospectus will be suitably updated, including to the extent stated in this Addendum, as may be applicable in the Prospectus, as and when filed with the RoC, SEBI and the Stock Exchange. Investors should read the Prospectus as and when filed with the RoC, SEBI and the Stock Exchange before making an investment decision in the Issue All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Prospectus

Place: Gujarat
Date: March 06, 2024

For and on behalf of Magenta Lifecare Limited
Sd/
Anita Kumawat
Company Secretary and Compliance Officer

LEAD MANAGERS TO THE ISSUE

REGISTRAR TO THE ISSUE



FEDEX SECURITIES PRIVATE LIMITED
B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East],
Mumbai - 400 057, Maharashtra, India
Tel No.: +91 81049 85249
E-mail: mb@fedsec.in
Website: www.fedsec.in
Contact Person: Saipan Sanghvi
SEBI Registration Number: INM000010163
Investor Grievance E-Mail: mb@fedsec.in

CAMEO CORPORATE SERVICES LIMITED
No. 01, Club House Road, Mount Road, Chennai- 600002, India.
Tel No: 044 4002 0700
E-mail : ipo@cameoindia.com
Website : www.cameoindia.com
Contact Person: K. Sreepiya
SEBI Registration No: INR000003753
Online Investor Portal: <https://wisdom.cameoindia.com>

ISSUE PROGRAMME

ISSUE OPENS ON:
ISSUE CLOSES ON:

[●]
[●]

Contents

| | |
|---|-----------|
| SECTION - I – GENERAL | 2 |
| DEFINITION AND ABBREVIATIONS | 2 |
| SECTION III RISK FACTORS | 3 |
| SECTION - IV – INTRODUCTION | 4 |
| THE OFFER | 4 |
| GENERAL INFORMATION | 5 |
| CAPITAL STRUCTURE | 6 |
| SECTION V: ABOUT THE COMPANY | 8 |
| OUR BUSINESS OVERVIEW | 8 |
| SECTION VII – LEGAL AND OTHER INFORMATION | 10 |
| GOVERNMENT AND OTHER APPROVALS | 10 |
| OTHER REGULATORY AND STATUTORY DISCLOSURES | 11 |
| SECTION VIII – ISSUE INFORMATION | 12 |
| ISSUE STRUCTURE | 12 |
| SECTION X- OTHER INFORMATION | 14 |
| DECLARATION | 14 |

SECTION - I – GENERAL
DEFINITION AND ABBREVIATIONS

ISSUE RELATED TERMS

| Term | Description |
|-------------|---|
| Addendum | The addendum dated March 06, 2024 to the Draft Prospectus |

SECTION III RISK FACTORS

The following headings shall replace the respective headings in the section “*Risk Factor*” beginning on page 27 of the Draft Prospectus.

INTERNAL RISK FACTORS

27. *Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.*

Our Company in the ordinary course of business enters into various understanding/agreement/MOUs with the parties with respect to the agreement. As an industry practice this document are executed on letterhead, plain paper and are not stamped. Their agreements may not be adequately stamped or registered. The effect of inadequate stamping is that the document may not be admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. While our Company has procured necessary stamp papers to comply with the regulatory requirement’s we cannot assure you that there would not be any shortfall on account of interest payments.

While there are no instances where our Company has entered into any disputes nor any disputes is alleged against our Company with respect to such agreements, we are not able to quantify the implication of such inadequate stamping or registration on such agreements.

Unless such documents are adequately stamped, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer. Further, such non-payment or short payment of stamp duty may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on their business, cashflows or profitability.

SECTION - IV – INTRODUCTION

THE OFFER

The following headings shall updated the respective headings in the section “*The Offer*” beginning on page 48 of the Draft Prospectus.

The following table the Issue details:

| PARTICULARS | DETAILS OF EQUITY SHARES |
|--|--|
| Issue of Equity Shares by our Company⁽¹⁾ | Upto 20,00,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating upto ₹ [●] lakhs. |
| Consisting of | |
| Market Maker Reservation Portion | Upto 1,10,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating up to ₹ [●] lakhs. |
| Net Issue to The Public* | Upto 18,90,000 Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [●]- per Equity Share aggregating upto to ₹ [●] lakhs. |
| of which | |
| Retail Portion | Upto 9,45,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [●]- per Equity Share aggregating upto to ₹ [●] lakhs i.e. 50% of the Net Issue shall be available for allocation to the Retail Individual Investors. |
| Non – Institutional Portion | Upto 9,45,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [●]- per Equity Share aggregating upto to ₹ [●] lakhs i.e., 50% of the Net Issue shall be available for allocation for Investors other than the Retail Individual Investors. |
| Pre- and Post-Issue Equity Shares | |
| Equity Shares outstanding prior to the issue | 48,69,936 Equity Shares of face value of ₹ 10.00/- each. |
| Equity Shares outstanding after the issue | Upto 68,69,936 Equity Shares of face value of ₹10.00/- each. |
| Use of Issue Proceeds | For details, please refer chapter titled “ Objects of the Issue ” beginning on page 73 of the Draft Prospectus. |

⁽¹⁾ This Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, 2018, as amended from time to time. For further details, please refer to chapter titled “**Issue Structure**” beginning on page 240 of the Draft Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on September 06, 2023 and approved by the shareholders of our Company vide a special resolution at the Annual General Meeting held on September 11, 2023 pursuant to section 62(1)(c) of the Companies Act.

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

- a) Minimum fifty percent to retail individual investor; and
- b) remaining to:
 - (i) individual applicants other than retail individual investors; and
 - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) above may be allocated to applicants in the other category. If the Retail Individual Investor category is entitled to more than allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage. For further details, please refer to chapter titled “**Issue Structure**” beginning on page **240** of the Draft Prospectus.

GENERAL INFORMATION

The following headings shall updated the respective headings in the section “General Information” beginning on page 53 of the Draft Prospectus

UNDERWRITERS

Our Company, Fedex Securities Private Limited and Sunflower Broking Private Limited to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated March 01, 2024 and pursuant to the terms of the underwriting agreement, obligations of the specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being issued through this Issue.

| Name, Address, Telephone, Facsimile, and Email of the Underwriters | Indicated members of Equity Shares to be Underwritten | % of the total issue size Underwritten |
|--|---|--|
| Name: Sunflower Broking Private Limited Address: A-501, Privilon, Bhlcon Temple, Iscon Cross Road, S. G. Highway, Ahmedabad- 380015 Phone: +91 9825222227 Email: yhp@sunflowerbroking.com | Upto 17,00,000 Equity Shares | 85% |
| Name: Fedex Securities Private Limited Address: B 7, 3 rd Floor, Jay Chambers, Dayaldas Road, Vile Parle- [East], Mumbai- 400057, Maharashtra, India Phone: +91 8104985249 Email: mb@fedsec.in | Upto 3,00,000 Equity Shares | 15% |
| Total | Upto 20,00,000 Equity Shares | 100.00% |

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THE ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated February 27, 2024 with the following Market Maker to fulfill the obligations of Market Making for this Issue:

| | |
|------------------------------|--|
| Name | Sunflower Broking Private Limited |
| Address | A-501, Privilon, Bhlcon Temple, Iscon Cross Road, S. G. Highway, Ahmedabad- 380015 |
| Tel no | +91 8104985249 |
| Email id | yhp@sunflowerbroking.com |
| Website | www.sunflowerbroking.com |
| Investor Grievance Id | compliance@sunflowerbroking.com |
| Contact Person | Bhavik Vora |
| SEBI Registration no | INZ000195131 |
| BSE TM Code | 3288 |

CAPITAL STRUCTURE

The following headings shall replace/updated the respective headings in the section “*Capital Structure*” beginning on page 62 of the Draft Prospectus.

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

NOTES TO THE CAPITAL STRUCTURE

1. History of Issued and Paid-Up Share Capital of our Company

The history of the Equity Share Capital of our Company is detailed in the following table:

| Date of Allotment/ Issue | Number of Equity Shares allotted | Face value (₹) | Issue Price (₹) | Nature of Consideration | Nature of allotment | Cumulative no. of Equity Shares | Cumulative Paid-Up Equity Shares Capital (₹) |
|--------------------------|----------------------------------|----------------|-----------------|-------------------------|---------------------|---------------------------------|--|
| August 05, 2016 | 11,20,100 | 10 | 10 | Other than Cash | Right Issue | 12,20,100 | 1,22,01,000 |
| December 13, 2021 | 2,00,000 | 10 | 100 | Other than Cash | Right Issue | 14,20,100 | 1,42,01,000 |
| March 14, 2023 | 1,22,303 | 10 | 110 | Other than Cash | Right Issue | 15,42,403 | 1,54,24,030 |
| May 23, 2023 | 80,909 | 10 | 110 | Other than Cash | Right Issue | 16,23,312 | 1,62,33,120 |

Details of Promoters’ Contribution and Lock-in for Three Years

| Name of the Promoter | Date of allotment of the Equity Shares | Nature of transaction | No. of Equity Shares allotted | Face Value (₹) | Consideration (Cash / Other than Cash) (₹) | Issue/ acquisition price per Equity Share (₹) | No. of Equity Shares locked-in | Percentage of the Lock in Equity Shares pre-Issue paid-up capital (%) | Percentage of the post-Issue paid-up capital (%) | Date up to which the Equity Shares are subject to lock-in |
|----------------------|--|-----------------------|-------------------------------|----------------|--|---|--------------------------------|---|--|---|
| Divyesh Modi | June 20, 2023 | Bonus Issue | 14,39,200 | 10 | Other than Cash | N.A. | 6,90,500 | 14.18 % | 10.05 % | 3 years |
| Khyati Modi | June 20, 2023 | Bonus Issue | 11,10,000 | 10 | Other than Cash | N.A. | 6,90,500 | 14.18 % | 10.05 % | 3 years |

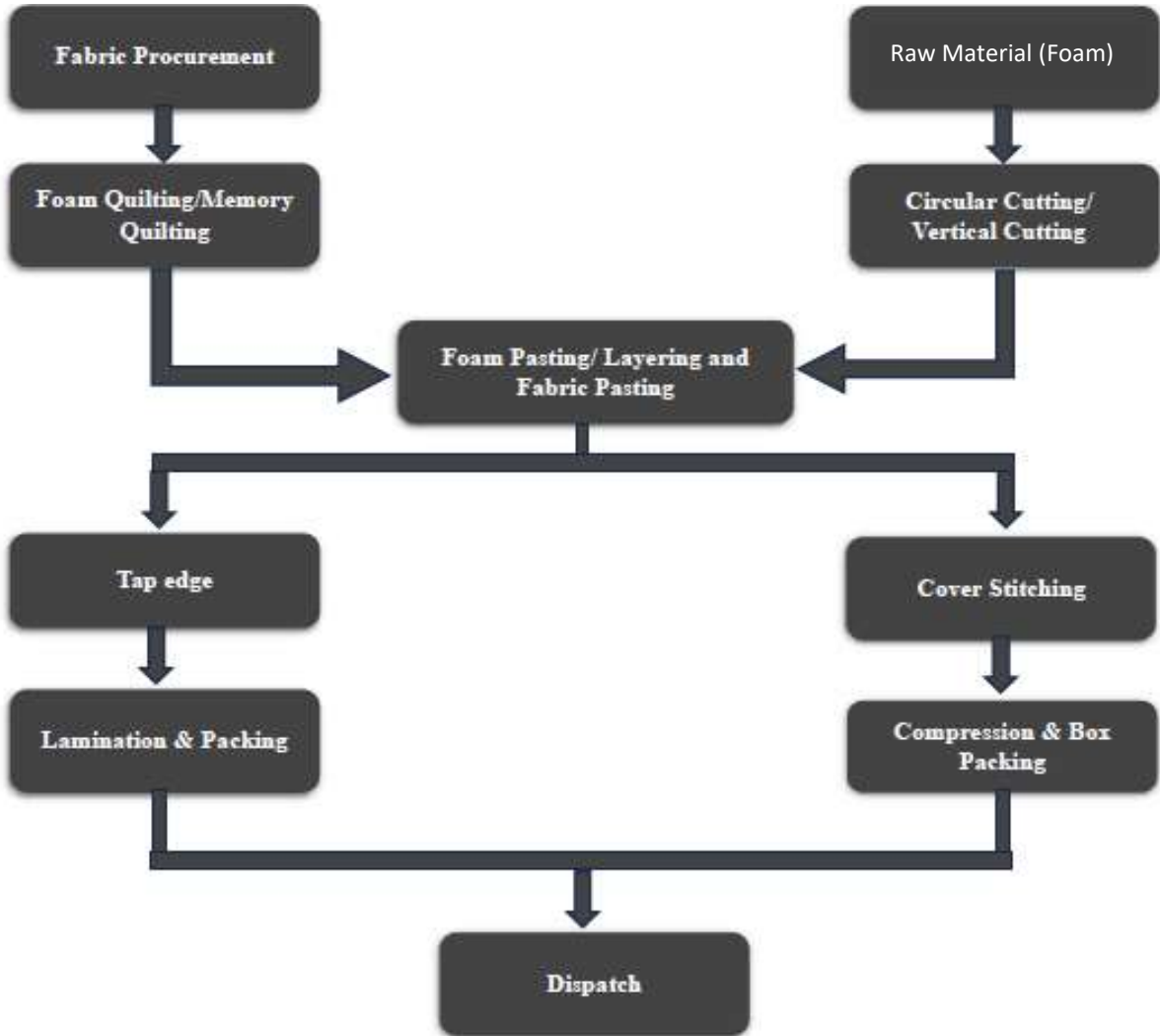
| Name of the Promoter | Date of allotment of the Equity Shares | Nature of transaction | No. of Equity Shares allotted | Face Value (₹) | Consideration (Cash / Other than Cash) (₹) | Issue/ acquisition price per Equity Share (₹) | No. of Equity Shares locked-in | Percentage of the Lock in Equity Shares pre-Issue paid-up capital (%) | Percentage of the post-Issue paid-up capital (%) | Date up to which the Equity Shares are subject to lock-in |
|----------------------|--|-----------------------|-------------------------------|----------------|--|---|--------------------------------|---|--|---|
| Total | | | 25,49,200 | | | | 13,81,000 | | 20.10 % | |

SECTION V: ABOUT THE COMPANY

OUR BUSINESS OVERVIEW

The following headings shall updated the respective headings in the section “*Business Overview*” beginning on page 108 of the Draft Prospectus

Our Manufacturing Process



Raw material - Foam:

Foam is the main raw material for mattress manufacturing. We use the excess capacity of foam manufacturer for fulfilling our Foam requirement with high tech continuous foaming machineries. We procure foam blocks as per our requirement from foam manufacturer. In the next step this blocks are cuts in various size and shape as per requirement for mattress.

Circular cutting/Vertical cutting:

Circular cutting is the process where foam blocks are cut horizontally in different size of sheets as per requirement. Vertical cutting process is for sizing and shaping of foam sheets for mattress. Both the processes are automated through machine for precise cutting.

Fabric Procurement:

We are using various types of fabric for manufacturing the mattresses. All the fabrics are procured locally.

Foam Quilting/Memory Quilting Process:

Quilts or duvets are types of bedding or bed covering that consists of a quilt top, batting, and a fabric backing. All these three layers of a quilt are attached together through the process of quilting. Quilting is a form of sewing done either by hands, sewing or by quilting when done by quilting machine, it is called long arm quilting. The quilting process uses a needle and thread to join two or more layers of material together to make a quilt. Our quilting process is fully automated.

Foam pasting, Layering and Fabric Pasting:

This process is called pasting process where various layers has been pasted as per construction of mattress through adhesive. Layering process includes layering of Bonded foam, HD Foam, Memory foam, HR foam and comfort layer etc. after layering process, final core gets ready for fabric pasting. Fabric is the last layer which should be pasted on mattress & after that mattress goes for next process.

Tape Edge/ Cover stitching:

A tape edge machine is a sewing machine that finishes the edges of mattresses. It stitches the top and bottom layers of a mattress to the edge, and covers the raw edge with a protective tape or ribbon. Tape edge is an important part of the mattress manufacturing process. We are having 2 types of mattresses like tape edge mattresses and openable zipper cover mattresses. Our economy, economy to medium range mattress and desire series mattresses are tape edge mattresses while Luxuria and Imperia series mattresses are openable zipper cover mattresses. Openable covers are first stitched on sewing machine.

Compression and box packing:

For box pack mattresses, quality and purity of the foam is the most important part. Compression process will compress the mattress into a small thickness which will be turned into a slim roll, through which mattress can be easily placed in small box without impacting the quality and actual thickness of the product.

Lamination and packing:

This process includes the lamination of tape edge mattresses in PVC film and packing of mattresses for dispatch to customers with corner guards and center ribbon with proper branding on.

Dispatch:

This process is the last step where final product is dispatched to the partners and customer for their further supply or uses.

SECTION VII – LEGAL AND OTHER INFORMATION

GOVERNMENT AND OTHER APPROVALS

The following headings shall updated the respective headings in the section “Government And Other Approvals” beginning on page 217 of the Draft Prospectus

A. Business related approvals

| Sl. No | Name of Registration | Registration No | Applicable Law | Issuing Authority | Date of Issue | Validity |
|---------------|-----------------------------|--------------------------------------|---------------------------------------|--|----------------------|-------------------|
| 1 | Factory License | 5146/31005/2023 License No: 52869 | Factory Act 1948 and rules made there | Directorate Industrial Safety & Health Gujarat State | September 01, 2023 | December 31, 2027 |

OTHER REGULATORY AND STATUTORY DISCLOSURES

The following headings shall updated the respective headings in the section “Other Regulatory And Statutory Disclosures” beginning on page 220 of the Draft Prospectus

1. The issuer should be a Company incorporated Under Companies Act, 1956/2013

Our Company was incorporated on August 04, 2015, under the Companies Act, 2013 with the Registrar of Companies, Ahmedabad. Hence, our Company is in existence for a period of 8 years on the date of filing the Draft Prospectus with BSE.

2. The post issue paid up capital of the Company (face value) shall not be more than ₹ 10.00 crores.

The present paid-up capital of our Company is ₹ 486.99 lakhs comprising 48,69,936 Equity Shares of ₹ 10/- each and we are proposing issue of upto 20,00,000 Equity Shares of ₹ 10/- each at Issue price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, aggregating to ₹ [●] Lakh. Hence, our post issue paid up capital will be ₹ [●] lakhs which is less than ₹ 10.00 crore.

3. Track Record

Our Company confirms that it has track record of more than 3 years.

4. The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.

(₹ in lakhs)

| Particulars | For the period ended on April 30, 2023 | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|---|--|----------------------|----------------------|----------------------|
| Profit Before Tax as per Restated Financial Statements | 10.02 | 31.55 | 22.64 | 17.57 |
| Add – Depreciation | 1.70 | 20.39 | 20.25 | 19.91 |
| Add – Interest | 5.64 | 83.95 | 77.49 | 68.43 |
| Less - Other Income | (4.14) | (48.68) | (14.07) | (1.41) |
| Operating profit (earnings before interest, depreciation and tax) from operation | 13.22 | 87.21 | 106.31 | 104.51 |
| Net Worth as per Restated Financial Statements | 528.84 | 520.81 | 361.73 | 142.84 |
| Net Tangible | 528.82 | 520.79 | 361.71 | 142.82 |

SECTION VIII – ISSUE INFORMATION

ISSUE STRUCTURE

The following headings shall updated the respective headings in the section “*Issue Structure*” beginning on page 240 of the Draft Prospectus

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue Face value capital is less than or equal to ₹ 10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE Limited). For further details regarding the salient features and terms of such an issue please refer to the chapters titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on pages **Error! Bookmark not defined.** and **Error! Bookmark not defined.** respectively of this Draft Prospectus.

Fresh issue of Upto 20,00,000 equity shares of face value of ₹ 10.00/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the “issue price”) aggregating to maximum ₹ [●] Lakhs. (“the issue”) by our company.

The Issue comprises a reservation of 1,10,000 Equity Shares of face value of ₹10/- each for subscription by the ,designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of 18,90,000 Equity Shares of face value of ₹ 10 each (“the Net Issue”). The Issue and the Net Issue will constitute [●]% and [●] %, respectively of the post issue paid-up equity share capital of the Company. The Issue is being made through the Fixed Price Process.

| Particulars | Net Issue to Public | Market Maker Reservation Portion |
|---|--|----------------------------------|
| Number of Equity Shares | Upto 18,90,000*equity shares | Upto 1,10,000 equity share |
| Percentage of Issue Size available for allocation | 94.50 % of the issue size | 5.50% of the issue size |
| Basis of Allotment/Allocation if respective category is oversubscribed | Proportionate subject to minimum allotment of [●] Equity Shares and Further allotment in multiples of [●] Equity Shares each. | Firm Allotment |
| Mode of Application | Retail Individual Investor may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI ID) shall apply through ASBA process only. | Through ASBA mode Only. |
| Minimum Application Size | <p>For QIB and NII: Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2,00,000</p> <p>For Retail Individuals: Such number of equity shares where application size is of at least [●] Equity Shares.</p> | [●] Equity Shares |
| Maximum Bid | <p>For QIB and NII: Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed the Net Issue.</p> | [●] Equity Shares |

| Particulars | Net Issue to Public | Market Maker Reservation Portion |
|--------------------------|--|---|
| | For Retail Individuals: Such number of equity Shares so that the Application Value does not exceed ₹ 2,00,000/- | |
| Mode of Allotment | Compulsorily in dematerialized mode | Compulsorily in dematerialized mode |
| Trading Lot | [●] Equity Shares | [●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. |
| Terms of payment | In case of ASBA, the entire application amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant. | |

* 50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹ 2,00,000 and the balance 50 % of the shares are available for applications whose value is above ₹ 2,00,000.

Note:

- In case of joint application, the Application Form should contain only the name of First Applicant whose name should also appear as the first holder of beneficiary account held in joint names. The signature of only such First Applicant would be Required in the Application Form and such First Applicant would be deemed to have signed on behalf of joint holders.*
- Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
- SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details please refer chapter titled “Issue Procedure” beginning on page **Error! Bookmark not defined.** of this Draft Prospectus.*

SECTION X- OTHER INFORMATION

DECLARATION

We hereby certify and 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 Prospectus 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 there under, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

| NAME OF DIRECTOR AND DIN | DESIGNATION | SIGNATURE |
|---------------------------|------------------------------------|-----------|
| Divyesh Vipinchandra Modi | Managing Director | SD/- |
| Khyati Modi | Non - Executive Director | SD/- |
| Vipinchandra Somalal Modi | Non-Executive Director | SD/- |
| Nandish Shaileshbhai Jani | Non-Executive Independent Director | SD/- |
| Chinu Kalal | Non-Executive Independent Director | SD/- |

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

| | |
|--------------|------|
| Malvik Mehta | SD/- |
|--------------|------|

Date: March 06, 2024

Place: Gujrat





[Please scan this QR Code to view the Draft Prospectus]

Draft Prospectus
October 31, 2023
Please read Section 26 and Section 28 of Companies Act, 2013
(This Draft Prospectus will be updated upon filing with the RoC)
100% Fixed Price Issue



MAGENTA LIFECARE LIMITED

Corporate Identification Number: U74120GJ2015PLC084050

| REGISTERED OFFICE | | CORPORATE OFFICE | | CONTACT PERSON | | EMAIL | |
|--|--|--|-------------------|--|--|--|--|
| N P Patel Estate, A & T Padamla, Vadodara – 391350, Gujarat, India. | | NA | | Anita Kumawat , Company Secretary & Compliance Officer | | info@magentalifecare.com | |
| TELEPHONE / MOBILE NO. | | | | WEBSITE | | | |
| +91 7573022234 | | | | https://www.magentamattresses.com | | | |
| OUR PROMOTER: DIVYESH MODI AND KHYATI MODI | | | | | | | |
| Type | Fresh Issue Size | OFS size (by no. of shares or by amount in Rs) | Total Issue Size | Eligibility | | | |
| Fresh Issue | Up to 20,00,000 Equity Shares aggregating up to ₹ [●] Lakhs. | N.A. | Up to ₹ [●] Lakhs | The Issue is being made pursuant to Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations. As the Company's post issue paid up capital is less than or equal to ₹1000.00 Lakhs. | | | |
| DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDER AND THEIR AVERAGE COST OF ACQUISITION: NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES | | | | | | | |
| RISK IN RELATION TO THE FIRST ISSUE | | | | | | | |
| This being the first public issue of Equity Shares by our Company, there has been no formal market for the Equity Shares of our Company. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “Basis for Issue Price” beginning on page no.82 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing. | | | | | | | |
| GENERAL RISKS | | | | | | | |
| Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India (“SEBI”) nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the chapter titled “Risk Factors” beginning on page no 27 of this Draft Prospectus. | | | | | | | |
| COMPANY'S ABSOLUTE RESPONSIBILITY | | | | | | | |
| Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. | | | | | | | |
| LISTING | | | | | | | |
| The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Ltd ('BSE SME'), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received “In-Principle” approval from the BSE for using its name in the Issue document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the Issue, the Designated Stock Exchange will be BSE Limited. | | | | | | | |
| LEAD MANAGERS TO THE ISSUE | | | | REGISTRAR TO THE ISSUE | | | |
|  <p>FEDEX SECURITIES PRIVATE LIMITED B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East], Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 E-mail: mb@fedsec.in Website: www.fedsec.in Contact Person: Saipan Sanghvi SEBI Registration Number: INM000010163 Investor Grievance E-Mail: mb@fedsec.in</p> | | | |  <p>CAMEO CORPORATE SERVICES LIMITED No. 01, Club House Road, Mount Road, Chennai- 600002, India. Tel No: 044 4002 0700 E-mail : ipo@cameoindia.com Website: www.cameoindia.com Contact Person: K. Sreepiya SEBI Registration No: INR000003753 Online Investor E-mail: https://wisdom.cameoindia.com</p> | | | |
| ISSUE PROGRAMME | | | | | | | |
| ISSUE OPENS ON: [●] | | | | ISSUE CLOSES ON: [●] | | | |



Our Company was originally incorporated as “Magenta Lifecare Private Limited” as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated August 04, 2015, issued by the Assistant Registrar of Companies, Gujarat. Subsequently, upon the conversion of our Company into a public limited company, pursuant to a special resolution passed by our shareholders on June 19, 2023, the name of our Company was changed to “Magenta Lifecare Limited” and a fresh certificate of incorporation dated July 05, 2023 was issued by the Registrar of Companies, Ahmedabad. For further details, please refer to the chapter titled “*History and Certain Corporate Matters*” beginning on page no.137 of this Draft Prospectus.

Corporate Identification Number: U74120GJ2015PLC084050

Registered Office: N P Patel Estate, A & T Padamla, Vadodara – 391350, Gujarat, India

Tel No.: +91 7573022234; **Email:** info@magentalifecare.com ; **Website:** <https://www.magentamattresses.com> ;

Contact Person: Anita Kumawat, Company Secretary & Compliance Officer

OUR PROMOTER: DIVYESH MODI AND KHYATI MODI

THE ISSUE

INITIAL PUBLIC ISSUE* OF UPTO 20,00,000 EQUITY SHARES OF FACE VALUE ₹ 10/- EACH (“EQUITY SHARES”) OF MAGENTA LIFECARE LIMITED (“OUR COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE) (“ISSUE PRICE”), AGGREGATING UP TO ₹ [●] LAKHS (THE “ISSUE”). [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE NO. 232 OF THIS DRAFT PROSPECTUS.

*Subject to finalisation of basis of allotment

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE

In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post - Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage.

ELIGIBLE INVESTORS

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details of the irrevocable bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “*Issue Procedure*” on page no. 242 of this Draft Prospectus. A copy of the Prospectus will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares by our Company, there has been no formal market for the Equity Shares of our Company. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “*Basis for Issue Price*” beginning on page no.82 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India (“SEBI”) nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the chapter titled “*Risk Factors*” beginning on page no. 27 of this Draft Prospectus.

COMPANY’S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Ltd (“BSE SME”), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received “in-principle” approval from the BSE for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the Issue, the Designated Stock Exchange will be BSE Limited.

LEAD MANAGERS TO THE ISSUE

REGISTRAR TO THE ISSUE



FEDEX SECURITIES PRIVATE LIMITED

B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East],

Mumbai - 400 057, Maharashtra, India

Tel No.: +91 81049 85249

E-mail: mb@fedsec.in

Website: www.fedsec.in

Contact Person: Saipan Sanghvi

SEBI Registration Number: INM000010163

Investor Grievance E-Mail: mb@fedsec.in



CAMEO CORPORATE SERVICES LIMITED

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

Tel No: 044 4002 0700

E-mail : ipo@cameoindia.com

Website: www.cameoindia.com

Contact Person: K. Sreepiya

SEBI Registration No: INR000003753

Online Investor Portal: <https://wisdom.cameoindia.com>

ISSUE PROGRAMME

ISSUE OPENS ON:

[●]

ISSUE CLOSES ON:

[●]

Contents

| | |
|---|------------|
| SECTION - I – GENERAL | 2 |
| DEFINITION AND ABBREVIATIONS | 2 |
| FORWARD-LOOKING STATEMENTS | 17 |
| PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA CERTAIN CONVENTIONS | 19 |
| SECTION II- SUMMARY OF OFFER DOCUMENT | 21 |
| SECTION III RISK FACTORS | 27 |
| SECTION - IV – INTRODUCTION | 48 |
| THE OFFER | 48 |
| SUMMARY OF FINANCIAL INFORMATION | 49 |
| GENERAL INFORMATION | 53 |
| CAPITAL STRUCTURE | 62 |
| OBJECT OF THE ISSUE | 73 |
| BASIS FOR ISSUE PRICE | 82 |
| STATEMENT OF TAX BENEFITS | 89 |
| SECTION V: ABOUT THE COMPANY | 93 |
| INDUSTRY OVERVIEW | 93 |
| OUR BUSINESS OVERVIEW | 108 |
| KEY INDUSTRY REGULATIONS AND POLICIES | 127 |
| HISTORY AND CERTAIN CORPORATE MATTERS | 137 |
| OUR MANAGEMENT | 140 |
| OUR PROMOTERS AND PROMOTER GROUP | 156 |
| OUR GROUP COMPANIES | 160 |
| DIVIDEND POLICY | 161 |
| SECTION VI - FINANCIAL STATEMENTS | 162 |
| RESTATED FINANCIAL STATEMENTS | 162 |
| MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION | 201 |
| FINANCIAL INDEBTEDNESS | 210 |
| SECTION VII – LEGAL AND OTHER INFORMATION | 212 |
| OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPEMENT | 212 |
| GOVERNMENT AND OTHER APPROVALS | 217 |
| OTHER REGULATORY AND STATUTORY DISCLSURES | 220 |
| SECTION VIII – ISSUE INFORMATION | 232 |
| TERMS OF ISSUE | 232 |
| ISSUE STRUCTURE | 240 |
| ISSUE PROCEDURE | 242 |
| RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES | 272 |
| SECTION IX- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION | 274 |
| SECTION X- OTHER INFORMATION | 288 |
| MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION | 288 |
| DECLARATION | 289 |

SECTION - I – GENERAL

DEFINITION AND ABBREVIATIONS

This Draft Prospectus 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, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, 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 Prospectus, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Further, the Issue related terms used but not defined in this Draft Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined hereinafter). In case of any inconsistency between the definitions used in this Draft Prospectus and the definitions included in the General Information Document, the definitions used in this Draft Prospectus shall prevail.

Notwithstanding the foregoing, the terms not defined but used in the chapter titled **“Basis for Issue Price”**, **“Statement of Tax Benefits”**, **“Industry Overview”**, **“Key Industry Regulations and Policies”**, **“History and Certain Corporate Matters”**, **“Restated Financial Statement”**, **“Financial Indebtedness”**, **“Outstanding Litigations and Material Developments”**, **“Other Regulatory and Statutory Disclosures”**, **“Issue Procedure”** and chapter titled **“Main Provision of Articles of Association”** beginning on on page 82, 89, 93, 127, 137, 162, 210, 212, 220,242 and 274 respectively of this Draft Prospectus, shall have the meanings ascribed to such terms in the respective sections.

CONVENTIONAL OR GENERAL TERMS

| Term | Description |
|---|---|
| “Magenta Lifecare Limited”, “the Company”, “We”, “us”, “Our Company”, “the Issuer” or “MLL” | Unless the context otherwise indicates or implies refers to Magenta Lifecare Limited a public limited company incorporated under the provisions of the Companies Act, 2013, and having its registered office at N P Patel Estate, A & T Padamla, Vadodara, Gujarat-391350, India. |
| “you”, “your” or “yours” | Prospective Investors in this Issue. |

CORPORATE RELATED TERMS

| Term | Description |
|--|---|
| “AOA”, “Articles” or “Articles of Association” | The articles of association of Magenta Lifecare Limited, as amended from time to time. |
| “Auditors”, or “Statutory Auditors” or | The statutory auditor of our Company, being M/s. Vijay N Tewar & Co., Chartered Accountant (FRN: 111422W) |
| Audit Committee | The audit committee of the board of directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “Our Management” beginning on page 140 of this Draft Prospectus. |
| “Board”, “Board of Directors”, or Our Board | The board of directors of our Company, including all duly constituted from time to time including any committees thereof as the context may refer to the chapter titled “Our Management” beginning on page 140 of this Draft Prospectus. |
| “Chairman” or “Chairperson” | The chairman of our Company being Divyesh Modi. |
| Company Secretary and Compliance Officer | The company secretary and compliance officer of our Company, being Anita Kumawat. |
| Corporate Office | As on date of filing of this Daft Prospectus, our Company do not have any corporate office. |
| Chartered Engineer | The chartered engineer of our Company being, Ramesh V Vaghela |
| “Chief Financial Officer” or “CFO” | The chief financial officer of our Company, being Malvik Mehta. |
| Corporate Identification | U74120GJ2015PLC084050 |

| Term | Description |
|---|---|
| Number (CIN) | |
| Director(s) | Director(s) on the board of Magenta Lifecare Limited as appointed from time to time, unless otherwise specified. |
| “Equity Shares” or “Shares” | The equity shares of our Company having face value of ₹ 10.00/- each, fully paid up, unless otherwise specified in the context thereof. |
| “Equity Shareholders” or “Shareholders” | Persons /entities holding Equity Shares of our Company |
| Executive Director | An executive director of our Company, as appointed from time to time |
| Group Companies | Companies with which there were related party transactions as disclosed in the restated financial statements as covered under the applicable accounting standards and also other companies as considered material by our Company, and as disclosed in the chapter titled “ Our Group Companies ” beginning on page 160 of this Draft Prospectus |
| Independent Director | Independent directors on the board, and eligible to be appointed as an independent director under the provisions of Companies Act. For details of the independent directors, please refer to the chapter titled “ Our Management ” beginning on page on page 140 of this Draft Prospectus |
| ISIN | International securities identification number is INE0QZ901011 |
| “Key Management Personnel” or “KMP” | Key management personnel of our Company in terms of Regulation 2 (1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer to the chapter titled “ Our Management ” beginning on page 140 of this Draft Prospectus |
| LLP | Limited liability partnership incorporated under Limited Liability Partnership Act, 2008. |
| Managing Director | Managing director of our Company, Divyesh Modi. For details, please refer to the chapter titled “ Our Management ” beginning on page 140 of this Draft Prospectus |
| Market maker | The market maker of our Company being [●]. |
| Materiality Policy | The policy adopted by our board on September 06, 2023 for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations |
| “MoA” or “Memorandum of Association” | The memorandum of association of our Company, as amended from time to time |
| Nomination & Remuneration Committee | The nomination and relationship committee of the board of directors constituted as the Company’s Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “ Our Management ” beginning on page 140 of this Draft Prospectus. |
| “Non-executive Director” or “NED” | Non-executive Director of our Company. |
| “NRIs” or “Non-Resident Indian” | A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 |
| “Person” or “Persons” | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires |
| “Promoters” or “our Promoters” | Promoters of our Company being Divyesh Modi and Khyati Modi for further details, please refer to the chapter titled “ Our Promoters and Promoter Group ” beginning on page 156. |
| Promoter Group | Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in “ Our Promoters and Promoter Group ” on page 156 |

| Term | Description |
|---|--|
| Peer Review Auditor | The Peer review Auditor of the Company S S R V & Associates, Chartered Accountant and having its firm number 135901W and Peer Review Number: 014729 |
| RBI Act | The Reserve Bank of India Act, 1934 as amended from time to time |
| Registered Office | N P Patel Estate, A & T Padamla, Vadodara, Gujarat-391350, India |
| “Registrar of Companies”, “ROC” or “RoC” | Registrar of Companies, Ahmedabad - ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat |
| Restated Financial Information/Restated Financial Statement | The restated financial information of our Company for the stub period ended on April 30, 2023 and for the Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022, for the stub period ended on April 30, 2023 and for the Financial Year ended March 31, 2021 which comprises of the restated balance sheet, restated statement of profit and loss and the restated cash flow statement, together with the summary statement of significant accounting policies and other explanatory information relating to March 31, 2021, March 31, 2022 and March 31, 2023 and for the stub period ended on April 30, 2023 are derived from our audited financial statements, prepared in accordance with INDIAN GAAP, and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI together with the annexures and notes thereto disclosed in the chapter titled “ Restated Financial Statements ” beginning on page 162 of this Draft Prospectus |
| “Senior Management Personnel” or “SMP” | Senior Management Personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as described in “ Our Management ” beginning on page 140. of this Draft Prospectus |
| “Shareholders” or “Members” | Holders of equity shares of our Company from time to time |
| Stock Exchange | Unless the context requires otherwise, refers to BSE Limited |
| Subscribers to MOA | Initial subscribers to MOA & AOA being Divyesh Modi, Khyati Modi, Priyang Patel and Dhruval Vyas. |
| Stakeholders’ Relationship Committee | The stakeholder’s relationship committee of the board of directors constituted as the Company’s Stakeholders’ Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “ Our Management ” beginning on page 140 of this Draft Prospectus. |
| Whole time director | Whole time director of our Company |

ISSUE RELATED TERMS

| Term | Description |
|--|---|
| Abridged Prospectus | Abridged prospectus to be issued under SEBI ICDR Regulations and appended to the application forms |
| Acknowledgement Slip | The acknowledgement slips or document issued by the designated intermediary to an applicant as proof of having accepted the application form |
| “Allot”, “Allotment”, “Allotted”, “Allotment of Equity Shares” | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the issue of Equity Shares to the successful applicants |
| Allottee(s) | A successful applicant to whom the Equity Shares are being allotted |
| Allotment Advice | Note or advice or intimation of allotment sent to each successful applicant who have been or are to be allotted the Equity Shares after approval of the basis of allotment by the designated stock exchange |
| Allotment Date | Date on which the allotment is made |
| Applicant | Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus. All the applicants should make application through ASBA only. |
| Application Lot | [●] Equity Shares and in multiples thereof |
| Application Amount | The amount at which the applicant makes an application for Equity Shares of |

| Term | Description |
|---|---|
| | our Company in terms of the Prospectus |
| “Application Supported by Blocked Amount” or “ASBA” | An application, whether physical or electronic, used by applicants to make an application and authorize an SCSB to block the application amount in the ASBA Account |
| ASBA Account | A bank account maintained with an SCSB and specified in the ASBA Form submitted by applicant for blocking the application amount mentioned in the ASBA Form |
| ASBA Applicant(s) | Any prospective investor who makes an application pursuant to the terms of the draft prospectus and the application form including through UPI mode (as applicable). |
| ASBA Bid | A bid made by an ASBA applicant |
| ASBA Form | An application form, whether physical or electronic, used by ASBA applicant which will be considered as the application for allotment in terms of the prospectus |
| Bankers to the Company | Punjab National Bank |
| “Banker to the Issue”, “Refund Banker” or “Public Issue Bank” | Collectively, Escrow Collection Bank, Public Issue Bank, Sponsor Bank and Refund Bank, as the case may be. In this case, being, [●]. |
| Bankers to the Issue Agreement | Banker to the issue agreement entered on [●] amongst our Company, Lead Manager, the Registrar to the Issue and Banker to the Issue / Sponsor Bank for collection of the application amount on the terms and conditions thereof. |
| Basis of Allotment | The basis on which the Equity Shares will be allotted to successful applicants under the issue, described in the chapter titled “ Issue Procedure ” beginning on page 242 of this Draft Prospectus. |
| Bidding Centers | The centers at which the designated intermediaries shall accept the ASBA forms to a Registered Broker, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs. |
| Broker Centres | Broker centres notified by the stock exchanges where ASBA applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com) |
| Business Day | Any day on which commercial banks are open for the business |
| “CAN” or “Confirmation of Allocation Note” | A note or advice or intimation sent to investors, who have been allotted the Equity Shares, after approval of basis of allotment by the Designated Stock Exchange |
| “Circular on Streamlining of Public Issues” or “UPI Circular” | SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (to the extent these circulars are not rescinded by SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023), SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular with circular number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI |

| Term | Description |
|---|--|
| | circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard |
| Client ID | Client identification number of the beneficiary account |
| Collection Centers | Broker centers notified by BSE Limited where applicants can submit the application forms to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers, are available on the website of the BSE Limited. |
| “Collecting Depository Participant” or “CDP” | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure application forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| “Controlling Branches” or “Controlling Branches of the SCSBs” | Such branches of the SCSBs which co-ordinate application forms by the ASBA Applicants with the Registrar to the Issue and Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |
| Covid-19 | The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organization. |
| Demographic Details | The demographic details of the applicant such as their address, PAN, occupation, bank account details and UPI ID (as applicable). |
| Depositories | National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time. |
| “Depository Participant” or “DP” | A depository participant registered with SEBI under the Depositories Act. |
| Designated CDP Locations | Such centre of the CDPs where applicant can submit the ASBA For The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of BSE Limited |
| Designated Date | The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Prospectus, following which the Board may Allot Equity Shares to successful Applicants in the Issue |
| Designated Intermediaries | The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect application forms from the applicant, in relation to the Issue. |
| Designated Market Maker | [●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations |
| Designated RTA Locations | Such locations of the RTAs where applicant can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the websites of the Stock Exchange |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA forms used by the applicant, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 |
| Designated Stock Exchange | SME Platform of BSE (“ BSE SME ”). |
| Draft Prospectus | The Draft Prospectus issued in accordance with the SEBI ICDR Regulations. |
| Electronic Transfer of Funds | Refunds through NACH, NEFT, Direct Credit or RTGS as applicable. |

| Term | Description |
|--|---|
| Eligible FPI(s) | FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Issue and in relation to whom the application form and the prospectus constitutes an invitation to subscribe to the Equity Shares |
| Eligible NRI | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the issue and in relation to whom the ASBA Form and the prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants. |
| Eligible QFIs | Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the issue and in relation to whom the prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations. |
| Escrow Account(s) | Account opened with the Escrow Collection Bank(s) and in whose favour the investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the applicant amount. |
| Escrow Agreement | An agreement to be entered among our Company, the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s) and the Lead Manager for the collection of application amounts and where applicable, for remitting refunds, on the terms and conditions thereof. |
| Escrow Collection Bank(s) | Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being [●] |
| “FII” or “Foreign Institutional Investors” | Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India. |
| First Applicant | Applicant whose name appears first in the application form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof |
| “Foreign Portfolio Investor” or “FPIs” | Foreign Portfolio Investor as defined under SEBI FPI Regulations |
| “General Information Document” or “GID” | The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, notified by SEBI, suitably modified and included in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 242 of this Draft Prospectus |
| “Issue”, “Issue Size”, “Public Issue” or “IPO” | Initial Public Issue of upto 20,00,000 Equity Shares of face value of ₹ 10.00 each of our Company for cash at a price of ₹ [●]/- per Equity Share (including a share premium of ₹ [●]/- per Equity Share) aggregating to ₹ [●] lakhs. |
| Issue Agreement | The agreement dated September 30, 2023 between our Company and the Lead Manager pursuant to which certain arrangements are agreed to in relation to the Issue |
| Issue Closing Date | The date on which the issue closes for subscription. |
| Issue Opening Date | The date on which the issue opens for subscription. |
| Issue Period | The period between the issue opening date and the issue closing date (inclusive of such date and the issue opening date) during which prospective applicants can submit their application forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) working days for all categories of applicants. Our Company, in consultation with the Lead Manager, may decide to close applications by QIBs one (1) day prior to the issue closing date which shall also be notified in an advertisement in same newspapers in which the issue opening date was published. |
| Issue Price | ₹ [●]/- per Equity Share (including Premium of ₹ [●]/- per share) |
| Issue Proceeds | The proceeds from the issue based on the total number of equity shares allotted under the issue. |

| Term | Description |
|--|--|
| “Lead Manager” or “LM” | The Lead Manager to the issue namely, Fedex Securities Private Limited. |
| Listing Agreement | The Listing Agreement to be signed between our Company and SME Platform of BSE Limited (“ BSE SME ”) |
| Lot Size | The market lot and trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants. |
| KPI | Key performance indicator |
| Mandate Request | Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment. |
| Market Making Agreement | The Market Making Agreement dated [●] between our Company, the Lead Manager and Market Maker. |
| Market Maker Reservation Portion | The reserved portion of [●] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at a price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs for the Market Maker in this Issue |
| Mobile App(s) | The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism |
| MSME | Micro Small and Medium Enterprises |
| Mutual Fund(s) | Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value ₹10.00/- each fully paid-up of our Company for cash at a price of ₹ [●]/- per Equity Share aggregating ₹ [●] lakhs |
| Net Proceeds | The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 73 of this Draft Prospectus. |
| “Non-Institutional Applicants”, “Non-Institutional Investor”, “NIB” or “NII” | All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000. |
| Non-Resident | A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI. |
| “BSE SME”, “SME Exchange” or “Stock Exchange” | The BSE SME, approved by SEBI as an SME Exchange for listing of equity shares offered under Section IX of the SEBI (ICDR) Regulations. |
| “Overseas Corporate Body” or “OCB” | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue. |
| “Person” or “Persons” | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require. |
| Prospectus | The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and Closing date and other information. |
| Public Issue Account | The account to be opened with the Banker to the Issue under section 40 of Companies Act, 2013 to receive monies from the ASBA Accounts. |
| Public Issue Bank | The bank(s) which is a clearing member and registered with SEBI as a banker to an issue with which the Public Issue Account(s) is opened for collection of Application Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]. |

| Term | Description |
|---|--|
| “QIBs” or “Qualified Institutional Buyers” | Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations. |
| “Qualified Foreign Investors” or “QFIs” | Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet ‘know your client’ requirements prescribed by SEBI. |
| Refund Account | Account to which Application monies are to be refunded to the Applicants |
| Refund through electronic transfer of funds | Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable |
| “Refund Bank” or “Refund Banker” | Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●]. |
| Registered Brokers | Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of BSE having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012 |
| Registrar Agreement | The agreement dated July 06, 2023 entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue |
| “Registrar and Share Transfer Agents” or “RTAs” | Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| “Registrar to the Issue” or “Registrar” | Registrar to the Issue being Cameo Corporate Services Limited |
| Resident Indian | A person resident in India, as defined under FEMA |
| Retail Individual Investors | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000. |
| Retail Portion | The portion of the Issue being not less than 50 % of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Applicants (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion and remaining Equity Shares to be allotted on a proportionate basis. |
| Revision Form | The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date. |
| SME | Small and medium sized enterprises |
| SEBI SCORES | Securities and Exchange Board of India Complaints Redress System |
| “Self-Certified Syndicate Bank(s)” or “SCSBs” | The banks registered with SEBI, offering services, in relation to ASBA where the Application Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=34 or such other website as updated from time to time, and in relation to RIIs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=40 or such other website as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=ye |

| Term | Description |
|--|--|
| | s&intmId= 40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=ye s&intmId= 43) respectively, as updated from time to time |
| Sponsor Bank | Sponsor Bank being [●] being a Banker to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIIs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars. |
| Specified Locations | Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI (https://www.sebi.gov.in/) and updated from time to time. |
| Stock Exchanges | BSE Limited |
| Systemically Important Non-Banking Financial Companies | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations. |
| Syndicate Member | Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter. |
| “TRS” or “Transaction Registration Slip” | The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form. |
| Underwriter | The Underwriter(s) of our Company being [●] |
| Underwriting Agreement | The Agreement dated [●] entered between the Underwriter and our Company |
| UPI | Unified payment Interface, which is an instant payment mechanism, developed by NPCI |
| UPI Applicant | Collectively, individual investors applying as (i) Retail Individual Applicants, in the Retail Portion, and (ii) Non-Institutional Applicants with an application size of up to ₹500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity) |
| UPI Circulars | SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022(to the extent these circulars are not rescinded by SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023),SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022,SEBI master circular with circular number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism),SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023,SEBI |

| Term | Description |
|---|---|
| | circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard |
| UPI ID | ID Created on the UPI for single-window mobile payment system developed by NPCI |
| UPI PIN | Password to authenticate UPI transaction |
| UPI Mandate Request | A request (intimating the RIIs by way of a notification on the UPI application and by way of a SMS directing the RIIs to such UPI mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time |
| UPI Mechanism | The bidding mechanism that may be used by RIIs in accordance with the UPI Circulars to make an ASBA Bid in the Issue |
| UPI PIN | Password to authenticate UPI transaction |
| U.S Securities Act | U.S Securities Act of 1933, as amended |
| “Wilful Defaulter” or a “fraudulent borrower” | An entity or a person categorized as a Wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (III) of the SEBI ICDR Regulations. |
| Working Days | “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business and in case of the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI. |

TECHNICAL /GENERAL AND INDUSTRY RELATED TERMS OR ABBREVIATIONS

| Term | Description |
|--------|---|
| D2C | Direct-to-consumer |
| ISO | Industrial Standards Organisation |
| NIFTY | National Stock Exchange Sensitive Index |
| QA | Quality Assurance |
| R&D | Research & Development |
| PU | Polyurethane |
| PCM | Phase Changing Material |
| SENSEX | BSE Sensitive Index |
| TPA | Tons per annum |

CONVENTIONAL TERMS & ABBREVIATIONS

| Term | Description |
|---------------------------|---------------|
| ₹ or Rs. or Rupees or INR | Indian Rupees |
| A/c | Account |

| Term | Description |
|----------------------------------|---|
| AGM | Annual General Meeting |
| AIF(s) | Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations |
| “AS” or “Accounting Standards” | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| ASBA | Applications Supported by Blocked Amount |
| AY | Assessment Year |
| Bn | Billion |
| BSE | BSE Limited |
| BSE SME | SME Platform of BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| Calendar Year or year | Unless the context otherwise requires, shall refer to the twelve-month period ending December 31 |
| Category I AIF | AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations |
| Category II AIF | AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations |
| Category III AIF | AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations |
| Category I FPIs | FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations |
| Category II FPIs | FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations |
| CARO | Companies (Auditor’s Report) Order, 2016, as amended |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| CGST | Central GST |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| COPRA | The Consumer Protection Act, 1986 |
| Companies Act | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder |
| Consolidated FDI Policy | The current consolidated FDI Policy, effective from October 15, 2020 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time |
| Contract Act | The Indian Contract Act, 1872 |
| CSR | Corporate Social Responsibility |
| CY | Calendar Year |
| Demat | Dematerialised |
| Depositories Act | The Depositories Act, 1996 |
| Depository | A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 |
| “DP” or “Depository Participant” | A depository participant as defined under the Depositories Act |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI |
| DP ID | Depository Participant’s Identity Number |

| Term | Description |
|---|--|
| EBITDA | Earnings before Interest, Tax, Depreciation and Amortization |
| ECS | Electronic Clearing System |
| EGM | Extraordinary General Meeting |
| Electricity Act | The Electricity Act, 2003 |
| EPFO | Employees' Provident Fund Organization |
| EPF Act | The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings per share |
| "EUR" or "€" | Euro |
| ESI Act | The Employees' State Insurance Act, 1948 |
| ESIC | Employee State Insurance Corporation |
| ESOP | Employee Stock Option Plan |
| ESPS | Employee Stock Purchase Scheme |
| FCNR Account | Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA |
| FDI | Foreign Direct Investment |
| "FEMA Act" or "FEMA" | Foreign Exchange Management Act, 1999, read with rules and regulations thereunder |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and amendments thereto |
| FII(s) | Foreign Institutional Investors as defined under SEBI FPI Regulations |
| "Financial Year", "Fiscal Year" or "FY" | Unless stated otherwise, the period of twelve (12) months ending March 31 of that particular year |
| FIPB | Foreign Investment Promotion Board |
| FPI(s) | A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations |
| Fraudulent Borrower | Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations |
| FVCI | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI |
| FY | Financial Year |
| FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000 |
| FIPB | The erstwhile Foreign Investment Promotion Board |
| GDP | Gross Domestic Product |
| GIR Number | General Index Registry Number |
| "GoI" or "Government" | Government of India |
| Gratuity Act | The Payment of Gratuity Act, 1972 |
| GST Act | The Central Goods and Services Tax Act, 2017 |
| GST | Goods and Services Tax |
| GSTIN | GST Identification Number |
| HUF | Hindu Undivided Family |
| HNI | High Net Worth Individual |
| HR | Human Resource |
| I.T. Act | The Income Tax Act, 1961, as amended |
| IBC | Insolvency and Bankruptcy Code, 2016 |
| IBEF | India Brand Equity Foundation |

| Term | Description |
|---|--|
| ICAI | The Institute of Chartered Accountants of India |
| ICSI | The Institute of Company Secretaries of India |
| IEC | Import Export Code |
| IEM | Industrial Entrepreneurs Memorandum |
| IFRS | International Financial Reporting Standards |
| IGST | Integrated GST |
| IT Act | Income-tax Act, 1961 |
| “Ind AS” or “Indian Accounting Standards” | The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Ind AS Rules |
| Ind AS Rules | Companies (Indian Accounting Standards) Rules, 2015 |
| Indian GAAP | Generally Accepted Accounting Principles in 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 |
| IRDAI | Insurance Regulatory Development Authority of India |
| ISIN | International Securities Identification Number |
| IST | Indian Standard Time |
| KMP | Key Managerial Personnel |
| Ltd. | Limited |
| LMs | Lead Manager |
| IT Act | Income-tax Act, 1961 |
| IT Rules | Income Tax Rules, 1962 |
| Kms | Kilometres |
| LC | Letter of Credit |
| LIBOR | London Interbank Offered Rate |
| MCA | Ministry of Corporate Affairs, Government of India |
| MCLR | Marginal cost of funds-based lending rate |
| Mn | Million |
| MSME | Micro, Small, and Medium Enterprises |
| Mutual Fund(s) | Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996 |
| MoU | Memorandum of Understanding |
| “N.A.” or “NA” | Not Applicable |
| NACH | National Automated Clearing House |
| NAV | Net Asset Value |
| NEFT | National Electronic Fund Transfer |
| NPCI | National payments corporation of India |
| NR | Non-resident |
| NRE Account | Non-Resident External Account |
| NRI | A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955 |
| NRO Account | Non-Resident Ordinary Account |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |

| Term | Description |
|---|---|
| p.a. | Per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| PIO | Person of India Origin |
| RBI | Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934 |
| Regulation S | Regulation S under the Securities Act |
| RONW | Return on Net Worth |
| RoCE | Return on Capital Employed |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended |
| SARFAESI Act | The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 |
| SEZ | Special Economic Zones |
| SEBI | The Securities and Exchange Board of India constituted under SEBI Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| SEBI BTI Regulations | Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 |
| SEBI FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| SEBI Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI Merchant Bankers Regulations | Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| SEBI Mutual Regulations | Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations |
| SEBI Takeover Regulations/ SEBI SAST Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| SMP | Senior Management Personnel |
| Sq. metres | Square Metres |
| STT | Securities Transaction Tax |
| TAN | Tax Deduction Account Number |
| TDS | Tax Deducted at Source |
| TPA | Tonnes Per Annum |
| US GAAP | Generally Accepted Accounting Principles in the United States of America |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |
| “USA”, “U.S.” or “US” | The United States of America |

| Term | Description |
|-----------------|---|
| “USD” or “US\$” | United States Dollars |
| VCFs | Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be |
| w.e.f. f | With effect from |
| WCTL | Working Capital Term Loan |
| WEO | World Economic Outlook |
| WHO | World Health Organization |
| YoY | Year on Year |

FORWARD-LOOKING STATEMENTS

This Draft Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

All statements contained in this Draft Prospectus 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 Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Draft Prospectus (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.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India, regulations, taxes, changes in competition in our industry and incidents of any natural calamities and/or acts of violence.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Changes in laws and regulations relating to the sectors/areas in which we operate;
3. Increased competition in our industry;
4. Our ability to successfully implement our growth strategy and expansion plans;
5. Our ability to anticipate or respond to changing consumer preferences and trend
6. An inability to maintain and enhance our reputation, and any negative publicity and allegations in the media against us which may adversely affect our market recognition and trust in our products;
7. Our ability to meet our further working capital requirements;
8. Our ability to compete effectively in the home comfort products and Foam manufacturing industry;
9. Our ability to attract and retain skilled professional as well as worker;
10. The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition;
11. Changes in consumer demand;
12. Other factors beyond our control; and

For further discussion of factors that could cause the actual results to differ from the expectations, see the chapter titled “*Risk Factors*” and chapter titled “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 27, 108 and 201 of this Draft Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views as of the date of this Draft Prospectus and are not a guarantee of future performance.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, the Directors, the Lead Manager, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA CERTAIN CONVENTIONS

All references in this Draft Prospectus to 'India' are to the Republic of India and its territories and possessions and all references herein to the 'Government', 'Indian Government', 'GoI', 'Central Government' or the 'State Government' are to the GoI, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Prospectus is in Indian Standard Time ("IST").

Unless indicated otherwise, all references to a year in this Draft Prospectus are to a calendar year.

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Rupees and Lakh.

In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus.

FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our Restated Financial Statements of our Company for the of our Company for the stub period ended on April 30, 2023 and for the Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP and Guidance Note on "Reports in Company Prospectus, as amended issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the chapter titled "**Restated Financial Statements**" beginning on page 162 of this Draft Prospectus.

Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year.

In this Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Unless stated otherwise or the context requires otherwise, the financial information and financial ratios in this Draft Prospectus have been derived from our Restated Financial Statements.

There are significant differences between Indian GAAP, IFRS Ind AS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the Restated Financial Statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the chapter titled "**Risk Factors**", "**Business Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on pages 27, 108 and 201, respectively, of this Draft Prospectus and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our Restated Financial Statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP as stated in the report of our Peer Review Auditor, set out in chapter titled "**Restated Financial Statements**" beginning on page 162 of this Draft Prospectus.

For additional definitions used in this Draft Prospectus, see the Chapter titled "**Definitions and Abbreviations**" beginning on page 2 of this Draft Prospectus. In the chapter titled "**Main Provisions of the Articles of Association**", beginning on page 274 of this Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout this Draft Prospectus has been obtained or derived from 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 Prospectus is reliable, it has not been independently verified by the Lead Manager or any of their affiliates or advisors. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “**Risk Factors**” beginning on pages 27 of this Draft Prospectus. Accordingly, investment decisions should not be based solely on such information.

Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

CURRENCY AND UNITS OF PRESENTATION

In this Draft Prospectus, unless the context otherwise requires, all references to;

‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ or “Rs.” are to Indian rupees, the official currency of the Republic of India.

‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America, EURO or “€” are Euro currency.

| Currency | As on June 30, 2023 | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|-----------------|----------------------------|-----------------------|-----------------------|-----------------------|
| 1 USD | 82.04 | 82.2169 | 75.8071 | 73.5047 |

Source: www.rbi.org in and www.fbil.org.in

If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.

All references to the word ‘Lakh’ or ‘Lac’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lacs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

SECTION II- SUMMARY OF OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Prospectus or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including the chapter titled “**Risk Factors**”, “**The Issue**”, “**Capital Structure**”, “**Industry Overview**”, “**Business Overview**”, and “**Outstanding Litigation and Other Material Developments**” beginning on pages 27, 48, 62, 93, 108 and 212 respectively of this Draft Prospectus.

SUMMARY OF INDUSTRY

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.

For more details, please refer chapter titled “**Industry Overview**” on page 93 of this Draft Prospectus.

SUMMARY OF BUSINESS

We are manufacturer of foam-based product such as mattresses and pillows which is marketed under our brand “**Magenta**” in India. Our Product offerings include wide range of mattresses such as memory foam, latex based, bonded mattresses, pocketed spring etc. and pillows such as memory foam pillow, molded memory foam pillow, molded contour foam pillow etc. We believe that our success is attributable to the quality of products that we offer to our customers, spread across retail, hotels and institutions. For more details, please refer chapter titled “**Business Overview**” on page 108 of this Draft Prospectus.

PROMOTERS

As on date of this Draft Prospectus, Divyesh Modi and Khyati Modi are the Promoters of our Company. For further details, please refer to the chapter titled “**Our Promoters and Promoter Group**” beginning on page 156 of this Draft Prospectus.

ISSUE SIZE

The Issue size comprises of issuance of upto 20,00,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [●]/ per Equity Share (including premium of ₹ [●]/- per Equity Share) aggregating to ₹ [●] lakhs. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on September 06, 2023 and approved by the shareholders of our Company vide a special resolution at the Annual General Meeting held on September 11, 2023 pursuant to section 62(1)(c) of the Companies Act, 2013.

OBJECTS OF THE ISSUE

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

| Particulars | Amount (₹ in lakhs) * |
|---|-----------------------|
| Funding the incremental working capital requirements of our Company | Upto 424.00 |
| General Corporate Purpose* | [●] |
| Total | [●] |

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

PRE-ISSUE AND POST ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP AS A PERCENTAGE OF OUR PAID-UP EQUITY SHARE CAPITAL

| Particulars | Pre-Issue | | Post Issue | |
|----------------------|------------------|------------------------|------------------|------------------------|
| | Number of Shares | Percentage (%) holding | Number of Shares | Percentage (%) holding |
| Promoters (A) | | | | |
| Divyesh Modi | 21,58,800 | 44.33% | [●] | [●] |
| Khyati Modi | 16,65,000 | 34.19% | [●] | [●] |
| | | | | |

| | | | | |
|---------------------------|------------------|---------------|-----|-----|
| Total (A) | 38,23,900 | 78.52% | [•] | [•] |
| Promoter Group (B) | | | | |
| Vipinchandra Modi | 2,70,000 | 5.54% | [•] | [•] |
| Total (B) | 2,70,000 | 5.54% | [•] | [•] |
| Total (A+B) | 40,93,800 | 84.06% | [•] | [•] |

SUMMARY OF FINANCIAL INFORMATION

The details of our equity share capital, net worth, revenue from operations, profit for the year, earnings per Equity Share (basic and diluted), Net asset value per share and total borrowings (current and non-current) for the period ended on April 30, 2023 and for the financial years ended March 31, 2023, 2022 and 2021 derived from the Restated Financial Statement are as follows:

(₹ in lakhs except share data)

| Particulars | For period ended on April 30, 2023 | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--|------------------------------------|----------------|----------------|----------------|
| Share Capital | 154.24 | 154.24 | 142.01 | 122.01 |
| Net worth | 528.84 | 520.81 | 361.73 | 142.84 |
| Revenue from Operation ⁽¹⁾ | 65.19 | 906.61 | 924.40 | 964.74 |
| Profit after Tax | 8.02 | 24.55 | 18.89 | 19.43 |
| Earnings per share (Basic & diluted) (Pre-Bonus) (₹) ⁽²⁾ | 0.52 | 1.72 | 1.48 | 1.59 |
| Earnings per share (Basic & diluted) (Post Bonus) (₹) ⁽³⁾ | 0.17 | 0.57 | 0.49 | 0.53 |
| Net Asset Value per Equity Share (Pre-Bonus) (₹) ⁽⁴⁾ | 34.29 | 36.52 | 28.26 | 11.71 |
| Net Asset Value per Equity Share (Post Bonus) (₹) ⁽⁵⁾ | 11.43 | 12.17 | 9.42 | 3.90 |
| Total borrowing ⁽⁶⁾ | 464.73 | 453.01 | 757.53 | 982.73 |

Notes:

(1) Considered only revenue from operations.

(2) Earnings per Equity Share (Basic and Diluted) = Restated profit for the period/year attributable to the equity holders of our Company/ number of Equity shares outstanding during the period/year. The weighted average number of Equity Shares outstanding during the year, before giving effect to bonus issue on June 20, 2023

(3) Earnings per Equity Share (Basic and Diluted) = Restated profit for the period/year attributable to the equity holders of our Company/Weighted average number of equities shares outstanding during the period/year. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue.

(4) Net Asset Value per Equity Share = Net worth as per the Restated Financial Statements/ number of Equity Shares outstanding as at the end of the year/period, before giving effect to bonus issue on June 20, 2023

(5) Net Asset Value per Equity Share = Net worth as per the Restated Financial Statements/ weighted average number of Equity Shares outstanding as at the end of the year/period. The weighted average number of Equity Shares outstanding during the year is adjusted for of Equity Shares and bonus issue.

(6) Total borrowings are computed as short-term borrowings plus long-term borrowings.

QUALIFICATIONS OF AUDITORS

There are no qualifications of Peer Review Auditor which has not been given effect to in the Restated Financial Statement.

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

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

| Sr No. | Outstanding Litigation | Number of Matter | Aggregate amount involved (₹ in lakhs) ⁽¹⁾ |
|-----------|---|------------------|---|
| 1. | Filed against the Company | | |
| | <i>Direct Tax</i> | 2 | 1.09 |
| 2. | Filed by the Company | | |
| | <i>Criminal Proceeding</i> | 1 | 1.00 |
| 3. | Filed against our Directors & Promoters | | |
| | <i>Direct Tax</i> | 3 | 0.02 |
| 4. | Legal Notices issued against the Company and its Directors | 2 | 6.94 |
| | Total | | 9.05 |

Note: The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise. In the absence of Order copy of the Income Tax Department, the nature, extents and status of the Cases cannot be ascertained.

For further details, please refer chapter titled “**Outstanding Litigations & Material Developments**” beginning on page 212 of this Draft Prospectus.

RISK FACTORS

For details relating to risk factors, please refer chapter titled “**Risk Factors**” beginning on pages 27 of this Draft Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

There are no contingent liabilities as on April 30, 2023. For details of our contingent liabilities, please refer chapter titled “**Restated Financial Statement**” beginning on page 162 of this Draft Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS AND BALANCES

The details of related party transactions and balance receivable from/(payable) of our Company for the period ended on April 30, 2023 and for the Financial year on ended March 31, 2023, March 31, 2022 and March 31, 2021, - Related Party Disclosures as per Restated Financial Statement are set forth in the table below;

Related party transaction

(₹ in lakhs)

| Particulars | For the period ended on Period ended April 30, 2023 | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------------------|---|---------------------------|---------------------------|---------------------------|
| Remuneration | | | | |
| Divyesh Modi | - | - | 6.00 | 6.00 |
| Khyati Modi | - | - | - | - |
| Consultancy charges paid | | | | |
| Vipinchandra Modi | 0.12 | 1.44 | - | - |
| Loan Repaid | | | | |
| Divyesh Modi | - | - | - | - |
| Divyesh Modi | - | 8.16 | 17.45 | 10.80 |
| Khyati Modi | - | 5.15 | 10.50 | 0.25 |
| Loan Taken | | | | |
| Divyesh Modi | - | - | - | - |
| Divyesh Modi | - | 6.18 | 19.37 | 15.84 |

| | | | | |
|-------------|---|---|-------|-------|
| Khyati Modi | - | - | 15.00 | 18.89 |
|-------------|---|---|-------|-------|

| Related Party Balances | | (₹ in Lakhs) | | | |
|------------------------------------|--|----------------------------------|----------------------------------|----------------------------------|--|
| Particulars | For the period ended on Period ended April 30, 2023 | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 | |
| Loan Balances | | | | | |
| Divyesh Modi | 8.61 | 8.61 | 10.60 | 96.27 | |
| Khyati Modi | 3.95 | 3.95 | 9.10 | 82.34 | |
| Consultancy charges payable | | | | | |
| Mr. Vipinchandra Modi | 0.74 | 0.74 | - | - | |

For further details, see refer to chapter titled “**Restated Financial Statement** – Annexure IV – Note 4.38: Related Party Transactions” on page 162 of this Draft Prospectus.

FINANCING ARRANGEMENTS

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

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

The weighted average price at which the equity shares were acquired by our Promoters in the one year preceding from the date of this Draft Prospectus.

| Name | Number of Shares | Weighted Average Cost of Acquisition per Equity Share (in ₹) * |
|--------------|-------------------------|---|
| Divyesh Modi | 14,39,200 | Nil^ |
| Khyati Modi | 11,10,000 | Nil^ |

**As certified by M/s. S S R V & Associates, Chartered Accountants, pursuant to their certificate dated October 31, 2023.*

*^The acquisition price is Nil since these Equity Shares were allotted pursuant to a bonus issue. For details, please see chapter titled “**Capital Structure**” on page 62 of this Draft Prospectus.*

AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as on date of this Draft Prospectus is:

| Name | Number of Shares | Average Cost of Acquisition per Equity Share (in ₹) * |
|--------------|-------------------------|--|
| Divyesh Modi | 21,58,800 | 7.50 |
| Khyati Modi | 16,65,000 | 8.74 |

**As certified by M/s. S S R V & Associates, Chartered Accountants, pursuant to their certificate dated October 31, 2023.*

Weighted average cost of acquisition of all shares transacted in the last one year, eighteen months and three years preceding the date of this Draft Prospectus. The details of weighted average cost of acquisition of all shares transacted in the last one year, eighteen months, and three years preceding the date of this Draft Prospectus is as follows:

The details of weighted average cost of acquisition of all shares transacted in the last one year, eighteen months, and three years preceding the date of this Draft Prospectus is as follows:

| Period | Weightage Average Cost of Acquisition (in ₹)* | Issue price is “X” times the Weightage Average cost of Acquisition [^] | Range of Acquisition price Lowest price-Higher price (in ₹)* |
|---------------------|---|---|--|
| Last one year | 6.48 | [●] | 0-110 |
| Last eighteen years | 6.48 | [●] | 0-110 |
| Last three years | 11.60 | [●] | 0-110 |

*As certified by M/s. S S R V & Associates, Chartered Accountants, pursuant to their certificate dated October 31, 2023.

[^] To be updated upon finalization of the Issue Price

Details of price at which Equity Shares were acquired by the Promoters, members of our Promoter Group, with special rights in the last three years preceding the date of this Draft Prospectus

Except as stated below, there are no Equity Shares that were acquired in the last three years preceding the date of this Draft Prospectus, by the Promoters, members of our Promoter Group.

The details of the price at which the acquisition of Equity Shares was undertaken in the last three years preceding the date of this Draft Prospectus are stated below:

| Name of the Shareholders | Category | Date of Acquisition of Equity Shares | Number of Equity shares acquired | Face Value | Acquisition price per Equity Share (in ₹) * |
|--------------------------|----------------|--------------------------------------|----------------------------------|------------|---|
| Divyesh Modi | Promoter | December 13, 2021 | 1,00,000 ⁽¹⁾ | 10 | 100 |
| | | June 20, 2023 | 14,39,200 ⁽²⁾ | 10 | Nil |
| Khyati Modi | Promoter | December 13, 2021 | 1,00,000 ⁽¹⁾ | 10 | 100 |
| | | June 20, 2023 | 11,10,000 ⁽²⁾ | 10 | Nil |
| Vipinchandra Modi | Promoter Group | March 01, 2023 | 10,000 ⁽³⁾ | 10 | 10 |
| | | March 01, 202 | 80,000 ⁽³⁾ | 10 | 10 |

*As certified by M/s. S S R V & Associates, Chartered Accountants, pursuant to their certificate dated October 31, 2023.

(1) Pursuant to a resolution passed by the Board of Directors on December 13, 2021 have allotted 2,00,000 Equity Shares.

(2) Our Board of Directors pursuant to a resolution dated June 20, 2023 have allotted the issuance of 32,46,624 bonus Equity Shares in the ratio of two Equity Shares for every one existing fully paid up equity share.

(3) Acquired by way of transfer

DETAILS OF PRE-ISSUE PLACEMENT

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

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

Except mentioned below, our Company has not issued any Equity Shares for consideration other than cash in the last one year preceding the date of this Draft Prospectus.

| Date of Issue/ Allotment | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Nature of Allotment |
|-----------------------------|----------------------------|-------------------|--------------------|---------------------|
| June30, 2023 | 32,46,624 | 10 | Nil | Bonus Issue |

For details, please refer to chapter titled “*Capital Structure*” beginning on page 62 of this Draft Prospectus.

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

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

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

Our Company has not undertaken any exemption with related to provision of securities law granted by SEBI.

SECTION III RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In order to obtain a complete understanding about us, investors should read this chapter titled together with "*Industry Overview*", "*Our Business*", "*Key Regulations and Policies*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 93, 108, 127 and 201, respectively, as well as the Restated Financial Statement, and other financial information included elsewhere in this Draft Prospectus. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares. The risks and uncertainties described below are not the only risks that we currently face or are relevant to us, our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially and adversely affect our business, prospects, financial condition and results of operations and cash flows. If any or some combination of the following risks, or other risks that we do not currently know about or believe to be material, actually occur, our business, financial condition and results of operations and cash flows could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Offer, including the merits and risks involved.

Unless specified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this document. For details, please refer to chapter titled "*Forward Looking Statements*" on page 17 of this Draft Prospectus

Unless otherwise indicated or the context requires otherwise, the financial information included herein are based on our Restated Financial Statement, included in this Draft Prospectus. For further information, please refer to chapter titled "*Restated Financial Statement*" on page 162 of this Draft Prospectus.

INTERNAL RISK FACTORS

1. ***If we are unable to anticipate or respond to changing consumer preferences and trends pertaining to our products and foam industry in a timely and effective manner, the demand for our products may decline, which may have an adverse effect on our business, results of operations and financial condition.***

The success of our business depends upon our ability to anticipate and identify changes in consumer preferences and offer products that appeal to the consumers. We commenced our business with procurement of PU foam, and currently sell a diverse range of products such as mattresses and pillows and commercial foam (raw foam). Any significant shift in consumer preferences of our products, as well as changing trends in the industries to which we supply foam could necessitate changes in our business model and product portfolio. For instance, the emergence of newer varieties and grades of raw materials that are more suited, in terms of their structural and chemical attributes for manufacture of home comfort and accessory products such as mattresses and upholstery, than PU Foam could lead to a shift in consumer preference from foam-based home comfort products. Changing consumer preferences on account of varying factors, including market analysis and research, competitor advertising, adverse publicity and health and safety issues could also lead to an increase in demand for products as opposed to foam based products, as well as hybrid products. We cannot assure you that we will be able to shift our business, strategic and manufacturing focus from our existing product portfolios to address such consumer and industry shifts in an optimal manner, or at all. Any such change in our business model could result in diversion of time and attention of our senior management and increased operating expenses.

In respect of our current operations, we constantly seek to develop our products capabilities to enable us to introduce new products and different variants of our existing products, based on consumer preferences and demand. Although we seek to identify such trends in the industry and introduce new products, we cannot assure you that our products would gain consumer acceptance or that we will be able to successfully compete in these new product segments. If we are unable to respond to changes in consumer preferences in a timely manner, or at all, or if our competitors respond to such changes more effectively, our business, results of operations and financial condition may be adversely affected.

2. ***We may be unable to implement new technologies for our business operations in a timely and cost-effective manner, or at all, which could adversely affect our business, results of operations, cash flows and financial condition.***

Our products and PU Foam industry is subject to significant technological changes, with the constant introduction of new and enhanced products. Our success will depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. One of the key elements of our growth strategy is to invest in emerging technology protocols and processes that render our manufacturing cycles more efficient and cost-effective. We cannot assure you that we will be able to successfully make such enhancements to our technological infrastructure in a timely and cost-effective manner, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. Our failure to successfully adopt such technologies could increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell. Further, implementation of new or upgraded technology may involve higher capital costs, which may adversely affect our business, results of operations, cash flows and financial condition.

3. ***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 certain statutory and regulatory permits, licenses and approvals to operate our business such as consents to establish and consent to operate for our manufacturing facility, which are issued under the Factories Act. Further, our manufacturing is also subject to registration and licenses issued under various laws, including contract labour registration certificates, licenses, various taxation related registrations, such as registrations for professional taxes, GST taxes etc. We cannot assure you that our application would be approved by the relevant authority at all or within the given time frame. 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 assurance 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.

Our manufacturing facilities have applied for but not yet obtained the required approvals, or renewals of existing approvals in relation to their operations from relevant authorities. For further details of such business approvals that are pending grant or renewal, see the chapter titled "***Government and Other Approvals***" on page 217 of this Draft Prospectus.

In the 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. While we will endeavour 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. 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, please refer to the chapter titled "***Government and Other Approvals***" on page 217 of this Draft Prospectus.

4. ***We do not own our registered office and factory office from which we carry out our business activities.***

We do not own the Registered Office and factory office. The said offices are taken by us on lease basis from the third party. Any termination or dispute in relation to these lease agreements may have an adverse effect on our business operations and results thereof. We also cannot assure that lessor will not terminate the lease agreement prior to expiry or at the time of expiry of the agreement, which would require us to locate to another premise and may have an adverse effect on conducting our business operations. For further details regarding the premises, please refer to chapter titled "***Business Overview***" on page 118 of this Draft Prospectus.

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

Our operations involve extending credit for extended periods of time, ranging typically from 60 to 120 days, to our distributors and customers in respect of our products and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Accordingly, we have and may continue to have high levels of outstanding receivables. For the Fiscal Years 2023, 2022, 2021 and for the period months ended April 30, 2023, our trade receivables were ₹ 140.77 Lakhs, ₹ 262.19 lakhs, ₹ 336 lakhs and ₹ 136.43 Lakhs, respectively, which constituted 15.53%, 28.36%, 34.83% and 209.28%, respectively, of our total revenues for the same periods, respectively. If our distributors and customers delay or default in making these payments, our profits margins and cash flows could be adversely affected.

6. *We may not be able to sustain if there is no effective implementation of our business and growth strategy.*

Success of our business will depend greatly on our ability to effectively implement our business and growth strategy. We cannot provide assurance that we will be able to execute our strategy on time and within the estimated budget, or that we will meet the expectations of targeted customers. Changes in regulations applicable to the industry in which we operate may also make it difficult to implement our business strategy. Inability on our part to manage our business and effectively implement growth strategy could have a material adverse effect on our business, financial condition and profitability.

7. *Our Promoter and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.*

After the issue our Promoters along with the Promoter Group will continue to hold collectively [●] % of the post Equity share capital of the Company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder's vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our Promoter and member of the Promoter Group will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

8. *Our Restated Financial Statements are prepared and signed by the Peer Review Auditor who is not Statutory Auditors of our Company as required under the provisions of SEBI (ICDR) Regulations 2018.*

Our Restated Financial Statements are prepared and signed by M/s. S S R V & Associates, Chartered Accountant who is holding valid peer review certificate and they are appointed as the Peer Review Auditor of our Company for providing Restated Financial Statement for the financial year ended on 2023, 2022 and 2021 and for the period ended on April 30, 2023 as required under the provisions of the SEBI (ICDR) Regulations 2018 and they are not the Statutory Auditor of our Company.

9. *We have entered into Related Party Transactions and continue to do so in future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's financial condition and results of operations.*

Our Company has entered into transactions with certain related parties. While all such transactions have been conducted on an arm's length basis and are in accordance with the provision of the Companies Act, 2013 and other applicable laws if any, but there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to the chapter titled "*Restated Financial Statements*" beginning on page 162 of this Draft Prospectus

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, please refer to the chapter titled "*Dividend Policy*" beginning on page 161 of this Draft Prospectus.

11. *Information in relation to our installed capacity and capacity utilization of our manufacturing facility included in this Draft Prospectus is based on various assumptions and estimates, and future production and capacity utilization may vary.*

Information relating to our installed capacities and the capacity utilization of our manufacturing facility included in this Draft Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials, actual product mix vis-à-vis the products mix envisaged for computation of our installed capacity and assumptions relating to potential

utilization levels and operational efficiencies. While we have obtained a certificate from Ramesh V Vaghela, Chartered Engineer dated October 20, 2023 actual capacities and utilization rates may differ significantly from the estimated installed capacities or estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our installed capacity or estimated capacity utilization information for our existing facility included in this Draft Prospectus.

For further details, please refer to the chapter titled “**Business Overview**” on page 108 of this Draft Prospectus.

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

As of October 30, 2023, our Company runs its business through one manufacturing facility situated in the state of Gujarat. For further details, please refer to the chapter titled “**Business Overview**” on page 108 of this Draft Prospectus. Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by, our customers. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition.

13. *Improper handling, processing or storage of our products, or spoilage of and damage to such our products, could damage our reputation and have an adverse effect on our business, results of operations and financial condition*

Any shortcoming in the production or storage of our products due to negligence, human error or otherwise, may damage our products and result in non-compliance with applicable quality standards. Any allegation that our products do not match requisite quality standards could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis.

We cannot assure you that we will not be subject to such product liability claims in the future. Should any of our products be perceived or found to be contaminated, we may be subject to regulatory action, product recalls and our reputation, business, results of operations and financial condition may be adversely affected.

We may also be exposed to liability from end consumers for defects in the quality of our products, which may be occasioned by manufacturing defects or contamination, spoilage or damage to our products. There can be no assurances that the value of products returned, or warranties invoked will not exceed the corresponding amounts provided. Significant product liabilities could adversely affect our reputation, sales revenues and results of operations.

14. *We operate in a competitive environment and may not be able to effectively compete due to various factors not under our control, which could have a material adverse effect on our business, results of operations and financial condition.*

The markets in which we and our customers compete are characterized by rapidly changing preferences, evolving industry standards and continuous improvements in products and services and is characterized by frequent introductions of our products. We expect competition to persist and intensify in the future as the market wherein we operate is constantly evolving and growing with new and existing competitors devote considerable resources to introducing and enhancing products. Accordingly, our ability to grow our business in accordance with our strategy will depend on our ability to introduce new products, adapt to new technologies, respond to pricing strategies by competitors and improve our manufacturing capabilities.

Our competitors may devote greater resources to the development and sale of their products than we do. They may have lower costs and be able to withstand lower prices better in order to gain market share. They may be more diversified than we are and better able to leverage their other businesses, products and services to be able to accept lower returns and gain market share. In addition, our competitors may have greater engineering, technical, manufacturing, sales, marketing and financial resources and capabilities than we have. These competitors may be able to respond more rapidly than we can to new or emerging technologies or changes in customer requirements, including introducing a greater number and variety of products than we can.

To remain competitive, we must continue to invest significant resources in modernization, manufacturing, sales and marketing and customer support. We cannot be sure that we will have sufficient resources to make these

investments or that we will be able to make the technological advances necessary to be competitive. Failure to compete successfully against current or future competitors could have a material adverse effect on our business, results of operations and financial condition.

15. *Our Company has unsecured loans that may be recalled by the lenders at any time and our Company may not have adequate funds to make timely payments or at all.*

Our Company has availed unsecured loans from related parties, which may be recalled at any time. As on March 31, 2023, we had outstanding unsecured loans from related parties, shareholders, inter corporate loan and unsecured dealer deposits amounting to ₹ 57.33 Lakhs and having outstanding of ₹ 71.96 Lakhs for the period ended on April 30, 2023. Such loans may not be repayable at the time of demand by such parties. In the event that any lender seeks repayment of any such unsecured loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations.

For further details, please refer to the chapter titled “*Financial Indebtedness*”, beginning on page 210 of this Draft Prospectus.

16. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.*

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to obtain sales orders, hire, train, supervise and manage new employees, expand our marketing channels and to implement systems capable of effectively accommodating our growth. However, we cannot assure that any such employees or marketing channels will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

17. *The success of our manufacturing process is dependent upon few suppliers for our raw material supplies for our business operations. In an eventuality where our suppliers are unable to deliver us the required materials in a time – bound manner it may have a material adverse effect on our business operations and profitability.*

For the Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021, our top 10 suppliers contributed more than 96.23%, 93.53% and 92.04% and for the period ended on April 30, 2023 contributed 98.25% of our purchases respectively. Although we believe that there are sufficient suppliers in the market, however in the event of a delay, inadequacy or default in deliveries by any of our suppliers, there are chances that we may not be able to source our raw material on an adequate and timely basis or on commercially acceptable terms which could adversely affect our business, results of operations and financial condition to the extent we are unable to line up supplies from alternate suppliers.

It is also critical for us that our suppliers adhere to the quality standards and product specifications that have been furnished to them by us, and failure by them to adhere to the same would adversely affect the quality and/or timely delivery of our products.

18. *In the twelve months prior to the date of filing this Draft Prospectus, the Company had issued Equity Shares at a price, which may be lower than the Issue Price.*

In the twelve months prior to the date of filing of this Draft Prospectus, the Company had allotted 32,46,624 Equity Shares as bonus shares to its existing shareholders. For further details on the issuance of Bonus shares, please refer to the chapter titled “*Capital Structure*” on page 62 of this Draft Prospectus.

19. *There have been certain instances of regulatory delayed-compliances or delays or errors in the past. We may be subject to regulatory actions and penalties for any such past or future non-compliance or delays or errors and our business, financial condition and reputation may be adversely affected.*

There have been certain instances of regulatory delayed-compliances or delays or error in the past by our Company. However, our Company had paid additional fees for delayed filing the forms with MCA. For instance, our Company has filed an application for form DIR 12 under the CFSS, 2020 for grant of immunity from prosecution under the Companies Act, 2013 whereas our Company had received immunity certificate from the RoC, Ahmedabad.

Further, our Company had filed form PAS-3 with respect to the Right Issues, where the outstanding loan was converted into Equity. As per view of the practicing company secretary, the allotment was considered as against cash. While these forms were duly filed with the RoC, there is no assurance that the RoC may accept this view, in which case the Company may have to re-file the forms or pay necessary penalty.

We cannot assure you that, in the future, we will not be subject to any liability on account of such non-compliances or that no action would be taken by the RoC or any other regulatory or statutory body in future in relation to this error. If we are subject to any such liability, it may have a material adverse effect on our reputation, financial condition and results of operations. Further, there can be no assurance that there will be no such delays or non-compliances in the future and our Company will not be subject to adverse actions by the authorities.

Further, we are also required to make certain payments to various statutory authorities from time to time, including but not limited to payments pertaining to employee provident fund, employee state insurance and income tax. There have been delays in this respect for payment of GST, provident fund, TDS etc. we cannot assure you to that we will be able to pay our statutory dues timely, or at all, in the future. Any failure or delay in payment of such statutory dues may expose us to statutory and regulatory action, as well as significant penalties, and may adversely impact our business, results of operations and financial condition.

20. Our Company, directors and promoters are party to certain litigation and claims. These legal proceedings are pending at different levels of adjudication before various courts and regulatory authorities. Any adverse decision may make us liable to liabilities/penalties and may adversely affect our reputation, business and financial status. A classification of these legal and other proceedings is given below:

Our Company, and our Directors are parties to certain legal proceedings which are pending at different levels of adjudication before competent authority, appeals, tribunal and forums. We cannot assure you that these proceedings will be decided in favour of our Company, or our Directors, as the case may be. Further, there is no assurance that similar proceedings will not be initiated against us, or our Directors in the future. Any adverse outcome in any of the below mentioned proceedings could have an adverse effect on our reputation and may affect our future business, prospects, financial condition and results of operations. It further may divert the attention of our management and promoters and waste our corporate resources. For details of these proceedings, see refer to chapter titled “*Outstanding Litigation and Material Developments*” on beginning from page 212 of this Draft Prospectus

A classification of these outstanding proceedings is given in the following table:

(₹ in Lakhs)

| Sr No. | Outstanding Litigation | Number of Matter | Aggregate amount involved (₹ in lakhs) ⁽¹⁾ |
|-----------|---|------------------|---|
| 1. | Filed against the Company | | |
| | <i>Direct Tax</i> | 2 | 1.09 |
| 2. | Filed by the Company | | |
| | <i>Criminal Proceeding</i> | 1 | 1.00 |
| 3. | Filed against our Directors & Promoters | | |
| | <i>Direct Tax</i> | 3 | 0.02 |
| 4. | Legal Notices issued against the Company and its Directors | 2 | 6.94 |
| | Total | | 9.05 |

Note: The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise. In the absence of Order copy of the Income Tax Department, the nature, extents and status of the Cases cannot be ascertained.

We cannot assure you that any of these on-going matters will be settled in favour of our Company, group companies, Promoters and/or Directors, respectively, or that no additional liability will arise out of these proceedings. An adverse outcome in any such proceedings may have an adverse effect on our business, financial position, prospects, results of operations and our reputation. Further, we cannot assure you that there will be no new material legal and/or regulatory proceedings involving our Company, Promoters, Directors in the future.

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

Divyesh Modi, one of the Promoter and Managing Director of the Company along with management have significantly contributed to the growth of our business, and our future success is dependent on the continued services of such management team. Our inability to retain any key managerial personnel may have an adverse effect on our operations. Our ability to execute orders and to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We might face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In the future, we may also not be able to compete with other larger companies for suitably skilled personnel due to their ability to offer more competitive compensation and benefits. The loss of any of the members of our management team, our whole-time directors or other key personnel or an inability on our part to manage the attrition levels; may materially and adversely impact our business, results of operations, financial condition and growth prospects.

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

Such skilled personnel may also not be easily available in the market. If we cannot attract and retain qualified personnel it could have a material adverse impact on our business, financial condition, and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees

22. Our Company has negative cash flows from its operating and investing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

Our Company had negative cash flows from our operating and investing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

(Rs. In Lakhs)

| Particulars | For the period ended on | As on March 31, | | |
|--|-------------------------|-----------------|----------|---------|
| | April 30, 2023 | 2023 | 2022 | 2021 |
| Net Cash Flow from / (used in) Operating Activities | (6.23) | 217.62 | 136.11 | 108.95 |
| Net Cash Flow from / (used in) Investing Activities. | (0.76) | (2.25) | (2.29) | (31.65) |
| Net Cash (Used in) / Generated from Financing Activities | 10.72 | (214.94) | (126.97) | (56.14) |

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations

23. We sell our products through an extensive network of distributors and dealers directly to clients, and any inability to expand or effectively manage our growing distribution and sales network may have an adverse effect on our business, results of operations and financial condition.

We have an extensive sales and distribution network that consisted, as on October 30, 2023 of over 26 distributors and our distributor dealer network is spread across over 15 states. Our products are sold to distributors, who resell our products at pre-determined margins to dealers.

We continuously seek to increase the penetration of our products by appointing new distributors and dealers targeted at different markets and geographies. We cannot assure you that we will be able to successfully identify and appoint new distributors or effectively manage our existing distribution network. If the terms offered to such

distributors by our competitors are more favourable than those offered by us, distributors may decline to distribute our products and terminate their arrangements with us.

Further, our agreements with our distributors and dealers are typically valid for a period of three or perpetual. Accordingly, upon expiry of their terms, we may be unable to appoint replacement distributors and dealers in a timely manner, or at all, which may reduce our sales volumes and adversely affect our business, results of operations and financial condition.

Further, our competitors may have exclusive arrangements with other distributors which may restrict us from stocking and selling our products through them, thereby limiting our ability to expand our network. We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor handling by distributors of our products, transportation bottlenecks, natural disasters and labour issues, which could lead to delayed or lost deliveries. If our distributors fail to distribute our products in a timely manner, or adhere to the terms of the distribution agreement, or if our distribution agreements are terminated, our business and results of operations may be adversely affected.

24. *The mattresses and pillows and foam manufacturing industry is competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.*

The mattresses and pillows and PU foam industries in India are competitive and fragmented. We face competition in our home comforts business from other brands. Additionally, given the inherently low barriers to entry in these markets, a significant proportion of the home comfort products industry in India, and in particular, the mattresses. Our unorganised competitors may incur lesser operating expenses, given the size and scale of their operations and have a deeper retail reach in the territories that they operate in, than us.

Our competitors in certain regions may also have better access to raw materials required in our operations and may procure them at lower costs than us, and consequently be able to sell their products at lower prices. As a result, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition.

Additionally, we cannot assure you that we will be able to retain our existing distributors and dealer network or maintain our market share with our retail consumer base. In addition, our competitors may significantly increase their advertising and brand building activities to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which may have an adverse effect on our business, results of operations and financial condition.

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

We maintain large amounts of inventory at our premises, distributor dealer, at all times. Although we have set up security measures, our operations at our premises may be subject to incidents of theft or damage to inventory. There can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future which could adversely affect our results of operations and financial condition. Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition.

26. *We do not hold any patents or other form of intellectual property protection in relation to our manufacturing processes, and our inability to maintain the integrity and secrecy of our manufacturing processes may adversely affect our business.*

Our team efforts are primarily directed towards developing new and more innovative product lines as well as new and more efficient production processes that are typically applicable to the current range of products we manufacture. Our know-how may not be adequately protected by intellectual property rights such as patent registration.

We also rely in part on mutual trust for protection of our trade secrets and confidential information relating to our manufacturing processes. It is our policy to take precautions to protect our trade secrets and confidential information against breach of trust by our employees, consultants, customers, dealer, distributor and suppliers and incorporate confidentiality provisions. However, it is possible that unauthorized disclosure of our trade secrets or confidential information may occur. We cannot assure you that we will be successful in the protection of our trade secrets and confidential information.

Our manufacturing processes may not be eligible for intellectual property protection and others may be able to use the same or similar automation in production processes, thereby undermining any competitive advantage we may have derived from such processes and adversely affecting our financial condition and results of operations.

27. *Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.*

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of nonregistration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

28. *We rely on third parties to transport our products to our distributors and customers, and any disruption in our transportation arrangements or increases in transportation costs may adversely affect our business, results of operations and financial condition.*

Our finished product is required to be transported. A delay in the delivery of our product to our distributors may result may adversely affect our business, results of operations and financial condition. We rely on third party logistic providers, with whom we have formal arrangements, to transport our finished products to distributors. We have entered formal arrangement with logistic providers for transport our finished products to distributors. We may also be affected by transport strikes, which may affect our delivery schedules. If we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations and financial condition may be adversely affected.

29. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business, results of operations and financial condition.*

We intend to use the Net Proceeds for the purposes described under chapter titled “*Objects of the Issue*” beginning on page 73 of this Draft Prospectus. The Objects of the Offer comprise (a) Funding the incremental working capital requirements of our Company, (b) General corporate purposes (the amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds). Further our Objects of the Offer have not been appraised by any bank, financial institution or other independent agency. Our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in rescheduling of the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable law. Further, pursuant to Section 27 of the Companies Act, 2013, any variation in the Objects of the Offer would require a special resolution of the shareholders and the promoter 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 Offer, in accordance with applicable law.

In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements. If actual utilization towards the Objects of the Offer is lower than the proposed deployment, such balance will be used for future growth opportunities, if required. If estimated utilization of the Net Proceeds is not completely met in a fiscal year, it shall be carried forward.

30. *Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in this Draft Prospectus would be subject to certain compliance requirements, including prior shareholders’ approval.*

We propose to utilise the Net Proceeds for (i) Funding our working capital requirements and (ii) general corporate purposes.

For further details of the proposed objects of the Offer, please refer to chapter titled “*Objects of the Issue*” on page 73 of this Draft Prospectus. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control.

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in this Draft Prospectus without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that require 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 change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company.

Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

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

31. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Offer. Further we have not identified any alternate source of financing the Objects of the Offer. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition*

As on date of this Draft Prospectus, we have not made any alternate arrangements for meeting our capital requirements for some of the objects of the Offer. We meet our capital requirements through, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this offer or any shortfall in the Offer proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled "*Objects of the Offer*" beginning on page 73 of this Draft Prospectus.

32. *Our actual results could differ from the estimates and projections used to prepare our financial statements.*

The estimates and projections are based on and reflect our current expectations, assumptions and/ or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. There can be no assurance that our expectations, estimates, assumptions and/or projections, including with respect to the future earnings and performance will prove to be correct or that any of our expectations, estimates or projections will be achieved.

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

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

34. *Our financing agreements entail interest at variable rates and any increases in interest rates may adversely affect our results of operations.*

We are susceptible to changes in interest rates and the risks arising therefrom. Most of our financing agreements provide for interest on loans at variable rates with a provision for the periodic resetting of interest rates. Further, under certain of our financing agreements, the lenders are entitled to change the applicable rate of interest, which is a combination of a base rate and a contractually agreed spread. Certain loans are also extended at

interest rates that are subject to periodic change from time to time based on the lender's internal policies. Please refer to the chapter titled "**Financial Indebtedness**" on page 210 for a description of interest payable under our financing agreements. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

35. *We have not commissioned an industry report for the disclosures made in the chapter titled 'Industry Overview' and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.*

We have not commissioned an industry report for the disclosures made in the chapter titled "**Industry Overview**" beginning of page 93 of this Draft Prospectus and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Prospectus. Further, the industry data mentioned in this Prospectus or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Prospectus in this context.

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

We could be held liable for accidents that occur at our manufacturing facility or otherwise arise out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our principal types of insurance coverage include burglary and in respect of plant and machinery, stocks of goods in our manufacturing and storage facilities

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. There can be no assurances that this claim will be successful, or that we would be able to recover these losses.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected. For further details on insurance arrangements, please refer to the chapter titled "**Our Business – Insurance**" on page 108.

37. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the price determined at time of registering the Draft Prospectus*

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Price as may be decided by the Company in consultation with the LM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter titled "**Capital Structure**" beginning on page 62 of this Draft Prospectus

38. *Any inability on our part to keep pace with the technological developments could adversely impact our business, results of operations and financial conditions.*

Any rapid change in our customers' expectation on account of changes in technology or introduction of new products or for any other reason and failure on our part to meet their expectation could adversely affect our business, result of operations and financial condition. We believe that we have always strived to cater to the growing demand of our customers by fulfilling their technical requirements. Our failure to anticipate or to respond adequately to changing technical, market demands and/ or client requirements could adversely affect our business and financial results.

39. *Noncompliance with and changes in, safety, health and environmental laws and other applicable regulations in our manufacturing operations may adversely affect our business, results of operations and financial condition.*

We are subject to laws and government regulations, including in relation to safety, health and environmental protection. These safety, health and environmental protection laws and regulations impose controls on air, noise levels, storage handling. For further details, please refer to chapter titled “**Key Industry and Regulations Policies**” on page 127 of this Draft Prospectus.

Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being commenced against us, third party claims or the levy of regulatory fines.

Further, we cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant. Any accidents at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. The loss or shutdown of our operations over an extended period of time could have an adverse effect on our business and operations.

- 40. *Our Promoters, who are also Directors and Key Management Personnel have interests in our business other than reimbursement of expenses incurred or normal remuneration or benefits. They may cause our Company to take actions, or refrain from taking actions, in order to benefit themselves instead of our Company’s interests or the interests of its other Shareholders and which may be harmful to our Company’s interests or the interests of our other Shareholders, which may materially adversely impact our business, financial condition, results of operations and cash flows.***

Our Promoters who are also Directors and Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. Further, our Executive Directors receive payments towards repayment of unsecured interest-free borrowings provided by them to our Company, amounting to ₹18.53 lakhs for the period ended April 30, 2023. For further information on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, please refer to chapter titled “**Our Management**” and “**Our Promoters and Promoter Group**” on pages 140 and 156, respectively of this Draft Prospectus.

- 41. *We are highly dependent on our Key Managerial Personnel and our Senior Management Personnel for our business. The loss of or our inability to attract or retain such persons could have a material adverse effect on our business performance***

Our business and the implementation of our strategy is dependent upon our Directors, Key Managerial Personnel and our Senior Management Personnel, who oversee our day-to-day operations, strategy and growth of our business. If one or more members of our Key Managerial Personnel and Senior Management Personnel are unable or unwilling to continue in their present positions, such persons could be difficult to replace in a timely and cost-effective manner. There can be no assurance that we will be able to retain these personnel. The loss of our Key Managerial Personnel or members of our Senior Management or our inability to replace such Key Managerial Personnel or members of our Senior Management may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our business, results of operations, financial position and cash flows.

For details in relation to the changes in our Key Managerial Personnel and our Senior Management team, see “**Our Management – Changes in our Key Managerial Personnel and Senior Management Personnel**” on page 140 of this Draft Prospectus.

We cannot assure you that we will not lose our Key Managerial Personnel or member of Senior Management in the future, or we will be able to replace any Key Managerial Personnel or member of Senior Management in a timely manner or at all, which could have a material adverse impact on our business, results of operations, financial position and cash flows.

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

There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds. As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs. 10,000.00 Lacs. 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 Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

43. *If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.*

Effective internal controls are necessary for us to prepare reliable and avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. We cannot assure you that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may affect ability to accurately report, or successfully manage, our financial risks, and to avoid fraud, which may in turn adversely affect our business, financial condition or results of operations.

44. *We have availed certain unsecured borrowings which may be recalled by our lenders at any time.*

We have availed certain unsecured borrowings (such as inter-corporate loans, loans from related parties and shareholders and unsecured dealer deposits), which may be recalled at any time, with or without the existence of an event of default. For further details, please refer to chapter titled “**Restated Financial Statement**” Annexure 4 Notes 4.03 of our Restated Financial Statements and the chapter titled “**Financial Indebtedness**” on page 210 of this Draft Prospectus. Any such recall may adversely affect our financial condition.

Further, our Company had not entered into agreement with the parties with respect to inter corporate deposits.

45. *We may raise further borrowings and charge our assets*

We are not barred from raising future borrowings and may charge its assets from time to time for any of such future borrowings. In the event of a default in repayment of the borrowings of the Company which will also trigger cross default of the Debentures, the borrowings of the Company which are secured with the assets of the Issuer will have a higher probability of being repaid/redeemed than the Debentures.

EXTERNAL RISK FACTORS

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

Global economic and political factors that are beyond our control, influence forecasts directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

47. *Natural calamities could have a negative impact on the Indian economy and cause our Company’s business to suffer.*

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

48. *Changing regulations in India could lead to new compliance requirements that are uncertain.*

The regulatory environment in which we, and our key customers, operate is evolving and is subject to change. The Government of India may implement new laws or other regulations that could affect the logistics industry or the sectors we serve, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations. Any such changes and the related uncertainties with respect to the implementation or change in the legal framework may have a material adverse effect on our business, financial condition and results of operations.

49. *Investors may not be able to enforce a judgment of a foreign court against us.*

Our Company is a company incorporated under the laws of India. All our Company’s Directors and officers are residents of India and all of our assets are located in India. As a result, it may not be possible for investors to

effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

50. *If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.*

In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the price of transportation, wages, raw materials or any other expenses. In particular, the prices of raw materials required for fabrication of our products are subject to increase due to a variety of factors beyond our control, including global commodities prices and economic conditions. If this trend continues, we may be unable to reduce our costs or pass our increased costs on to our customers and our results of operations and financial condition may be materially and adversely affected.

51. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could impact our business, our future financial performance and the prices of the Equity Shares.

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

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

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

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

54. *An outbreak of other infectious or virulent diseases, if uncontrolled, may have an adverse effect on our operations.*

An outbreak of other infectious or virulent diseases, such as severe acute respiratory syndrome, the COVID-19 virus, the H1N1 virus, avian influenza (bird flu), the Zika virus or the Ebola virus, if uncontrolled, may have a material adverse effect on the economies of certain countries and our operations. If any of our employees or the employees of our suppliers and/or customers are infected with such diseases or if a significant portion of our

workforce refuses to work for fear of contracting an infectious disease, our Company, our suppliers and/or our customers may be required to shut down operations for a period of time, and this could adversely affect our business, results of operations and financial condition.

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

Our Company is subject to various regulations and policies. For details refer to the chapter titled “*Key Industry Regulations and Policies*” beginning on page 127 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

56. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.*

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other/ adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

57. *Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business.*

India’s sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India’s foreign exchange reserves, which are outside our control. Any adverse revisions to India’s credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

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

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

RISK RELATED TO OUR EQUITY SHARES

59. *Pursuant to listing of the shares, the Company may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (“ASM”) and Graded Surveillance Measures (“GSM”) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors*

SEBI and the Stock Exchanges have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain client accounts as a percentage of combined trading volume, average delivery, securities which witness abnormal price rise not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price / earnings multiple, market capitalization etc.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company

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

The Issue Price of the Equity Shares has been determined by our Company in consultation with the LM, and through the Fixed Issue Process. This price is based on numerous factors, as described under “*Basis for Issue Price*” on page 82 of this Draft Prospectus and may not be indicative of the market price for the 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. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

61. *The trading volume and market price of the Equity Shares may be volatile following the Issue.*

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- Half yearly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts’ recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

62. *Our Equity Shares have not been publicly traded prior to this Issue. After this Issue, our Equity Shares may experience price and volume fluctuations and an active trading market for our Equity Shares may not develop. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.*

Prior to this Issue, there has been no public market for our Equity Shares. An active trading market on the Stock Exchanges may not develop or be sustained after this Issue.

The trading price of our Equity Shares after this Issue may be subject to significant fluctuations in response to factors including general economic, political and social factors, developments in India's fiscal regime, variations in our operating results, volatility in Indian and global securities markets, developments in our business as well as our industry and market perception regarding investments in our business, changes in the estimates of our performance or recommendations by financial analysts, and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. The trading price of our Equity Shares may also decline in reaction to events that affect the entire market and/or other companies in our industry even if these events do not directly affect us and/or are unrelated to our business or operating results.

63. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

64. *Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our 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 requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. Further, in accordance with press note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, 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 or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. 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.

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

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

66. *Investors may have difficulty enforcing foreign judgments against us or our management.*

We are a limited liability company incorporated under the laws of India. All our directors and executive officers are residents of India and a majority of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of CPC on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to nature justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

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

A public company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equities shares to maintain their existing ownership percentages prior to 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 equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offer 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. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

68. *Our Equity Shares have never been publicly traded, and after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Issue Price may not be indicative of the market price of the Equity Shares after the Offer*

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a fixed price process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

69. *There is no guarantee that our Equity Shares will be listed on BSE SME in a timely manner or at all.*

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue.

In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the BSE SME within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

70. *Our ability to pay dividends in the future will depend on our financial condition, results of operations, cash flows, capital requirements, capital expenditures and restrictive covenants of our financing arrangements*

While our declaration of dividends is at the discretion of our Board and subject to Shareholder approval as set out in the chapter titled “**Dividend Policy**” on page 161, the amount of future dividend payments by our Company, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. Our Company may decide to retain all of its earnings to finance the development and expansion of its business and therefore, we may not declare dividends on the Equity Shares. Additionally, we may, in the future, be restricted by the terms of our loan agreements to make any dividend payments unless otherwise agreed with our lenders.

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

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

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

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

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

73. *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.

74. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by us may dilute your shareholding and any sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options, if any, issued by us in future, shareholders may dilute your shareholding in our Company. Further any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our major shareholders may also adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our major shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that our existing Shareholders including our Promoters will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the

SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Issue Price. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

75. *You may be subject to stamp duty and 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 held as investments in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gain exceeding ₹100,000, realized on the sale of listed equity shares on a Stock Exchange, held for more than 12 months immediately preceding the date of transfer, will be subject to long term capital gains in India at the rate of 10% (plus applicable surcharge and cess). This beneficial provision is, inter alia, subject to payment of STT. Further, any gain realized on the sale of listed equity shares in an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits.

Further, any gain realized on the sale of the Equity Shares held for a period of 12 months or less immediately preceding the date of transfer, will be subject to short-term capital gains tax in India at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. 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 a gain upon the sale of the Equity Shares. We cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect our business, financial condition and results of operations. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning the Equity Shares.

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

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Issue Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Issue Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods

77. *QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting an Application.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to pay the Application Amount on submission of the Application and are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting an Application. Therefore, QIBs and Non-Institutional Bidders would not be able to withdraw or lower their Application, notwithstanding adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition, or otherwise, between the dates of the submission of their Application and the Allotment.

While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Issue Closing Date or such other period as may be prescribed by

the SEBI, events affecting the Applicant's decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

SECTION - IV – INTRODUCTION

THE OFFER

The following table the Issue details:

| PARTICULARS | DETAILS OF EQUITY SHARES |
|--|--|
| Issue of Equity Shares by our Company⁽¹⁾ | Upto 20,00,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to maximum ₹ [●] lakhs. |
| <i>Consisting of</i> | |
| Market Maker Reservation Portion | [●] Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs. |
| Net Issue to The Public* | [●] Equity Shares of face value of ₹ [●]/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs. |
| <i>of which</i> | |
| Retail Portion | [●] Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs i.e. 50% of the Net Issue shall be available for allocation to the Retail Individual Investors. |
| Non – Institutional Portion | [●] Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs i.e., 50% of the Net Issue shall be available for allocation for Investors other than the Retail Individual Investors. |
| Pre- and Post-Issue Equity Shares | |
| Equity Shares outstanding prior to the issue | 48,69,936 Equity Shares of face value of ₹ 10.00/- each. |
| Equity Shares outstanding after the issue | [●] Equity Shares of face value of ₹10.00/- each. |
| Use of Issue Proceeds | For details, please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 73 of this Draft Prospectus. |

⁽¹⁾ This Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, 2018, as amended from time to time. For further details, please refer to chapter titled “*Issue Structure*” beginning on page 240 of this Draft Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on September 06, 2023 and approved by the shareholders of our Company vide a special resolution at the Annual General Meeting held on September 11, 2023 pursuant to section 62(1)(c) of the Companies Act.

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

- a) Minimum fifty percent to retail individual investor; and
- b) remaining to:

- (i) individual applicants other than retail individual investors; and
- (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) above may be allocated to applicants in the other category. If the Retail Individual Investor category is entitled to more than allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage. For further details, please refer to chapter titled “*Issue Structure*” beginning on page 240 of this Draft Prospectus.

SUMMARY OF FINANCIAL INFORMATION

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Annexure I - Restated Statement of Assets and Liabilities
(Amounts in INR Lakh, unless otherwise stated)

| Particulars | Annexure 4 Note | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|--------------------|------------------------|------------------------|------------------------|------------------------|
| I. EQUITY AND LIABILITIES | | | | | |
| (1) Shareholders' funds | | | | | |
| (a) Share Capital | 4.01 | 154.24 | 154.24 | 142.01 | 122.01 |
| (b) Reserves and Surplus | 4.02 | 374.60 | 366.57 | 219.72 | 20.84 |
| Total | | 528.84 | 520.81 | 361.73 | 142.85 |
| (2) Non-current liabilities | | | | | |
| (a) Long-term Borrowings | 4.03 | 90.03 | 73.68 | 339.20 | 588.68 |
| (b) Deferred Tax Liabilities | 4.05 | - | - | - | - |
| (c) Long-term Provision | 4.06 | - | - | - | - |
| Total | | 90.03 | 73.68 | 339.20 | 588.68 |
| (3) Current liabilities | | | | | |
| (a) Short-term Borrowings | 4.07 | 374.70 | 379.33 | 418.33 | 394.05 |
| (b) Trade Payables | 4.08 | - | - | - | - |
| - Due to Micro and Small Enterprises | | - | - | - | - |
| - Due to Others | | 242.56 | 247.68 | 177.60 | 233.31 |
| (c) Other Current Liabilities | 4.09 | 19.55 | 22.41 | 114.99 | 11.46 |
| (d) Short-term Provisions | 4.10 | 9.00 | 7.00 | 3.75 | 89.43 |
| Total | | 645.81 | 656.43 | 714.66 | 728.25 |
| Total Equity and Liabilities | | 1,264.68 | 1,250.92 | 1,415.61 | 1,459.78 |
| II. ASSETS | | | | | |
| (1) Non-current assets | | | | | |
| (a) Property, Plant and Equipment and Intangible Assets | | | | | |
| (i) Property, Plant and Equipment | 4.11 | 184.27 | 185.21 | 203.35 | 221.32 |
| (ii) Intangible Assets | 4.12 | 0.02 | 0.02 | 0.02 | 0.02 |
| (iii) Capital Work-in-progress | 4.13 | - | - | - | - |
| (b) Deferred Tax Assets (net) | 4.14 | - | - | - | - |
| (c) Long-term loans & advances | 4.15 | 5.85 | 5.85 | 5.85 | - |
| (d) Other Non-current Assets | 4.16 | 202.73 | 202.73 | 252.73 | 252.73 |
| Total | | 392.87 | 393.81 | 461.96 | 474.07 |
| (2) Current assets | | | | | |
| (a) Inventories | 4.17 | 690.69 | 675.38 | 653.52 | 616.15 |
| (b) Trade Receivables | 4.18 | 136.43 | 140.77 | 262.19 | 336.00 |
| (c) Cash and Cash Equivalents | 4.19 | 37.87 | 34.16 | 33.73 | 26.87 |
| (d) Short-term Loans and Advances | 4.20 | 6.82 | 6.82 | 4.21 | 6.69 |
| (e) Other Current Assets | 4.21 | - | - | - | - |
| Total | | 871.81 | 857.13 | 953.66 | 985.71 |
| Total Assets | | 1,264.68 | 1,250.92 | 1,415.61 | 1,459.78 |

The above Restated Statement of Assets and Liabilities should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - 4 and Statement of Adjustments to Audited Financial Statements appearing in Annexure - 5.

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

For S S R V & Associates

Chartered Accountants

Firm's Registration No. 135901W

sd/-

Vishnu Kant Kabra

Partner

Membership No. 403437

UDIN: 23403437BGWEQJ9808

Place: Mumbai

Date: 23rd October 2023

For and on behalf of the Board of Directors of

MAGENTA LIFECARE LIMITED

sd/-

Divyesh Modi

CEO & MD

DIN: 02016172

sd/-

Khyati Modi

Director

DIN: 06727195

sd/-

Malvik Mehta

CFO (KMP)

sd/-

Anita Kumawat

Company Secretary

Place: Vadodara

Date: 23rd October 2023

Annexure 2 - Restated Statement of Profit and Loss
(Amounts in INR Lakh, unless otherwise stated)

| Particulars | Annexure 4 Note | For the period ended 30 April 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-----------------|------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Revenue from Operations | 4.22 | 65.19 | 906.61 | 924.40 | 964.74 |
| Other Income | 4.23 | 4.14 | 48.68 | 14.07 | 1.40 |
| Total Income | | 69.33 | 955.29 | 938.47 | 966.14 |
| Expenses | | | | | |
| Cost Raw Material Consumed | 4.24 | 41.87 | 601.40 | 658.35 | 715.98 |
| Purchases of Stock in Trade | 4.25 | - | - | - | - |
| Change in Inventories of work in progress, finished goods and Stock in Trade | 4.27 | - | - | - | - |
| Employee Benefit Expenses | 4.28 | 5.31 | 77.23 | 68.95 | 54.80 |
| Finance Costs | 4.29 | 5.64 | 83.95 | 77.49 | 68.43 |
| Depreciation and Amortization Expenses | 4.30 | 1.70 | 20.39 | 20.25 | 19.91 |
| Other Expenses | 4.31 | 4.80 | 140.77 | 90.78 | 89.45 |
| Total expenses | | 59.31 | 923.74 | 915.83 | 948.57 |
| Restated profit/(Loss) before Exceptional and Extraordinary Item and Tax | | 10.02 | 31.55 | 22.64 | 17.57 |
| Exceptional Item | | | | | |
| Restated profit/(Loss) before Extraordinary Item and Tax | | 10.02 | 31.55 | 22.64 | 17.57 |
| Extraordinary Item | | | | | |
| Restated profit/(Loss) before Tax | | 10.02 | 31.55 | 22.64 | 17.57 |
| Tax Expenses | 4.32 | | | | |
| - Current Tax | | 2.00 | 7.00 | 3.75 | 3.25 |
| - Deferred Tax | | - | - | - | (5.12) |
| - Short /(Excess) provision for income tax of earlier year | | - | - | - | - |
| Total Tax Expense | | 2.00 | 7.00 | 3.75 | (1.87) |
| Restated profit/(Loss) after Tax | | 8.02 | 24.55 | 18.89 | 19.44 |
| Restated Earnings Per Share (Face Value per Share Rs.10 each) | | | | | |
| -Basic | 4.33 | 0.52 | 1.59 | 1.33 | 1.59 |
| -Diluted | 4.33 | 0.52 | 1.59 | 1.33 | 1.59 |

The above Restated Statement of Profit and Loss should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - 4 and Statement of Adjustments to Audited Financial Statements appearing in Annexure - 5.

This is the Restated Statement of Profit and Loss referred to in our report of even date.

For S S R V & Associates
Chartered Accountants
Firm's Registration No. 135901W

For and on behalf of the Board of Directors of
MAGENTA LIFECARE LIMITED

sd/-
Vishnu Kant Kabra
Partner
Membership No. 403437
UDIN: 23403437BGWEQJ9808
Place: Mumbai
Date: 23rd October 2023

sd/- sd/- sd/- sd/-
Divyesh Modi Khyati Modi Malvik Mehta Anita Kumawat
CEO & MD Director CFO (KMP) Company Secretary
DIN: 02016172 DIN: 06727195
Place: Vadodara
Date: 23rd October 2023

Annexure 3 - Restated Statement of Cash Flows
(Amounts in INR Lakh, unless otherwise stated)

| Particulars | Annexure 4 Note | For the period ended 30 April 2023 | For the period ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|--------------------|---------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Net Profit after tax | | 8.02 | 24.55 | 18.89 | 14.32 |
| Depreciation and Amortisation Expense | | 1.70 | 20.39 | 20.25 | 19.91 |
| Provision for tax | | 2.00 | 7.00 | 3.75 | 3.25 |
| Loss/(Gain) on Sale / Discard of Assets (Net) | | - | - | - | - |
| Interest Expense (Interest Income) | | - | - | - | - |
| Finance Costs | | 5.64 | 83.95 | 77.49 | 68.43 |
| Operating Profit before working capital changes | | 17.36 | 135.90 | 120.38 | 105.92 |
| Adjustment for: | | | | | |
| Inventories | | (15.31) | (21.86) | (37.37) | 27.86 |
| Trade Receivables | | 4.34 | 121.42 | 73.81 | (135.95) |
| Loans and Advances | | - | (2.61) | (0.12) | 8.46 |
| Other non Current Assets | | - | 50.00 | - | 0.20 |
| Current Liabilities | | (10.62) | (58.24) | (16.84) | 105.72 |
| | | - | - | - | - |
| Cash generated from Operations | | (4.23) | 224.62 | 139.86 | 112.20 |
| Tax paid(Net) | | 2.00 | 7.00 | 3.75 | 3.25 |
| Net Cash from Operating Activities | | (6.23) | 217.62 | 136.11 | 108.95 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | |
| Purchase of Property, Plant and Equipment | | (0.76) | (2.25) | (2.29) | (31.65) |
| Capital Work-in -Progress | | - | - | - | - |
| Purchase of Investment | | - | - | - | - |
| Long term Loans & Advances | | - | - | - | - |
| Interest Income | | - | - | - | - |
| | | - | - | - | - |
| Net Cash (Used in) Investing Activities | | (0.76) | (2.25) | (2.29) | (31.65) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Proceeds & Repayment of Borrowings (net) | | - | - | - | - |
| Finance Cost | | (5.64) | (83.95) | (77.49) | (68.43) |
| Proceeds from issue of Share Capital | | - | 134.53 | 200.00 | - |
| Proceeds from Short Term Borrowings | | - | - | - | - |
| Proceeds/(Repayment) of Long Term Borrowings | | 16.35 | (265.52) | (249.48) | 12.29 |
| Interest and Other Borrowing cost | | - | - | - | - |
| Net Cash (Used in) / Generated from Financing Activities | | 10.72 | (214.94) | (126.97) | (56.14) |
| Net (Decrease) in Cash and Cash Equivalents | | 3.72 | 0.43 | 6.85 | 21.16 |
| Opening Balance of Cash and Cash Equivalents | | 34.16 | 33.73 | 26.88 | 5.73 |
| Closing Balance of Cash and Cash Equivalents | 18 | 37.89 | 34.16 | 33.73 | 26.89 |

The above Restated Statement of Cash Flows should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - 4 and Statement of Adjustments to Audited Financial Statements appearing in Annexure - 5.

This is the Restated Statement of Cash Flows referred to in our report of even date.

For S S R V & Associates
Chartered Accountants
Firm's Registration No. 135901W

For and on behalf of the Board of Directors of
MAGENTA LIFECARE LIMITED

sd/-
Vishnu Kant Kabra
Partner
Membership No. 403437
UDIN: 23403437BGWEQJ9808
Place: Mumbai
Date: 23rd October 2023

sd/-
Divyesh Modi
CEO & MD
DIN: 02016172

sd/-
Khyati Modi
Director
DIN: 06727195

sd/-
Malvik Mehta
CFO (KMP)

sd/-
Anita Kumawat
Company Secretary

Place: Vadodara
Date: 23rd October 2023

GENERAL INFORMATION

Our Company was originally incorporated as “Magenta Lifecare Private Limited” as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated August 04, 2015, issued by the Assistant Registrar of Companies, Gujarat. Subsequently, upon the conversion of our Company into a public limited company, pursuant to a special resolution passed by our shareholders on June 19, 2023, the name of our Company was changed to “Magenta Lifecare Limited” and a fresh certificate of incorporation dated July 05, 2023 was issued by the Registrar of Companies, Ahmedabad.

For further details, please refer to the chapter titled “*History and Certain Corporate Matters*” beginning on page no.137 of this Draft Prospectus.

REGISTERED OFFICE OF OUR COMPANY

MAGENTA LIFECARE LIMITED

N P Patel Estate, A & T Padamla,
Vadodara, Gujarat-391350, India.

Tel No: +917573022234

Email: info@magentalifecare.com

Website: <https://www.magentamattresses.com>

CORPORATE IDENTITY NUMBER AND REGISTRATION NUMBER

Company Registration Number: 084050

Corporate Identity Number: U74120GJ2015PLC084050

ADDRESS OF THE REGISTRAR OF COMPANIES

Our Company is registered with the Registrar of Companies, Ahmedabad located at the following address: ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat.

BOARD OF DIRECTORS OF OUR COMPANY

Our Company’s Board comprises of the following Directors as set forth in the following table: -

| Name | DIN | Designation | Residential Address |
|--------------------------|----------|------------------------------------|--|
| Divyesh Modi | 02016172 | Chairman and Managing Director | B-102, Shantam Greens, Near Dwarkesh Party Plot, Vasna Road, Vadodara Racecourse, Vadodara – 390007, Gujarat, India. |
| Khyati Modi | 06727195 | Non-Executive Director | B-102, Shantam Greens, Near Dwarkesh Party Plot, Vasna Road, Vadodara Racecourse, Vadodara – 390007, Gujarat, India. |
| Vipinchandra Modi | 09824996 | Non-Executive Director | 30 Laxmidas Nagar Part -2, Iscon Temple, Behind Rupal Park Society, Gotri Road, Vadodara – 390021, Gujarat, India. |
| Nandish Jani | 09565657 | Non-Executive Independent Director | 15, Arasuri Society, near Vyasvadi Nava Vadaj, Ahmedabad-380013, Gujarat. |
| Chinu Kalal | 09568622 | Non-Executive Independent Director | Swagat Vatika Road, Banjariya, Kherwara, Udaipur-313803, Rajasthan. |

For detailed profile of our Board of Directors, please refer to the chapter titled “*Our Management*” beginning on page 140 [D:\MB\1. Clients\Sunrise Efficient\Making of Draft Prospectus\Draft Prospectus Kesar.docx - bookmark16](#) of this Draft Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Anita Kumawat

N P Patel Estate, A & T Padamla,
Vadodara, Gujarat-391350, India.

Tel No: +917573022234

Email: info@magentalifecare.com

Website: <https://www.magentamattresses.com>

CHIEF FINANCIAL OFFICER

Malvik Mehta

N P Patel Estate, A & T Padamla,
Vadodara, Gujarat-391350, India.

Tel No: +917573022234

Email: info@magentalifecare.com

Website: <https://www.magentamattresses.com>

Note: Investors can contact our Company Secretary and Compliance Officer, the Lead Manager or the Registrar to the Issue, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode etc.

INVESTOR GRIEVANCES

All Issue related grievances relating to the ASBA process and UPI payment mechanism may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form Number, Applicant DP ID, Client ID, UPI ID, PAN, date of the ASBA Form, address of the applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant and ASBA Account number (for Applicants other than Retail Investors using the UPI Mechanism) in which the amount equivalent to the Application Amount was blocked or the UPI ID in case of Retail Investor using the UPI Mechanism.

Further, the investors shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned above. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicants whose application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and EBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 SCSBs are required to compensate the investor immediately on the receipt of complaint.

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY:

| LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE |
|--|---|
| FEDEX SECURITIES PRIVATE LIMITED B 7, 3 rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India Tel No: +91 8104985249 Email Id: mb@fedsec.in Website: www.fedsec.in Contact Person: Saipan Sanghvi Investor Grievance Email: mb@fedsec.in SEBI Registration Number: INM000010163 | CAMEO CORPORATE SERVICES LIMITED No. 1, Club house Road, Mount Road, Chennai – 600002, India. Tel No: 044 4002 0700 / 2846 0390 E-mail Id: ipo@cameoindia.com Website: www.cameoindia.com Contact Person: K. Sreepriya Online Investor Portal: https://wisdom.cameoindia.com/ SEBI Registration No: INR000003753 |
| LEGAL ADVISOR TO THE ISSUE | BANKERS TO THE ISSUE / REFUND BANK /SPONSOR BANK* |
| J MUKHERJEE & ASSOCIATES D-1, MMS Chambers, 1 st Floor, 4A Council House Street, Kolkata-700001, West Bengal, India. Tel No: +91 98306 40366 E-mail Id: jmukherjeeandassociates@gmail.com Contact Person: Mr. Jayabrata Mukherjee | [•] |
| BANKERS TO THE COMPANY | PEER REVIEW AUDITOR |

| | |
|---|---|
| Punjab National Bank 1 st Floor, Swastik Complex, Atmajyoti Ashram Road Telephone: A Fax number: A E-mail: bo3408@pnb.co.in Contact person: Shatrughan Kumar Website: www.pnbindia.co | S S R V & Associates 215, Gundecha Industrial Estate, Akruli Road, Near Growels Mall, Kandivali E, Mumbai-101 Tel No: 022-67337013/14/24/25/27/08 022-28844639 E-mail Id: ssrvandassociates@ssrv.in Contact Person: Vishnu Kant Kabra Membership No: 403437 Firm Registration No. 135901W Peer Review Certificate No.: 014729 |
| STATUTORY AUDITOR | CHARTERED ENGINEER |
| Vijay N Tewar & Co, Chartered Accountant 315-16 Panorama Complex Opp Welcome Hotel, Alkapuri, Vadodara -390007 Tel No: +91 0265 2337702/ 2334292 E-mail Id: vijaytewar@yahoo.com Website: www.vijaytewar.com Contact Person: CA Vijay Tewar Membership No: 040676 Firm Registration No. 111422W Peer Review Certificate No.: 008866* | Ramesh V Vaghela A-60, Mathuranagari, B/h Aims Oxygen, O.P Road, Vadodara - 390020 Tel No: +91 9974085282 Email ID: rvvaghela@yahoo.com Membership No.: M-127211-4 |

**Peer Review certificate was expired on March 16, 2019. The renewal application is made and is pending for approval*

SYNDICATE MEMBER

As on the date of this Draft Prospectus, there are no syndicate members.

DESIGNATED INTERMEDIARIES

SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the ASBA Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, and at such other websites as may be prescribed by SEBI from time to time.

Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

In accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders may apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI. The list of SCSBs through which Bids can be submitted by UPI Bidders, including details such as the eligible mobile applications and UPI handle which can be used for such Bids, is available on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time

INVESTORS BANKS OR ISSUER BANK FOR UPI

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Applicants Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> respectively, as updated from time to time.

Syndicate SCSB Branches

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

REGISTERED BROKERS

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

REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS (“RTA”)

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

COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Fedex Securities Private Limited being sole Lead Manager to this Issue, all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them. Hence, a statement of inter-se allocation of responsibilities is not required.

IPO GRADING

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is no requirement of appointing an IPO Grading agency.

CREDIT RATING

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

DEBENTURE TRUSTEES

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

GREEN SHOE OPTION

No Green Shoe Option is applicable for this Issue.

BROKERS TO THE ISSUE

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

MONITORING AGENCY

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below 10,000 Lakh. Our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

APPRAISING ENTITY

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

EXPERT OPINION

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated October 23, 2023 from the Peer Reviewed Auditor, namely, S S R V & Associates, Chartered Accountant to include their name as required under section 26 of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Prospectus/Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Peer Reviewed Auditor and such consent has not been withdrawn as on the date of this Draft Prospectus/Prospectus. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consent dated October 28, 2023 from the Statutory Auditor, namely, Vijay N Tewar & Co., Chartered Accountant to include their name as required under section 26 of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Prospectus/Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor and such consent has not been withdrawn as on the date of this Draft Prospectus/Prospectus. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Additionally, our Company has also received a letter dated October 20, 2023 from Ramesh V Vaghela, Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

FILING THE DRAFT PROSPECTUS / PROSPECTUS

The Draft Prospectus and Prospectus shall be filed with the SME Platform of BSE (“BSE SME”). However, pursuant to sub regulation (5) of regulation 246, the soft copy of the Prospectus shall be furnished to the SEBI, pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. However, SEBI shall not issue any observation on the Draft Prospectus and the Prospectus in terms of Regulation 246(2) of SEBI ICDR Regulations.

A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 shall be filed to the Registrar of Companies, Ahmedabad situated at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat.

UNDERWRITERS**

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being issued through this Issue.

| Name, Address, Telephone, Facsimile, and Email of the Underwriters | Indicated number of Equity Shares to be Underwritten | Amount Underwritten (₹ in lakhs) | % of the total Issue size Underwritten |
|--|--|----------------------------------|--|
| [●] | [●] | [●] | [●] |
| TOTAL | [●] | [●] | [●] |

*Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

**The Underwriting Agreement has not been executed as on the date of this Draft Prospectus and will be executed after determination of the Issue Price, but prior to the filing of the Prospectus with the RoC. This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.

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

CHANGE IN THE STATUTORY AUDITOR DURING LAST 3 YEARS

Except as stated below, there has been no Change in the Auditors of our Company during the last three years:

| Name of Auditors | Appointment/ Resignation | Date of Appointment/ | Reason |
|------------------|--------------------------|----------------------|--------|
|------------------|--------------------------|----------------------|--------|

| | | Resignation | |
|--|-------------|---------------|---|
| N C Vaishnav & Co Address: 2, Maruti Flats, 31, Haribhakti Colony, Race Course Circle, Vadodara – 390007 Tel No.: +91 (265) 2357339 Email ID: ncvbrd@gmail.com Contact Person: Jayesh Mehta Membership No.: 037267 FRN No.: 112712W | Resignation | May 15, 2021 | Pre-Occupation with other Professional Work |
| MJM Patel & Co. Address: 112, Spentha Complex, Opp. Vanijya Bhavan, Race Course, Vadodara, Gujarat-390007 Tel No.: +91 (265) 2313636/2336266 Email ID: mjmpatelca_baroda@yahoo.co.in Contact Person. U. Patel Membership No.: 045486 FRN No.: 112246W | Appointment | July 05, 2021 | Appointment as the statutory auditor from April 01, 2021 to March 31, 2026. |
| MJM Patel & Co. Address: 112, Spentha Complex, Opp. Vanijya Bhavan, Race Course, Vadodara, Gujarat-390007 Tel No.: +91 (265) 2313636/2336266 Email ID: mjmpatelca_baroda@yahoo.co.in Contact Person. U. Patel Membership No.: 045486 FRN No.: 112246W | Resignation | June 11, 2023 | Auditor express their unwillingness to be re-appointed as statutory auditor of your company for the F.Y. 2022-23. |
| Vijay N. Tewar & Co. Address: 315-16, Panorama Complex, Opp Hotel Welcome, R C Dutt Road, Alkapuri, Vadodara, Gujarat-390007 Tel No.: +91 (265) 2337702/2334295 Email ID: vijaytewar@yahoo.com Contact Person: CA Vijay Tewar Membership No.: 040676 FRN No.: 111422W | Appointment | July 04, 2023 | Appointment as the statutory auditor for Financial Year 2022-23 |

WITHDRAWAL OF THE ISSUE

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

Our Company in consultation with the Lead Manager, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. Further, the Stock Exchange shall be informed promptly in this regard by our Company, and the LM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank (in case of UPI Applicant using the UPI mechanism), as applicable, to unblock the bank accounts of the ASBA Applicant within one Working Day from the date of receipt of such notification and inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. In the event of withdrawal of the Issue and subsequently, plans of a fresh Issue by our Company, a fresh Draft Prospectus will be submitted again to SEBI and the Stock Exchanges.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is registered with the ROC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue, our Company shall file a fresh Draft Prospectus.

TYPE OF ISSUE

The present issue is considered to be 100% Fixed Price Issue.

MIGRATION TO MAIN BOARD

Our Company may migrate to the Main board of Stock Exchanges from BSE SME on a later date subject to the following:

If the Paid-up Capital of our Company is likely to increase above ₹ 2,500.00 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained In-Principal approval from the Main Board), our Company shall apply to Stock Exchanges for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the Paid-up Capital of our Company is more than ₹ 1,000.00 lakhs but below ₹ 2,500.00 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligibility criteria for listing laid by the Main Board and if the same has been approved by a special resolution wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal or as per applicable provisions.

DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE*

Our Company and the Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker to fulfill the obligations of Market Making for this Issue:

| | |
|---------------------------------------|-----|
| Name | [●] |
| Address | [●] |
| Tel no | [●] |
| Fax no | [●] |
| Email id | [●] |
| Website | [●] |
| Investor Grievance Id | [●] |
| Contact person | [●] |
| Sei Registration no | [●] |
| Market Making Registration No. | [●] |

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with [●] to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares issued in this Issued.

[●] registered with [●] will act as the market maker and have agreed to receive or deliver the specified securities in the market making process for a period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

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

**The Market Maker Agreement has not been executed as on the date of this Draft Prospectus and will be executed after determination of the Issue Price, but prior to the filing of the Prospectus with the RoC. This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.*

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

1. The Market Maker(s) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of BSE SME and SEBI from time to time

3. The minimum depth of the quote shall be ₹ 1.00 Lakh. However, the investors with holdings of value less than 1.00 Lakh shall be allowed to offer their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●]/- per share the minimum bid lot size is [●] Equity Shares thus minimum depth of the quote shall be ₹ [●] until the same, would be revised by [●].
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
5. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size and as follows:

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

1. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
2. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
3. There would not be more than five Market Makers for a script at any point of time. These would be selected on the basis of objective criteria to be evolved by the Exchange which would include capital adequacy, net worth, infrastructure, minimum volume of business etc. The Market Makers may compete with other Market Maker for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.
4. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
5. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
6. The shares of our Company will be traded in continuous trading session from the time and day our company gets listed on SME Platform of BSE and the Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problem. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
8. Once registered as a Market Maker, he has to act in that capacity for a period as mutually decided between the Lead Manager and Market Maker. Once registered as a Market Maker, he has to start providing quotes from the day of the listing/the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the Stock Exchange.
9. The Market Maker shall have the right to terminate said arrangement by giving a three-month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

10. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Maker does not exceed five (5) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
11. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see “**General Information**” on page 53 of this Draft Prospectus.
12. **Punitive Action in case of default by Market Makers:** [●] will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
- The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
13. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
14. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME.

| Sr No. | Market Price slab (in ₹) | Proposed spread (in % to sale price) |
|--------|--------------------------|--------------------------------------|
| 1. | Up to 50 | 9 |
| 2. | 50 to 75 | 8 |
| 3. | 75 to 100 | 6 |
| 4. | Above 100 | 5 |

15. The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/ BSE from time to time.

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

CAPITAL STRUCTURE

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

(Amount ₹ in lakhs except share data)

| Sr. No. | Particulars | Aggregate Nominal Value | Aggregate value at Issue Price |
|-----------|---|-------------------------|--------------------------------|
| A. | AUTHORISED EQUITY SHARE CAPITAL | | |
| | 70,00,000 Equity Shares of face value of ₹10.00/- each | 700.00 | - |
| B. | ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE | | |
| | 48,69,936 Equity Shares of face value of ₹10.00/- each | 486.99 | - |
| C. | PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS * | | |
| | Upto 20,00,000 Equity Shares of ₹10.00/- each for cash at price of ₹ [●]/- per share | [●] | [●] |
| | Which comprises: | | |
| | Market Maker Reservation portion: Reservation for Market Maker [●] Equity Shares of ₹ 10.00/- each for cash at price of ₹ [●]/- will be available for allocation to Market Maker | [●] | [●] |
| | Net Issue to the Public: Net Issue to the Public [●] Equity Shares of ₹10.00/- each for cash at price of ₹ [●]/- per share | [●] | [●] |
| | Of which: *** | | |
| | Allocation to Retail Individual Investor: [●] Equity Shares of face value of ₹ 10.00/- each fully paid up for a cash price of ₹ [●]/- per Equity Share i.e., 50% of the Net Issue shall be available for allocation Retail Individual Investors | [●] | [●] |
| | Allocation to Other than Retail Individual Investors: [●] Equity Shares of face value of ₹ 10.00/- each fully paid up for a cash price of ₹ [●]/- per Equity Share i.e., 50% of the Net Issue shall be available for allocation to other than Retail Individual Investors | [●] | [●] |
| D. | ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE | | |
| | [●] Equity Shares of face value of ₹ 10.00 each | | [●] |
| E. | SECURITIES PREMIUM ACCOUNT | | |
| | Before the Issue (as on date of this Draft Prospectus) ** | | 58.55 |
| | After the Issue** | | [●] |

**The present Issue has been authorized pursuant to a resolution of our Board of Directors dated September 06, 2023 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting of the members held on September 11, 2023.*

***As certified by the statutory auditor M/s. S S R V & Associates., Chartered Accountants vide its certificate dated October 31, 2023.*

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

Class of Shares

Our Company has only one class of share capital i.e., Equity Shares of ₹ 10.00/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of this Draft Prospectus.

Changes in authorized share capital of our Company:

Details of changes in authorized share capital of the Company since incorporation:

For details of the changes to the authorized share capital of our Company in the past 10 years, see “*History and Certain Corporate Matters - Amendments to the Memorandum of Association of our Company*” on page 137 of this Draft Prospectus

NOTES TO THE CAPITAL STRUCTURE

1. History of Issued and Paid-Up Share Capital of our Company

The history of the Equity Share Capital of our Company is detailed in the following table:

| Date of Allotment/ Issue | Number of Equity Shares allotted | Face value (₹) | Issue Price (₹) | Nature of Consideration | Nature of allotment | Cumulative no. of Equity Shares | Cumulative Paid-Up Equity Shares Capital (₹) |
|--------------------------|----------------------------------|----------------|-----------------|-------------------------|------------------------------------|---------------------------------|--|
| August 04, 2015 | 1,00,000 | 10 | 10 | Cash | Subscription to MOA ⁽ⁱ⁾ | 1,00,000 | 10,00,000 |
| August 05, 2016 | 11,20,100 | 10 | 10 | Cash | Right Issue ⁽ⁱⁱ⁾ | 12,20,100 | 1,22,01,000 |
| December 13, 2021 | 2,00,000 | 10 | 100 | Cash | Right Issue ⁽ⁱⁱⁱ⁾ | 14,20,100 | 1,42,01,000 |
| March 14, 2023 | 1,22,303 | 10 | 110 | Cash | Right Issue ^(iv) | 15,42,403 | 1,54,24,030 |
| May 23, 2023 | 80,909 | 10 | 110 | Cash | Right Issue ^(v) | 16,23,312 | 1,62,33,120 |
| June 20, 2023 | 32,46,624 | 10 | Nil | Other than Cash | Bonus Issue ^(vi) | 48,69,936 | 4,86,99,360 |

- i. Initial Subscribers to the MOA subscribed to 1,00,000 Equity Shares of face value of ₹ 10.00/- each as per the details given below:

| Sr. No. | Name | No. of Equity Shares |
|--------------|---------------------------|----------------------|
| 1. | Divyesh Vipinchandra Modi | 50,000 |
| 2. | Khyati Divyesh Modi | 35,000 |
| 3. | Dhruval Pankaj Kumar Vyas | 10,000 |
| 4. | Priyang Haribhai Patel | 5,000 |
| Total | | 1,00,000 |

- ii. Right Issue of shares as on August 05, 2016 of 11,20,100 Equity Shares of face value of Rs 10/- each fully paid-up share, the details are given below

| Sr. No. | Name | No. of Equity Shares |
|--------------|---------------|----------------------|
| 1. | Divyesh Modi | 5,70,000 |
| 2. | Khyati Modi | 4,20,000 |
| 3. | Dhruval Vyas | 80,000 |
| 4. | Priyang Patel | 50,000 |
| 5. | Jimit Gandhi | 100 |
| Total | | 11,20,100 |

For details, please refer to chapter titled “*Risk Factor- There have been certain instances of regulatory delayed-compliances or delays or errors in the past. We may be subject to regulatory actions and penalties for any such past or future non-compliance or delays or errors and our business, financial condition and reputation may be adversely affected*”

- iii. Right Issue of shares as on December 13, 2021 of 2,00,000 Equity Shares of face value of Rs 10/- each fully paid-up share, the details are given below

| Sr. No. | Name | No. of Equity Shares |
|---------|--------------|----------------------|
| 1. | Divyesh Modi | 1,00,000 |

| Sr. No. | Name | No. of Equity Shares |
|--------------|-------------|----------------------|
| 2. | Khyati Modi | 1,00,000 |
| Total | | 2,00,000 |

For details, please refer to chapter titled “*Risk Factor- There have been certain instances of regulatory delayed-compliances or delays or errors in the past. We may be subject to regulatory actions and penalties for any such past or future non-compliance or delays or errors and our business, financial condition and reputation may be adversely affected*”

- iv. **Right Issue of shares as on March 14, 2023 of 1,22,303 Equity Shares of face value of Rs 10/- each fully paid-up share, the details are given below:**

| Sr. No. | Name | No. of Equity Shares |
|--------------|--------------------|----------------------|
| 1. | Priyang Patel | 8,669 |
| 2. | Jimit Gandhi | 36,363 |
| 3. | Jagdish Patel | 18,181 |
| 4. | 7NR Retail Limited | 59,090 |
| Total | | 1,22,303 |

For details, please refer to chapter titled “*Risk Factor- There have been certain instances of regulatory delayed-compliances or delays or errors in the past. We may be subject to regulatory actions and penalties for any such past or future non-compliance or delays or errors and our business, financial condition and reputation may be adversely affected*”

- v. **Right Issue of shares as on May 23,2023 of 80,909Equity Shares of face value of Rs 10/- each fully paid-up share, the details are given below:**

| Sr. No. | Name | No. of Equity Shares |
|--------------|--------------------|----------------------|
| 1. | 7NR Retail Limited | 80,909 |
| Total | | 80,909 |

For details, please refer to chapter titled “*Risk Factor- There have been certain instances of regulatory delayed-compliances or delays or errors in the past. We may be subject to regulatory actions and penalties for any such past or future non-compliance or delays or errors and our business, financial condition and reputation may be adversely affected*”

- vi. **Bonus Issue of shares as on June 20, 2023 of 32,46,624Equity Shares of face value of Rs 10/- each fully paid-up share, the details are given below:**

| Sr. No. | Name | No. of Equity Shares |
|--------------|--------------------|----------------------|
| 1. | Divyesh Modi | 14,39,200 |
| 2. | Khyati Modi | 11,10,000 |
| 3. | 7NR Retail Limited | 2,79,998 |
| 4. | Vipinchandra Modi | 1,80,000 |
| 5. | Priyang Patel | 1,27,338 |
| 6. | Jimit Gandhi | 72,926 |
| 7. | Jagdish Patel | 36,562 |
| 8. | Riyaz Shaikh | 200 |
| 9. | Urvi Vyas | 200 |
| 10. | Nilesh Verma | 200 |
| Total | | 32,46,624 |

2. Issue of Equity Shares for Consideration other than Cash or out of revaluation reserves

- Our Company has not issued any equity shares out of revaluation of reserves since its incorporation.
- Except as disclosed below, we have not issued any Equity Shares for consideration other than cash, at any point of time since Incorporation:

| Date of Issue/ Allotment | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Nature of Allotment | Name of Allottees | Benefits Accrued |
|-----------------------------|-------------------------------|----------------------|-----------------------|------------------------|----------------------|-------------------------------|
| June 20, 2023 | 32,46,624 | 10 | Nil | Bonus Issue | <i>Note 1</i> | Capitalization of Reserves |

Note 1: Allotment of 14,39,200 equity shares to Divyesh Modi, 11,10,000 equity shares to Khyati Modi, 2,79,998 equity shares to 7nr Retail Limited, 1,80,000 equity shares to Vipinchandra Modi, 1,27,338 equity shares to Priyang Patel, 72,926 equity shares to Jimit Gandhi, 36,562 equity shares to Jagdish Gandhi, 200 equity shares to Riyaz Shaikh, 200 equity shares to Urvi Vyas and 200 equity shares to Nilesh Verma.

3. Issue of specified securities at a price lower than the Issue Price in the last one year

Except as mentioned below our Company has not issued any Equity Shares at a price which is lower than the Issue Price during a period of one year preceding the date of this Draft Prospectus.

| Date of Allotment | No. of Equity Shares | Face Value (₹) | Issue Price (₹) | Reason of Allotment | Allottees |
|-------------------|-------------------------|-------------------|--------------------|------------------------|---------------|
| June 20, 2023 | 32,46,624 | 10 | Nil | Bonus Issue | <i>Note 1</i> |

Note 1: Allotment of 14,39,200 equity shares to Divyesh Modi, 11,10,000 equity shares to Khyati Modi, 2,79,998 equity shares to 7nr Retail Limited, 1,80,000 equity shares to Vipinchandra Modi, 1,27,338 equity shares to Priyang Patel, 72,926 equity shares to Jimit Gandhi, 36,562 equity shares to Jagdish Gandhi, 200 equity shares to Riyaz Shaikh, 200 equity shares to Urvi Vyas and 200 equity shares to Nilesh Verma.

4. Issue of equity shares pursuant to schemes of arrangement

Our Company has not issued or allotted any equity shares pursuant to schemes of arrangement approved under Sections 391 -394 of the erstwhile Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013. We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.

- Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees as on the date of this Draft Prospectus.
- As on the date of this Draft Prospectus, our Company does not have any Preference Share Capital.

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Shareholding Pattern of our Company and the Equity shares held by them is as follows:

The table below represents the current Shareholding pattern of our Company as on the date of this Draft Prospectus:

| Category (I) | Category of Shareholder (II) | No. of Shareholders (III) | No of fully paid-up equity shares held (IV) | No of partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total No of Shares held (VII = IV + V + VI) | Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957 (As a % of (A + B + C2) (VIII)) | Number of Voting Rights held in each Class of securities (IX) | | No of underlying outstanding convertible securities (incl. Warrants) (X) | Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI) =VII +X) | Number of Locked in shares (XII) | | No. of shares Pledged or Otherwise Encumbered (XIII) | | No. of Equity shares held in Demat Form (XIV)** | |
|--------------|--------------------------------|---------------------------|---|---|---|---|--|---|-----------------------|--|---|----------------------------------|---------------------------------|--|---------------------------------|---|-------------------|
| | | | | | | | | No of voting Right | Total as % of (A+B+C) | | | No (a) | As a % of total shares held (b) | No (a) | As a % of total shares held (b) | | |
| A | Promoters and Promoter Group* | 3 | 40,93,800 | - | - | 40,93,800 | 84.06% | 40,93,800 | 84.06% | - | - | - | - | - | - | - | 40,93,800- |
| B | Public | 7 | 7,76,136** | - | - | 7,76,036 | 15.94% | 7,76,036 | 15.94% | - | - | - | - | - | - | - | 54,843 |
| C | Non-Promoter Non-Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| C1 | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| C2 | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total (A+B+C) | 10 | 48,69,936 | - | - | 48,69,936 | 100.00% | 48,69,936 | 100.00% | - | - | - | - | - | - | - | 41,48,643- |

*As on the date of this Draft Prospectus 1 Equity Share holds 1 vote

**As on date of this Draft Prospectus the equity shares of our Company held by the certain members of the public are in process for dematerialization of their Equity Shares.

Note:

- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Shares on the Stock Exchange.
- Our Company will file shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of BSE SME before commencement of trading of such equity shares.
- In terms of SEBI circular bearing no. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/CIR/ISD/05/2011 dated September 30, 2011 our Company shall ensure that the Equity Shares held by the Promoters / members of the Promoter Group shall be dematerialized prior to filing the Prospectus with the ROC.

7. The share holding pattern of our Promoters, Promoter Group & Public before and after the Issue is set forth below:

| Particulars | Pre-Issue | | Post-Issue* | |
|---------------------------|------------------|------------------------|------------------|------------------------|
| | Number of Shares | Percentage (%) holding | Number of Shares | Percentage (%) holding |
| Promoters (A) | | | | |
| Divyesh Modi | 21,58,800 | 44.93% | 21,58,800 | [●] |
| Khyati Modi | 16,65,000 | 34.19% | 16,65,000 | [●] |
| Total (A) | 38,23,800 | 78.52% | 38,23,900 | [●] |
| Promoter Group (B) | | | | |
| Vipinchandra Modi | 2,70,000 | 5.54% | 2,70,000 | [●] |
| Total (B) | 2,70,000 | 5.54% | 2,70,000 | [●] |
| Public (C) | | | | |
| Priyang Patel | 1,91,007 | 3.92% | 1,91,007 | [●] |
| Jimit Gandhi | 1,09,389 | 2.24% | 1,09,389 | [●] |
| Jagdish Patel | 54,843 | 1.13% | 54,843 | [●] |
| Riyaz shaikh | 300 | 0.01% | 300 | [●] |
| Urvi Vyas | 300 | 0.01% | 300 | [●] |
| Nilesh Pravinkmar Verma | 300 | 0.01% | 300 | [●] |
| 7NR Retail Limited | 4,19,997 | 8.62% | 4,19,997 | [●] |
| Total (C) | 7,76,036 | 15.94% | 7,76,036 | [●] |
| Total (A+B+C) | 48,69,936 | 100.00% | 48,69,936 | [●] |

*Subject to Basis of Allotment

8. Details regarding major shareholders:

(a) List of shareholders holding 1% or more of the paid-up capital of our Company as on date of this Draft Prospectus:

| Particulars | Number of Shares | Percentage (%) holding |
|--------------------|------------------|------------------------|
| Divyesh Modi | 21,58,800 | 44.33% |
| Khyati Modi | 16,65,000 | 34.19% |
| 7NR Retail Limited | 4,19,997 | 8.62% |
| Vipinchandra Modi | 2,70,000 | 5.54% |
| Priyang Patel | 1,91,007 | 3.92% |
| Jimit Gandhi | 1,09,389 | 2.25% |
| Jagdish Patel | 54,843 | 1.13% |
| Total | 48,69,036 | 99.98% |

(b) List of shareholders holding 1% or more of the paid-up capital of our Company two (2) years prior to the date of this Draft Prospectus:

| Particulars | Number of Shares | Percentage (%) holding |
|----------------|------------------|------------------------|
| Divyesh Modi | 6,19,600 | 50.78% |
| Khyati Modi | 4,55,000 | 37.29% |
| Dhruval Vyas | 90,000 | 7.38% |
| Priyang Patel; | 55,000 | 4.51% |

| | | |
|--------------|------------------|---------------|
| Total | 12,19,600 | 99.96% |
|--------------|------------------|---------------|

(c) List of shareholders holding 1% or more of the paid-up capital of, our Company one (1) year prior to the date of this Draft Prospectus:

| Particulars | Number of Shares | Percentage (%) holding |
|----------------|------------------|------------------------|
| Divyesh Modi | 7,19,600 | 50.78% |
| Khyati Modi | 5,55,000 | 37.29% |
| Dhruval Vyas | 90,000 | 7.38% |
| Priyang Patel; | 55,000 | 4.51% |
| Total | 14,19,600 | 99.96% |

(d) List of shareholders holding 1% or more of the paid-up capital of our Company ten (10) days prior to the date of this Draft Prospectus:

| Particulars | Number of Shares | Percentage (%) holding |
|--------------------|------------------|------------------------|
| Divyesh Modi | 21,58,800 | 44.33% |
| Khyati Modi | 16,65,000 | 34.19% |
| 7NR Retail Limited | 4,19,997 | 8.62% |
| Vipinchandra Modi | 2,70,000 | 5.54% |
| Priyang Patel | 1,91,007 | 3.92% |
| Jimit Gandhi | 1,09,389 | 2.25% |
| Jagdish Patel | 54,843 | 1.13% |
| Total | 48,69,036 | 99.98% |

9. Our Company has not issued any convertible instruments like warrants, debentures etc. since its incorporation and there are no outstanding convertible instruments as on date of this Draft Prospectus.

10. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed. Our Company does not have any intention or proposal to alter its capital structure within a period of 6 (six) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis.

11. Details of our Promoters' Shareholding

As on the date of this Draft Prospectus, our Promoters Divyesh Modi and Khyati Modi holds 78.52% Equity Shares, constituting of the pre-issued, subscribed and paid-up Equity Share capital of our Company.

Build-up of our Promoters' shareholding in our Company

| Date of Allotment/ Acquisition/ Sale | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Nature of Consideration (Cash/ Other than Cash) | Nature of Allotment | % of pre issue equity share capital | % of post issue equity share capital* |
|---------------------------------------|-------------------------|----------------|-----------------|---|---------------------------|-------------------------------------|---------------------------------------|
| Name of Promoter: Divyesh Modi | | | | | | | |
| August 04, 2015 | 50,000 | 10 | 10 | Cash | Subscription to MOA | 1.03% | [●] |
| August 05, 2016 | 5,70,000 | 10 | 10 | Cash | Right Allotment | 11.70% | [●] |
| March 10, 2017 | (100) | 10 | 10 | Cash | Transfer to Jagdish Patel | Negligible | [●] |
| May 10, 2017 | (100) | 10 | 10 | Cash | Transfer to Riyaz Shaikh | Negligible | [●] |

| Date of Allotment/ Acquisition/ Sale | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Nature of Consideration (Cash/ Other than Cash) | Nature of Allotment | % of pre issue equity share capital | % of post issue equity share capital* |
|--------------------------------------|-------------------------|----------------|-----------------|---|--------------------------|-------------------------------------|---------------------------------------|
| May 10, 2017 | (100) | 10 | 10 | Cash | Transfer to Urvi Vyas | Negligible | [●] |
| May 10, 2017 | (100) | 10 | 10 | Cash | Transfer to Nilesh Verma | Negligible | [●] |
| December 13, 2021 | 1,00,000 | 10 | 100 | Cash | Preferential Allotment | 2.05% | [●] |
| June 20, 2023 | 1439200 | 10 | NIL | Other than cash | Bonus | 29.55% | [●] |
| Total | 21,58,800 | -- | -- | -- | -- | 44.33% | [●] |
| Name of Promoter: Khyati Modi | | | | | | | |
| August 04, 2015 | 35,000 | 10 | 10 | Cash | Subscription to MOA | 0.72% | [●] |
| August 05, 2016 | 4,20,000 | 10 | 10 | Cash | Right Allotment | 8.62% | [●] |
| December 13, 2021 | 1,00,000 | 10 | 100 | Cash | Preferential Allotment | 2.05% | [●] |
| June 20, 2023 | 1110000 | 10 | NIL | Other than cash | Bonus | 22.79% | [●] |
| Total | 16,65,000 | -- | -- | -- | -- | 34.19% | [●] |

*Subject to finalization of Basis of Allotment

12. All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment itself. Further, none of the Equity Shares held by our Promoters are subject to any pledge.

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

| Name of the Promoters | No. of Equity Shares held | Average cost of Acquisition (in ₹) * |
|-----------------------|---------------------------|--------------------------------------|
| Divyesh Modi | 21,58,800 | 7.50 |
| Khyati Modi | 16,65,000 | 8.74 |

* As certified by M/s. S S R V & Associates, Chartered Accountants through their report dated October 31, 2023.

14. As on date of filing Draft Prospectus, we have 10 (Ten) shareholders.

15. Acquisition and sale/transfer of Equity Shares by our Promoter Group and director of the Company and their relative in last six (6) months

Except as mentioned below, there has been no acquisition, sale or transfer of Equity Shares by our Promoter Group and/or director of the Company and their relative during last 6 months preceding the date of filing of this Draft Prospectus.

| Date of transaction | Name of Shareholder | No. of Equity Shares | % of Pre-issue Capital | Subscribed/ Acquire/ Transfer | Category of Allottees (Promoters/ Promoters Group) |
|---------------------|---------------------|----------------------|------------------------|-------------------------------|--|
| June 20, 2023 | Divyesh Modi | 14,39,200 | 29.55% | Bonus Issue | Promoter |
| June 20, 2023 | Khyati Modi | 11,10,000 | 22.79% | Bonus Issue | Promoter |
| June 20, 2023 | Vipinchandra Modi | 1,80,000 | 3.70% | Bonus Issue | Promoter Group |

16. No financing arrangements have been entered by the members of the Promoter Group, the Directors or their relatives for the purchase by any other person of the securities of our Company other than in the normal course of business of the financing entity during a period of six months preceding the date of filing of this Draft Prospectus.

17. Details of Promoters' Contribution and Lock-in for Three Years

Pursuant to the Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of Allotment in this Issue. As on date of this Draft Prospectus, our Promoters holds 38,23,900 Equity Shares constituting 78.52% of the pre issue, subscribed and paid-up Equity Share Capital of our Company, which are eligible for Promoters' Contribution.

Our Promoters have granted consent to include such number of Equity Shares held by him as may constitute of the post issue Equity Share capital of our Company as Promoters' Contribution and has agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above. Details of the Equity Shares forming part of Promoters' Contribution and his lock-in details are as follows:

| Date of Allotment/ transfer/ made fully paid up | Nature of acquisition | Number of Equity Shares | Face Value per Equity Share (₹) | Issue price per Equity Share (₹) | % Of Pre-Issue Equity Share Capital | % Of Post-Issue Equity Share Capital | Lock-in Period |
|---|-----------------------|-------------------------|---------------------------------|----------------------------------|-------------------------------------|--------------------------------------|----------------|
| Divyesh Modi | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| | | | | | | | |
| Khyati Modi | [●] | [●] | [●] | [●] | [●] | [●] | [●] |

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters Contribution under Regulation 237 of the SEBI (ICDR) Regulations, 2018. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- (i) The Equity Shares acquired during the three years preceding the date of this Draft Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets, or bonus shares issued out of revaluations reserves or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoter's Contribution;
- (ii) The Equity Shares acquired during the year preceding the date of this Draft Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue is not part of the minimum promoter's contribution;
- (iii) The Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.
- (iv) Specific written consent has been obtained from the Promoters for inclusion of [●] Equity Shares for ensuring lock-in of three years to the extent of minimum [●] % of post issue Paid-up Equity Share Capital from the date of allotment in the public Issue.
- (v) The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoter under the SEBI (ICDR) Regulations. The Promoters' Contribution constituting [●] Equity Shares which is [●] % of the post issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.
- (vi) We further confirm that our Promoters' Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

18. Equity Shares locked-in for one year other than Minimum Promoters' Contribution.

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

19. Inscription or recording of non-transferability

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock-in is recorded by the Depository.

20. Pledge of Locked in Equity Shares

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

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

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

21. Transferability of Locked in Equity Shares

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- a) The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- b) The equity shares held by persons other than Promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoters and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

22. Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.

23. As on date of this Draft Prospectus, there are no partly paid-up equity shares and all the Equity Shares of our Company are fully paid up.

24. Except as disclosed under the chapter titled "*Capital Structure*" beginning on page no. 62 of this Draft Prospectus, our Company has not undertaken any public issue of securities of any kind or class of securities.

25. As per RBI regulations, OCBs are not allowed to participate in this Issue.

26. Our Company has not raised any bridge loans.

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

28. The Issue Price shall be determined by our Company and the Promoters, in consultation with the Lead Manager.

29. Our Promoters and the members of our Promoter Group will not participate in this Issue.

30. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
31. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares in our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
32. Our Company will ensure that any transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Draft Prospectus and Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
33. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (determined as per the definition of 'associate Company' under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company.
34. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
35. For the details of transactions by our Company with our Promoter Group, Group Companies during the last financial year i.e., 2023 please refer to paragraph titled details of Related Parties Transactions as restated in the chapter titled "***Restated Financial Statement***" beginning on page no. 162 of this Draft Prospectus.
36. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled "***Our Management***" beginning on page no. 140 of this Draft Prospectus.

OBJECT OF THE ISSUE

The Issue comprises a fresh issue of up to 20,00,000 Equity Shares by our Company aggregating up to ₹ [●] Lakhs (“Fresh Issue/ Issue”).

Our Company proposes to utilize the Net Proceeds from the Issue towards the following objects:

1. Funding our working capital requirements; and
2. General corporate purposes

(Collectively referred to as “**Objects**”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the BSE SME.

The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company in the Issue. The fund requirement and its deployment are based on estimates made by our management and such estimates have not been subjected to appraisal by any bank or financial institution.

NET PROCEEDS

The details of the proceeds from the Issue are set out in the following table:

| Particulars | ₹ in Lakhs |
|--|------------|
| Gross proceeds of the Fresh Issue [#] | [●] |
| Less: Issue related expenses | [●] |

[#]To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the Stock Exchange

REQUIREMENT OF FUNDS AND UTILIZATION OF NET PROCEEDS

| Particulars | Amount (₹ in Lakhs) * |
|--|-----------------------|
| Funding our working capital requirements | Upto 424.00 |
| General corporate purposes [#] | [●] |
| Total | [●] |

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

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF NET PROCEEDS

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in Lakhs)

| Particulars | Amount to be funded from Net Proceeds | Estimated utilisation of Net Proceeds in the | Estimated utilisation of Net Proceeds in the |
|--|---------------------------------------|--|--|
| | | Financial year ended March 31, 2024 | Financial year ended March 31, 2025 |
| Funding our working capital requirements | Upto 424.00 | Upto 212.00 | Upto 212.00 |
| General corporate purposes* | [●] | [●] | [●] |
| Net Proceeds of the issue | [●] | [●] | [●] |

^{*}To be finalised upon determination of Issue Price and updated in the Prospectus. The amount shall not exceed 25% of the Gross Proceeds.

We propose to deploy the entire Net Proceeds towards the Objects of the Issue by the end of the Financial Year 2024 and Financial Year 2025 in the manner as specified in the table above. However, if the Net Proceeds are not completely utilised for the Objects of the Issue stated above by the end of Financial Year 2024 and Financial Year

2025 such amounts will be utilised (in part or full) in the next financial year or subsequent periods towards the aforementioned Objects of the Issue, as determined by us, in accordance with applicable law.

The deployment of funds indicated above is based on management estimates, current circumstances of our business, current and market conditions, which are subject to change, and other commercial and technical factors. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For further details of factors that may affect these estimates, please refer to chapter titled “**Risk Factors**” on beginning on page 27 of this Draft Prospectus.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flows from our operations and debt. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, the COVID – 19 pandemic, competitive environment and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with the applicable laws. Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the purposes set forth above, such additional funds for a particular activity may be financed by surplus funds including from internal accruals and any additional equity and/or debt arrangements from existing and future lenders, subject to compliance with applicable law. Subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for 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 from the Fresh Issue in accordance with Regulation of the SEBI (ICDR).

In the event the Net Proceeds are not completely utilised for the objects stated above by the end of Financial Year 2024 and Financial Year 2025 such amounts will be utilised (in part or full) in subsequent periods, as determined by our Company, in accordance with applicable law. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. In the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to factors such as (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

For further details on the risks involved in our proposed fund utilization see risk factor “***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business, results of operations and financial condition***”, please refer the chapter titled “**Risk Factors**” beginning on page 27 of this Draft Prospectus.

MEANS OF FINANCE

Fund requirements for the Objects are proposed to be met from the Net Proceeds and our internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations 2018 and Clause 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue or through existing identifiable internal accruals.

In case of shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilising our internal accruals and/ or availing further borrowings. Subject to applicable law, if the actual utilisation towards the Objects, including utilization towards Issue expense, is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with SEBI ICDR Regulations

DETAILS OF OBJECTS OF THE FRESH ISSUE

1. Funding our working capital requirements

The Company's business is working capital intensive and the Company avails its working capital requirement in the ordinary course of its business from its internal accruals and through loans from Banks. Our Company has availed secured short-term borrowings from banks and the outstanding amounts thereunder, for the financial year ended on March 31, 2023 and for the for the period ended on April 30, 2023 is ₹ 379.33 Lakhs and ₹ 374.70 Lakhs, respectively.

The working capital will be primarily used for expanding our current business operations. The funding of the working capital requirements of our Company is expected to lead to a consequent increase in our profitability.

Basis of estimation of working capital requirement:

The details of Company's working capital for the period ended on April 30, 2023 and for the financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021, and the source of funding, on the basis of restated financial statements of our Company for the for the period ended on April 30, 2023 and for the year ended on March 31, 2023, March 31, 2022 and March 31, 2021 are provided in the table below:

(₹ in Lakhs)

| Sr. No. | Particulars | As on April 30, 2023 (Restated) | As at March 31, 2023 (Restated) | As at March 31, 2022 (Restated) | As at March 31, 2021 (Restated) |
|------------|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| I | Current assets | | | | |
| | Inventories | 690.69 | 675.38 | 653.52 | 616.15 |
| | Trade receivables | 136.43 | 140.77 | 262.19 | 336.00 |
| | Short Term Loans & Advances | 6.82 | 6.82 | 4.21 | 6.69 |
| | Total Current Assets (A) | 833.94 | 822.96 | 919.92 | 958.84 |
| II | Current liabilities | | | | |
| | Trade payables | 242.56 | 247.68 | 177.60 | 233.31 |
| | Other Current Liabilities | 394.25 | 19.55 | 22.41 | 114.99 |
| | Short term provisions | 9.00 | 9.00 | 7.00 | 3.75 |
| | Total current liabilities (B) | 645.81 | 271.11 | 277.09 | 296.34 |
| | Net working capital (A – B) | 562.83 | 545.87 | 623.59 | 624.63 |
| III | Sources of funds | | | | |
| | Short-term borrowings | 352.18 | 352.97 | 359.61 | 343.70 |
| | Internal Accruals | 210.65 | 192.90 | 263.98 | 142.84 |
| | Long-term borrowings | - | - | - | 138.09 |
| | Total Means of Finance | 562.83 | 545.87 | 623.59 | 624.63 |

*As certified by M/s. S S R V & Associates, Chartered Accountants through their report dated October 31, 2023

For further details, please refer to “**Restated Financial Statement**” beginning on page 162.

Expected working capital requirements

The estimates of the working capital requirements for the Financial Year ended March 31, 2024 and March 31, 2025 has been prepared based on the management estimates of current and future financial performance. The projection has been prepared using set of assumptions that include assumptions about future events and management’s action that are not necessarily expected to occur.

On the basis of our existing working capital requirements and estimated working capital requirements, our Board pursuant to its resolution dated October 31, 2023 has approved the projected working capital requirements for Financial Year March 31, 2024 and March 31, 2025 with the assumptions and justifications for holding levels, and the proposed funding of such working capital requirements, as set forth below:

(₹ in lakhs)

| Sr. No. | Particulars | As at March 31, 2025 (Estimated) | As at March 31, 2024 (Projected) |
|------------|--------------------------------------|----------------------------------|----------------------------------|
| I | Current assets | | |
| | Inventories | 1027.00 | 822.00 |
| | Trade receivables | 245.00 | 198.00 |
| | Short Term Loans & Advances | 5.00 | 5.00 |
| | Total Current Assets (A) | 1277.00 | 1,025.00 |
| II | Current liabilities | | |
| | Trade payables | 287.00 | 230.00 |
| | Other Current Liabilities | 25.00 | 20.00 |
| | Short term provisions | 3.00 | 3.00 |
| | Total current liabilities (B) | 315.00 | 253.00 |
| | Net working capital (A – B) | 962.00 | 772.00 |
| | | | |
| III | Sources of funds | | |
| | Short term borrowings from banks | 350.00 | 350.00 |
| | Internal accruals | 400.00 | 210.00 |
| | IPO proceeds | 212.00 | 212.00 |
| | Total Means of Finance | 962.00 | 772.00 |

Assumptions for our estimated working capital requirement:

(in days)

| Particulars | Holding Levels (March 31, 2025) | Holding Levels (March 31, 2024) | Holding levels (As on April 30, 2023) | Holding Levels (March 31, 2023) | Holding Levels (March 31, 2022) | Holding Levels (March 31, 2021) |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Projected | Estimated | Restated* | Restated* | Restated* | Restated* |
| Inventories | 250 | 250 | 318 | 272 | 258 | 233 |
| Trade receivables | 60 | 60 | 63 | 57 | 104 | 127 |
| Short Term Loans & Advances | 1 | 2 | 3 | 3 | 2 | 3 |
| Total Current Assets (A) | 311 | 312 | 384 | 332 | 364 | 363 |

| Particulars | Holding Levels (March 31, 2025) | Holding Levels (March 31, 2024) | Holding levels (As on April 30, 2023) | Holding Levels (March 31, 2023) | Holding Levels (March 31, 2022) | Holding Levels (March 31, 2021) |
|--|---------------------------------|---------------------------------|---------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Projected | Estimated | Restated* | Restated* | Restated* | Restated* |
| Current Liabilities (excluding borrowings and income tax liabilities) | | | | | | |
| Trade payables | 70 | 70 | 112 | 100 | 70 | 88 |
| Other Current Liabilities | 6 | 6 | 9 | 9 | 45 | 4 |
| Short term provisions | 1 | 1 | 4 | 3 | 1 | 34 |
| Total current liabilities (B) | 77 | 77 | 125 | 112 | 116 | 126 |
| Working Capital Cycle (A-B) | 234 | 235 | 259 | 220 | 248 | 237 |

**As certified by S S R V & Associates, Chartered Accountants through their report dated October 31 2023.*

The table below sets forth the key assumptions for our working capital projections:

| Particular | Assumption |
|-------------------------|---|
| Inventory | Our Company had maintained inventory holding period of 233 days in Fiscal 2021, 258 days in Fiscal 2022 and 272 days in Fiscal 2023. For the period ended April 30, 2023 holding period of inventory were 318 days. The increasing in inventory days will converge to estimated inventory days by end of Fiscal. We expect that the holding level will be around 250 days for Fiscal 2024 and 250 days for Fiscal 2025. |
| Trade Receivable | The holding levels of trade receivables were at 127 days in Fiscal 2021, 104 days in Fiscal 2022 and 57 days in Fiscal 2023. As our strategy, our Company has taken steps to improve trade receivable days by rationalizing sales mix. We have been able to reduce trade receivable days from 127 days in Fiscal 2021 to 57 days in Fiscal 2023. However, we consider that we would be able to maintain the trade receivables around 60 days in the Fiscal 2024 and 60 days in the Fiscal 2025. |
| Trade Payable | Our Company had maintained trade payables at 88 days in Fiscal 2021, 70 days in Fiscal 2022 and 100 days in Fiscal 2023. As our strategy, we would reduce our trade payable days to 70 days for Fiscal 2024 and 70 days for Fiscal 2025 with an objective to improve our gross margin on sales. For the period ended April 30, 2023 holding period of trade payable were 112 days |

2. General Corporate Purpose

We will have flexibility in utilizing the balance Net Proceeds, if any, for general corporate purposes, subject to such utilisation not exceeding 25% of the gross proceeds from the Issue in accordance with the SEBI ICDR Regulations, including but not restricted towards part or full prepayment / repayment of our borrowings, strategic initiatives, acquisitions, investments in future subsidiaries of our Company, opening or setting up offices, business development initiatives, R&D, acquiring fixed assets, meeting any expense (including capital expenditure requirements) of our Company, including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties, meeting any short-fall in the issue expenses, meeting expenses incurred in the ordinary course of business and towards any exigencies. The quantum of utilisation of funds toward the aforementioned purposes will be determined by our Board based on the amount actually available under the head “General Corporate Purposes” and the corporate requirements of our Company.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular Object i.e., the utilization of Net Proceeds.

3. Issue Expense

The expenses of this Issue include, among others, underwriting and Issue management fees, intermediaries’ fees, printing and stationery expenses, advertisement expenses and legal fees etc. The details of Issue expenses are tabulated below:

(₹ in Lakhs)

| Activity | Estimated Expenses (₹. in Lakhs) * | As a % of total estimated issue related expenses | As a % of the total issue size |
|---|------------------------------------|--|--------------------------------|
| Lead Manager Fees | [●] | [●] | [●] |
| Fees payable to Registrar, Legal and Other Advisory Services, Advertising and marketing Expenses, Printing and Distribution of issue stationery, Brokerage, Selling, Commission and upload fees | [●] | [●] | [●] |
| Regulators including Stock Exchange | [●] | [●] | [●] |
| Others, if any (including Underwriting Commission, Market making, advisory fees, depositories, marketing fees etc.) | [●] | [●] | [●] |
| Total estimated issue related expenses | [●] | [●] | [●] |

*excluding applicable taxes

Notes:

As on date of this Draft Prospectus, the fund deployed out of internal accruals as on [●] is ₹ [●] Lakhs towards issue expenses excluding applicable taxes vide certificate dated [●] received from [●], Chartered Accountants and the same will be recouped out of issue expenses.

Notes

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

| | |
|---|---|
| Portion for Retail Individual Applicants* | ₹ 0.01% of the Amount Allotted* (plus applicable taxes) |
| Portion for Non-Institutional Applicants* | ₹ 0.01% of the Amount Allotted* (plus applicable taxes) |

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

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

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

- The processing fees for applications made by Retail Individual Applicants using the UPI Mechanism would be as follows:

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

*For each valid application by respective Sponsor Bank

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

- Selling commission on the portion for Retail Individual Applicants and Non-Institutional Applicants which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

| | |
|---|--|
| Portion for Retail Individual Applicants* | ₹0.01% of the Amount Allotted* (plus applicable taxes) |
| Portion for Non-Institutional Applicants* | ₹0.01% of the Amount Allotted* (plus applicable taxes) |

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

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

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

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

**Based on valid applications*

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

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

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

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

Interim use of Net Proceeds

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board

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

Bridge Financing Facilities

Our Company has not raised any bridge loans or entered into any other similar financial arrangements from / with any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds.

Shortfall of Funds

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

Appraisal Report

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency in terms of applicable law.

Monitoring Utilization of Funds

Our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the Statutory Auditors of our Company. Further, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the Objects, as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects, as stated above. This information

will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before the Audit Committee.

Variation in Objects

Our Company shall not vary the objects of the Issue, as envisaged under Sections 13(8) and 27 of the Companies Act and applicable rules, without our Company being authorised to do so by the Shareholders by way of a special resolution and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. 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.

Other confirmations

There are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Personnel or Senior Management. No part of the Net Proceeds will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Personnel or Senior Management. Our Company has not entered into and is not planning to enter into any arrangement/agreements with our Promoters, Directors, Key Managerial Personnel or our Group Companies in relation to the utilization of the Net Proceeds.

BASIS FOR ISSUE PRICE

The Issue Price of ₹ [●] per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹ 10 per Equity Share and the Issue Price is ₹ [●] per Equity Share. The Issue Price is [●] times the face value.

Investors should refer to the chapter titled “*Risk Factors*”, “*Business Overview*”, “*Restated Financial Statements*” and “*Management Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 27, 108, 162 and 201 respectively of this Draft Prospectus to get an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors, which form the basis for computing the price, are:

- Increase brand awareness and Equity to Acquire New Customers
- Drive Continued Operational Excellence
- Continue to focus on development of personalized products
- Enhance customer base by entering new geographies
- Expand our distribution network
- Focus on quality

For further details, under chapter titled “*Business Overview*” beginning on page 108 of this Draft Prospectus.

Quantitative Factors

Information presented below relating to the Company is based on the Restated Financial Statements. For details, please refer chapter titled “*Restated Financial Statements*” beginning on page 162 of this Draft Prospectus.

Some of the quantitative factors which form the basis or computing the price, are as follows:

1) Basic and Diluted Earnings Per Share (EPS) (Face value of ₹ 10 each), as adjusted for change in capital:

As per Restated Financial Statements:

| Period | Basic and Diluted EPS (Post Bonus) (In ₹) | Weights |
|---|--|---------|
| For the Financial Year ended March 31, 2023 | 0.53 | 3 |
| For the Financial Year ended March 31, 2022 | 0.49 | 2 |
| For the Financial Year ended March 31, 2021 | 0.57 | 1 |
| Weighted Average | 3.24 | |
| For period ended on April 30, 2023 | 0.17 | |

Note:

- The figures disclosed above are based on the Restated Financial Statements of the Company.*
- The face value of each Equity Share is ₹ 10.00.*
- Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.*
- The above statement should be read with significant accounting policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.*
- May 23, 2023 our Company issued Right Issue to the existing shareholders as fully paid Right Shares*
- June 20, 2023 our Company issued bonus in the ratio of 2 Equity Shares for every 1 share held to the existing shareholders as fully paid bonus shares. For calculating the Weighted Average Number of Equity Shares for EPS above, these bonus shares have been considered in all the periods reported.*

- vii. *Basic Earnings per share = Profit for the period / Weighted average number of equities shares outstanding during the three years.*
- viii. *Diluted Earnings per share = Profit for the period / Weighted average number of potential equities shares outstanding during the three years.*

2) Price to Earnings (P/E) ratio in relation to Issue Price ₹ [●]/- per Equity Share of ₹ 10.00/- each full paid up

| Particulars | P/E Ratio* |
|--|------------|
| P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2023 | [●] |
| P/E ratio based on the Weighted Average EPS, as restated. | [●] |
| Industry Peer Group P/E ratio | |
| Highest | 52.54 |
| Lowest | 19.74 |
| Average | 36.14 |

Notes:

- i. *The industry high and low has been considered from the industry peers set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peers set disclosed in this section. For further details, see “–Comparison with listed industry peers” mentioned below.*
- ii. *The industry P/E ratio mentioned above is computed based on the closing market price of equity shares on BSE on October 30, 2023 divided by the Diluted EPS as on for the financial year ended March 31, 2023*

3) Return on Net worth (RoNW)

Return on Net Worth (RoNW) as per restated financial statements:

| Period | RONW | Weights |
|---|---------------|---------|
| For the Financial Year ended March 31, 2023 | 4.71% | 3 |
| For the Financial Year ended March 31, 2022 | 5.22% | 2 |
| For the Financial Year ended March 31, 2021 | 13.60% | 1 |
| Weighted Average | 38.19% | |
| For period ended on April 30, 2023 | 1.52% | |

Note:

1. *The figures disclosed above are based on the Restated Financial Statement of our Company. Return on Net worth has been calculated as per the following formula:*

$$\text{Return on Net Worth (\%)} = \text{Restated PAT attributable to Equity Shareholders} / \text{Net Worth} \times 100$$

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

| Period | Net Asset Value Per Share (In ₹) |
|--|----------------------------------|
| For period ended on April 30, 2023 | 11.43 |
| As at March 31, 2023 (Post Bonus) | 12.17 |
| As at March 31, 2022 (Post Bonus) | 9.42 |
| As at March 31, 2021 (Post Bonus) | 3.90 |
| Net Asset Value per Equity Share after Issue | [●] |
| Issue Price | [●] |

Note:

1. The NAV per Equity Share has been computed by dividing restated net worth with weighted average number of equity shares outstanding at the end of the year/period.
2. NAV per Equity Share (in ₹) is computed as net worth at the end of the period/year / Weighted average number of equity shares outstanding at the end of the period/year
3. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period, adjusted by the number of equity shares issued during the year/period multiplied by the time-weighting factor.
4. May 23, 2023 our Company issued Right Issue to the existing shareholders as fully paid Right Shares.
5. June 20, 2023 our Company issued bonus in the ratio of 2 Equity Shares for every 1 share held to the existing shareholders as fully paid bonus shares. For calculating the Weighted Average Number of Equity Shares for EPS above, these bonus shares have been considered in all the periods reported.

5) Comparison with industry peers

| Name of the Company | Face Value (₹) | Revenue from Operations (₹ in lakhs) | EPS (Basic) (₹) | EPS (Diluted) (₹) | P/E* | Return on Net Worth (%) | Net Worth (₹ in lakhs) | Net Asset Value Per Equity Share (₹) |
|--|----------------|--------------------------------------|-----------------|-------------------|-------|-------------------------|------------------------|--------------------------------------|
| Magenta Lifecare Limited* | 10.00 | 906.61 | 0.57 | 0.57 | [●]* | 4.71% | 520.81 | 12.17 |
| <i>Listed Peers*</i> | | | | | | | | |
| Sheela Foam Limited (Consolidated basis) | 5 | 287,332.09 | 20.81 | 20.81 | 52.54 | 12.69% | 160039.18 | 164.03 |
| Tirupati Foam Limited (Standalone Basis) | 10 | 10,164.89 | 4.31 | 4.31 | 19.74 | 6.53% | 2910.34 | 66.04 |

*Will update in the Prospectus before Filing with RoC

Notes:

1. Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of Fiscal period/year divided by the outstanding number of Equity Shares used in calculating basic earnings per share.
2. All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports / annual results as available of the respective company for the year ended March 31, 2023 submitted to Stock Exchanges and our Company's financial information mentioned above is for the financial year ended March 31, 2023.
3. P/E Ratio has been computed based on the closing market price of equity shares on BSE on October 30, 2023 divided by the Diluted EPS provided.
4. Return on Net Worth is computed as restated net profit/(loss) after tax attributable to equity holders of our Company divided by restated average Net Worth for Equity Shareholders of our Company.

6) Key financial and operational performance indicators ("KPIs")

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. The key financial and operational metrics set forth above, have been approved and verified by the Audit Committee pursuant to its resolution dated October 31, 2023. Further, the Audit Committee has on October 31, 2023 taken on record that other than the key financial and operational metrics set out below, our Company has not

disclosed any other key performance indicators during the three years preceding this Draft Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Issue Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate dated October 31, 2023 issued by M/s. S S R V & Associates., Chartered Accountants, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The certificate dated October 31, 2023 issued by M/s. S S R V & Associates., Chartered Accountants, has been included in the chapter titled **"Material Contracts and Documents for Inspection – Material Documents"** on page 288 of this Draft Prospectus.

The KPIs herein have been certified by Statutory Auditor, S S R V & Associates., Chartered Accountants, by their certificate dated October 31, 2023.

The KPIs of our Company have been disclosed in the chapters titled **"Business Overview"** and **"Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators"** on pages 108 and 201, respectively of this Draft Prospectus. We have described and defined the KPIs, as applicable, in **"Definitions and Abbreviations"** on page 2 of this Draft Prospectus.

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

Key Performance Indicators of our Company

(₹ In lakhs except percentages and ratios)

| Key Performance Indicator | For the period ended on April 30, 2023* | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--|---|----------------|----------------|----------------|
| Revenue from Operations ⁽¹⁾ | 65.19 | 906.61 | 924.40 | 964.74 |
| Growth in Revenue from Operations | -7.73% | -1.92% | -4.18% | NA |
| EBITDA ⁽²⁾ | 13.22 | 87.21 | 106.31 | 104.51 |
| EBITDA Margin ⁽³⁾ | 20.27% | 9.62% | 11.50% | 10.83% |
| Restated Profit After Tax for the Year | 8.02 | 24.55 | 18.89 | 19.44 |
| PAT Margin ⁽⁴⁾ | 12.31% | 2.71% | 2.04% | 2.02% |
| Net Worth ⁽⁵⁾ | 528.84 | 520.81 | 361.73 | 142.85 |
| Capital Employed ⁽⁶⁾ | 993.54 | 973.81 | 1,119.24 | 1,125.56 |
| ROCE% ⁽⁷⁾ | 1.58% | 11.86% | 8.95% | 7.64% |
| ROE% ⁽⁸⁾ | 1.75% | 5.56% | 7.49% | 14.60% |

*not annualized

Notes:

- 1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- 2) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income
- 3) EBITDA Margin is calculated as EBITDA divided by Revenue from operations
- 4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- 5) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account
- 6) Capital Employed means Networth plus total debt
- 7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings (current & non-current).

8) Return on Equity is ratio of Profit after Tax and average Shareholder Equity

Explanation of KPI Metrics:

| KPI | Explanations |
|-----------------------------------|--|
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business |
| Growth in Revenue from Operations | Growth in Revenue from Operations provides information regarding the growth of our business for respective periods |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin (%) | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business |
| PAT | Profit after tax provides information regarding the overall profitability of the business. |
| PAT Margin (%) | PAT Margin (%) is an indicator of the overall profitability and financial performance of our business |
| Net worth | Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity. |
| RoE (%) | RoE provides how efficiently our Company generates profits from shareholders 'funds. |
| RoCE% | ROCE provides how efficiently our Company generates earnings from the capital employed in the business. |

Comparison of financials KPIs of our Company and our listed peers

(₹ In lakhs except percentages and ratios)

| Particulars | Sheela Foam Limited | | | Tirupati Foam Limited | | |
|--|---------------------|----------------|----------------|-----------------------|----------------|-----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2021 | March 31, 2023 | March 31, 2022 | March 31, 2021* |
| Revenue from operations (₹ in lakhs) ⁽¹⁾ | 287,332.09 | 298,180.84 | 243719.22 | 10,164.89 | 10,268.31 | 7,358.31 |
| Growth in Revenue from Operations (%) ⁽²⁾ | -3.64% | 22.35% | 37.18% | -1.01% | 39.55% | -7.85% |
| EBITDA (₹ in lakhs) ⁽³⁾ | 36,729.72 | 39,257.68 | 44,784.12 | 973.2 | 5473.2 | 817.4 |
| EBITDA Margin (%) ⁽⁴⁾ | 12.78% | 13.17% | 15.02% | 9.57% | 53.30% | 11.11% |
| Restated Profit After Tax for the Year (₹ in lakhs) | 20,306.22 | 21,872.80 | 24,015.17 | 190.10 | 108.63 | 108.83 |
| PAT Margin% ⁽⁵⁾ | 7.07% | 7.34% | 8.05% | 1.87% | 1.06% | 1.48% |
| Net Worth ⁽⁶⁾ | 160,039.18 | 139,256.62 | 118,429.09 | 2,761.44 | 2,761.44 | 2,577.18 |
| Capital Employed | 206,800.21 | 173,032.12 | 138,991.71 | 7,192.75 | 8,047.36 | 23,764.14 |
| RoCE (%) ⁽⁷⁾ | 13.57% | 16.98% | 22.83% | 6.88% | 3.93% | 4.22% |
| RoE (%) ⁽⁸⁾ | 14.22% | 18.11% | 24.57% | 9.71% | 34.02% | 2.63% |

Notes:

(1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.

(2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.

(3) EBITDA is calculated as Profit before tax + Depreciation & amortisation + Finance Cost - Other Income.

(4) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.

(5) PAT Margin (%) is calculated as PAT for the period/year divided by revenue from operations.

(6) Net worth is aggregate value of the paid-up equity share capital of the Company and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, excluding revaluation reserves if any, as per Restated Financial Information.

(7) Return on Equity (%) refers to restated profit for the year/period attributable to equity shareholders of our Company divided by Net worth attributable to the owners of the company.

(8) Return on Capital Employed is calculated as earnings before interest and taxes divided by Capital Employed.

7) Comparison of KPIs based on additions or dispositions to our business

No acquisitions made by our Company during the last three financial years ended March 31, 2023, March 31, 2022 and March 31, 2020.

8) Weighted average cost of acquisition

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

a) Except as mentioned below and issue of bonus shares, there has been no issuance of Equity Shares during the 18 months preceding the date of this Draft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days

| Date of allotment | Number of Equity Shares allotted | Face value per Equity shares (₹) | Issue Price per Equity Share (₹) | Nature of Allotment | Nature of consideration | Total consideration (in ₹ Lakhs) |
|---|----------------------------------|----------------------------------|----------------------------------|---------------------|-------------------------|----------------------------------|
| March 14, 2023 | 1,22,303 | 10 | 110 | Right Issue | Cash | 134.53 |
| May 23, 2023 | 80,909 | 10 | 110 | Right Issue | Cash | 89.00 |
| Weighted average cost of acquisition (WACA) (primary issuances) | | | | | | 110 |

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

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

c) Since there is an eligible transaction of our Company reported in (a) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations, the price per Equity Share of our Company based on the last five primary or secondary transactions in Equity Shares (secondary transactions where the Promoter/ Promoter Group entities or Shareholders having the right to nominate director on the Board are a party to the transaction) not older than 3 years prior to the date of filing of this Draft has not been computed:

d) The Issue Price is [●] times of the Weighted average cost of acquisition based on primary transactions as below:

| Past Transaction | Weighted average cost of acquisition (in ₹) | Issue Price in ₹ [●] |
|-------------------------------|---|----------------------|
| WACA of Primary Issuance | 110* | [●] |
| WACA of Secondary Transaction | NIL | [●] |

**As certified by S S R V & Associates., Chartered Accountants, by their certificate dated October 31, 2023.*

The Issue price is [●] times of the face value of the Equity Shares

The Issue Price of ₹ [●] has been determined by our Company in consultation with the Lead Manager, on the basis of market demand from investors for Equity Shares through the Issue Process. Investors should read the abovementioned information along with “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Restated Financial Information*” on pages 27, 108, 201 and 162 respectively, to have a more informed view.

STATEMENT OF TAX BENEFITS

To
**The Board of Directors,
Magenta Lifecare Limited**

Dear Sir,

Subject - Statement of possible tax benefits ("the statement") available to Magenta Lifecare Limited ("the Company") and its shareholders

1. We hereby confirm that the enclosed Annexure 1 and 2 (together "**the Annexures**"), prepared by **Magenta Lifecare Limited ('the Company')**, provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income tax Act, 1961 ('the Act') as amended by the Finance Act 2023, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, the Central Goods and Services Tax Act, 2017 and the Integrated Goods and Services Tax Act, 2017, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25 (**'the Indirect Tax Act'**), presently in force in India (together, the "**Tax Laws**"), several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.
3. We do not express any opinion or provide any assurance as to whether:
 - i. the Company or its shareholders will continue to obtain these benefits in future;
 - ii. the conditions prescribed for availing the benefits have been/would be met with; and
 - iii. the revenue authorities' courts will concur with the views expressed herein.
4. The Content of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the company.
5. No assurance is given that the revenue authorities/Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
6. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
7. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Letter of Offer/Offer Documents in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

For S S R V and Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
Partner
Membership No.: 403437
Place: Mumbai
Date: October 27, 2023
UDIN: 23403437BGWEQM8019

ANNEXURE 1 TO THE STATEMENT OF TAX BENEFITS

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

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

A. Special Tax Benefits to The Company

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

B. Special Tax Benefits to The Shareholder

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

Note:

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

**For S S R V and Associates
Chartered Accountants
Firm Registration No.: 135901W**

**Vishnu Kant Kabra
Partner
Membership No.: 403437
Place: Mumbai
Date: October 27, 2023
UDIN: 23403437BGWEQM8019**

ANNEXURE 2 TO THE STATEMENT OF TAX BENEFITS

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

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

A. Special Tax Benefits to The Company

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

B. Special Tax Benefits to The Shareholder

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

Note:

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

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Letter of Offer/Offer Documents.

For S S R V and Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
Partner
Membership No.: 403437
Place: Mumbai
Date: October 27, 2023
UDIN: 23403437BGWEQM8019

SECTION V: ABOUT THE COMPANY

INDUSTRY OVERVIEW

Industry publications are prepared based on information as at specific dates and may no longer be current or reflect current trends. The information in this section is also derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the Lead Manager, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation.

*Accordingly, investment decisions should not be based on such information. For additional details, including the disclaimers associated with the Industry Report, see “**Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data**” beginning on page 19 of this Draft Prospectus.*

INDIAN 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 rationalization 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.

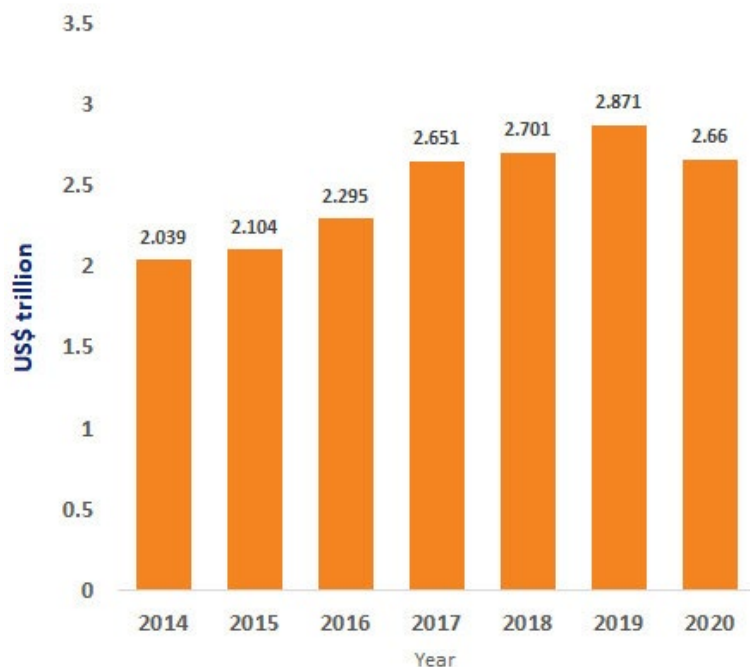
MARKET SIZE

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.

India's Gross Domestic Production



RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to priorities lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- As of January 6, 2023, India's foreign exchange reserves stood at US\$ 561,583 million.
- 1,261 deals were recorded of more than US\$ 46 billion of Private Equity (PE) – Venture Capitalist (VC) investments in 2022. 111 mega transactions (rounds of US\$ 100 million or more) totaling US\$ 31 billion were completed in 2022.
- Merchandise exports in March 2023 stood at US\$ 38.38 billion, with total merchandise export of US\$ 447.46 billion during the period of April-March 2023. The overall exports (merchandise and service exports) in 2022-23 was estimated at US\$ 770.18, exhibiting a positive growth of 13.84%.
- India ranks 3rd position in the global number of scientific publications further improving India's Global Innovation Index (GII) rank from 81st in 2014 to 40th in 2022.
- PMI Services remained comfortably in the expansionary zone at 57.8 in the month of June 2023.
- In June 2023, the gross Goods and Services Tax (GST) revenue collection stood at US\$ 19.63 billion (Rs.1,61,497 crore), of which CGST is US\$ 3.77 billion (Rs. 31,013 crore), SGST is US\$ 4.65 billion (Rs. 38,292 crore), IGST is US\$ 9.76 billion (Rs. 80,292 crore).
- Between April 2000 – March 2023, cumulative FDI equity inflows to India stood at US\$ 9919.63 billion.

- In May 2023, the overall IIP (Index of Industrial Production) stood at 145. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 128.1, 142.3 and 201.6, respectively, in May 2023.
- According to data released by the Ministry of Statistics & Programmed Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 4.81% in June 2023.
- In FY23, the Foreign Portfolio Investment (FPI) outflows stood at US\$ 14.81 billion (Rs. 1.21 trillion). As per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 22,000 crores (US\$ 2.67 billion) in India during the first week of July 2023.
- The wheat procurement during RMS 2022-23 was estimated to be 262 lakh metric tonnes and the rice procured in KMS 2022-23 was 624.18 lakh metric tonnes (518 LMT for Kharif crop and 106.18 LMT for Rabi crop). Moreover, in the budget 2022-23, direct payment of (Maximum Selling Price) MSP was launched that estimated to be US\$ 31.74 billion (Rs. 2.37 trillion) in order to boost farmers' income.

GOVERNMENT INITIATIVES

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- From April 1st, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- In order to enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of US\$ 182.35 million (Rs. 1,500 crore).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from 1st January 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on 29th December 2022 by the Ministry of Railways.
- On 7th October 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of US\$ 242.72 million (Rs. 2,000 crore) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for

investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.

- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crores (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on 14 June 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crores (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defense, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defense' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crores (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on 30 June 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from 1st April 2022, aimed at strengthening interventions for women's safety, security and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at US\$ 142.93 billion (Rs. 10.68 trillion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilizers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma **Clusters**, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crores (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive

scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.

- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of DE notified/Nomadic/Seminomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crores (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crores (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crores (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crores (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crores (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crores (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crores (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs MS Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the

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

- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crores (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

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.

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, signaling 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.

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

INDIA MATTRESS INDUSTRY OVERVIEW

Indian Mattress market is fragmented with a large number of branded and non-branded players present in the market

selling a variety of mattresses with local distribution channels. The Indian mattress market is dominated by the unorganized sector. However, the organized sector is now growing with the rising demand for good quality mattresses among Indian consumers.

The mattress industry in India is positioned at an interesting juncture, where growth is spurred by changing customer dynamics and technological innovations. The COVID19 pandemic has been a major factor to bring about this transformational shift as consumers have become increasingly aware and conscious about the health benefits of using the right mattress and the functionality of the overall product.

Companies today are offering mattresses that have anti-microbial properties. Some are made using sandalwood infused latex, and then there are products built around Orthopedic Memory; truly a revolutionary time for the mattress industry in India. In a bid to meet increasing demands and offer customers a seamless experience, mattress manufacturers today are relying on technology and digital initiatives to enhance the entire production and buying experience.

EVOLUTION OF MATTRESS INDUSTRY

1950s to 1960s: The time when it all started with cotton and coir mattresses

As mentioned earlier, before 1950, people were not used to the idea of sleeping on any surface. A majority of them slept on floors, rolling mats or handmade quilts. The privileged ones got charpoys, which was rectangular frame that was strung with light ropes.

In the 1950s and 1960s, people were introduced to the idea of mattresses. During this period, the Indian mattress industry was largely characterized by the use of natural materials such as cotton, wool, and reed. Mattresses were handmade by small-scale manufacturers and were often sold by local carpenters or upholsterers.

However, owing to the low levels of urbanization and consumption in the country, the demand for mattresses during this period was relatively low. Most households used traditional bedding such as cotton quilts or charpoys, which were cheaper and more readily available. First, cotton mattresses came into existence, however, the surface of cotton mattresses was uneven. So, mattress manufacturers noted the limitations of cotton mattresses and then rubberised coir mattresses were introduced.

Early mattresses were made from natural materials like cotton and wool, but the industry has evolved with new technologies and modern materials.

As the Indian economy got into the phase of industrialization and urbanization in the 1960s, the demand for modern beds and mattresses increased. This led to the emergence of a few small-scale mattress manufacturers, who supplied mattresses primarily to the urban middle class.

Coir came as an alternative to cotton, pig's hair and horse's hair and was primarily used to fill the mattresses during this period. Cotton mattresses had their own limitations as they could not provide a uniform surface. Pig's and horse's hair could not cater to the demand and supply dynamics of the mattress industry. When manufacturers started exploring other alternatives, they decided on coir as the next best alternative.

After a lot of research, coir was made out of dried coconut. Dried coconut comprises long fibre, short fibre and dust. While 30 percent of the dried coconut consists of long fibre, others are short fibre and dust. The experiment was done by twisting that long fibre into a coil and then this coil was kept aside for 40 to 60 days. During this period, moisture gets dried up and on untwisting that, loose fibre is obtained, which is called the vegetable spring. The resilience of the coil is stored in the innerspring. The fibre was then spread on a machine and natural latex rubber was sprayed on it, after which, it was pressed in a steam press of 120 degrees for 20 minutes and then taken out. Layers of rubberized coir are then taken out and then it is vulcanized for one or one and a half hours in a big vulcanization chamber. Once it is taken out, it is allowed to cool down and then its edges are cut down to give it a desired shape. The coir fibre is prickly and to avoid that, a cloth is put on it and then a quilted foam is put on that to make it user-friendly. This is the first evolution that happened in the Indian mattress industry.

1970s: Polyurethane (PU) foam made an entry to the Indian mattress market

When rubberized coir had established its presence in the Indian market, PU foam made an entry into India. However, PU was imported from Germany, unlike rubberized coir which was manufactured indigenously. PU attracted attention for its technology, comfort and support and it had emerged as a good alternative.

1980s and 1990s: Emergence of modern mattress industry

The modern mattress industry in India began in the 1980s, with the emergence of a few small-scale mattress manufacturers. These manufacturers primarily produced cotton and coir mattresses, which were popular at the time.

Meanwhile, as the Indian economy began to liberalize in the 1990s, foreign players entered the market, bringing with them new technologies and materials.

2000s: Entry of several new players with modern materials

In the 2000s, the Indian mattress industry saw significant growth, with the entry of several new players and the introduction of modern materials such as memory foam and latex. Now, the Indian mattress industry has various types of mattresses, namely, PU foam, rubberized coir, spring mattresses, air beds, and water beds. This period also saw the growth of speciality mattress segments, such as orthopaedic and luxury mattresses.

A demographic difference was witnessed during this stage, wherein, the rural market demanded more of cotton and coir mattresses, whereas, the high-income groups looked forward to buying spring and memory foam mattresses.

2020s: Growth of organized mattress market

Post 2020, the Indian mattress industry has been doing well. With the pandemic acting as a catalyst, people started realizing the importance of good sleep to benefit their health. The major growth drivers in the mattress industry at the current stage would be an increase in the disposable income of consumers, innovative products and effective sales and marketing strategies.

The growth of D2C brands, increasing omnichannel presence of established brands, innovative sales and marketing campaigns, increased focus on Research and Development (R&D), emphasis on training of sales personnel at offline stores and focused approach towards eco-friendly and sustainable measures are some of the reasons that are pushing the Indian mattress industry to the growth path.

(source: <https://ispf.co.in/evolution-of-the-indian-mattress-industry>)

JOURNEY OF INDUSTRY

The Indian mattress industry has a long and interesting history that is driven largely by changing consumer needs and technological advancements. In India, mattresses have been in use for centuries, with early mattresses being made from natural materials such as cotton, wool, and reed. However, with the advent of new technologies and modern materials, the mattress industry in India has undergone significant changes in recent years. Currently, the mattress industry is worth Rs. 12,000 to Rs. 13,000 crores, if we go by a Research and Markets report.

The primary concern is, getting people to sleep on a surface. The demand for mattresses began in the 1950s and 1960s. This period laid the foundation of the Indian mattress industry.

A vague analysis of the evolution of the Indian mattress industry gives us the impression that the industry has come a long way and is on a growth spree. Several deliberate initiatives by the organized market players are contributing tremendously towards minimizing the dominance of unorganized players in the mattress industry for the right bed.

According to a Research and Markets report released last year, “the unorganised sector in the Indian mattress market has the upper hand, but the growth rate as compared to the organised sector is very less. In the last five years, the unorganised sector has grown with a CAGR of around 9 percent in terms of value which is way slower than that of the organised sector.” From this, we can decipher that the organised sector has rolled up its sleeves to command a larger share of the mattress market pie.

However, the journey of organized market players in the Indian mattress industry has not been easy. Changing consumer mindset that was largely inclined towards buying cheap mattresses made of cheap and low-standard materials, was the major hurdle. Convincing consumers to buy good quality mattresses was a task and besides that mattress manufacturers were dealing with other business issues including the rising cost of raw materials, dismal sales figures and inadequate support from suppliers.

Over a period of time, with new technology coming in, the manufacturing and supplier’s community built a symbiotic relationship to mutually benefit each other. For instance, earlier latex was used as adhesives in mattresses but with rising prices of latex, manufacturers resorted to another cost-effective solution i.e. adhesives that fix up different layers of foam.

Like adhesives, many other raw materials suppliers came forward to support the mattress manufacturers by offering them economical and viable substitutes for other expensive and scarcely available raw materials. This is how the manufacturers and suppliers created an ecosystem to mutually benefit each other.

Mattress makers could offer better products at different price ranges. This attracted many customers and with various sales and marketing campaigns, the organized mattress players are now giving tough competition to their unorganized peers. However, mattress manufacturers are still reeling under the pressure of delivering the right bed for consumers. Each human body is different and every individual has different kinds of health issues. Delivering a wide range of mattresses for different kinds of consumers while maintaining the price advantage is quite a challenge.

CREATING AN IDEAL MATTRESS- THE BIGGEST CHALLENGE FOR MATTRESS MANUFACTURERS!

1) Cutting-edge technologies and advanced materials ensure optimal comfort and support, allowing consumers to wake refreshed and rejuvenated every morning.

- **Non-standardization of different types of bed sizes:** The absence of uniform measurements of beds and mattresses, is one of the biggest challenge's manufacturers face while creating the right bed. "One significant challenge we have faced is the prevalence of nonstandard right bed sizes in India. This has posed considerable supply chain issues and has often resulted in delays in fulfilling customer orders.
- **Lack of awareness of different types of mattress technology among consumers:** Consumers are not educated enough to understand about different types of technology used in making various mattresses. This affects their decision with regard to choosing the right mattress or the right bed. "The lack of knowledge or clarity about the various bedding solutions available to a customer is both the challenge as well the opportunity that exists in the Indian mattress market.
- **Volatility in Raw Material Prices:** The prices of raw materials that go into making mattresses keep fluctuating at regular intervals which impacts the manufacturer's ability to manage costs. While the established brands are still able to bear the rising costs, it becomes difficult for new players to sustain themselves in the long run.

2) Innovation: A need for manufacturers to thrive in the growing mattress industry

- Ever since modern beds came into India in the late 50s and early 60s, the industry did not see much innovation until the 1990s when Spring and foam mattresses entered the Indian market.
- With the rise in income levels and growing awareness about sleep for healthy living, mattress makers are increasingly investing their resources to launch products with new and innovative technologies. Consumers are now more focused on the comfort and functionality of the product. This calls for mattress manufacturers to focus more on innovative strategies to improve their products and streamline their operational processes.
- The domestic mattress industry that started with cotton-filled mattresses has witnessed numerous innovations with PU Foam, rubberised coir, spring, gel, latex, innerspring, hybrid, pillow top, polyfoam, and air-to-memory foam varieties.
- Today, mattresses are available in all shapes and sizes at different price ranges. However, the fact remains that demand is more for economy categories that come with an affordable price range for most Indian consumers.
- A lot of innovative marketing strategies have also contributed towards increasing customer acquisition. Now sleep products manufacturers are selling the idea of sleep to their customers. Earlier, the focus was on the product but now the focus is on the idea of sleep and its benefits.
- The growth of the online mattress market has also opened room for innovation. The advantages offered by the online mattress segment, in terms of, immediate return, discount offers and cash on delivery, are that consumers are now preferring online retailing.

SUPPLIERS CONTRIBUTION TOWARDS INNOVATION

- We see mattress as a final product but there are numerous components used in the mattresses that makes the mattress user-friendly. With more variety of mattresses available for consumers these days, suppliers to have an important contribution towards the growth of the mattress industry. To make a good quality final product, the components also have to be of superior quality. For instance, there are different substrates of foams that are being used in a mattress and to fix all these substrates we need adhesives.

- To add to the comfort of the mattresses, manufacturers also use various animal hair and to cover the entire set of raw material, a tough quality sheet is also required. Overall packaging of a mattress product requires various other raw materials.
- In order to make the final mattress product conducive to consumers' usage, suppliers also must focus on delivering high-quality raw materials to mattress manufacturers.
- Once the final product is manufactured, the mattress suppliers and dealers take over the charge of helping consumers select the right mattress for them. The active involvement of suppliers is becoming quintessential as they have the responsibility of selling the idea of sleep by educating their consumers. The entire lifecycle of a mattress or sleep product right from its production to sale is quite challenging.
- The players in the organized segments should streamline the supply chain for both good quality raw materials and delivery of finished products to ensure minimal risks.

3) **WITH FEATURES LIKE ADJUSTABLE FIRMNESS, SMART SENSORS, AND PERSONALIZED SLEEP TRACKING, MANUFACTURERS ARE TRYING TO EMPOWER CONSUMERS TO CUSTOMIZE AND OPTIMIZE THEIR SLEEP FOR THE ULTIMATE COMFORT**

The volatile nature of raw material costs used in foam production has posed a continuous challenge for maintaining price stability and ensuring a consistent supply chain. To mitigate these challenges, we have established strategic partnerships with suppliers, implemented effective cost management strategies, and closely monitored market trends to adapt our pricing and supply chain processes accordingly.

(Source: <https://ispf.co.in/building-that-right-bed-an-ongoing-challenge-for-manufacturers/>)

THE MATTRESS MATERIALS

1) **FOAM**

Foam Has Been Around for A While as A Mattress Material. It Is Soft and Is Able to Absorb Body Movement Which, In Turn, Helps in Temperature Regulation and Pressure Point Relief. These Are Important in Providing Firm Support to The Spine and Sleeping Comfort.

Some Common Types of Foam Include Standard Pu Foam, And Specialised Pu Foam, (Memory Foam & High Resilience Foam) Which Are Most Popular Among Consumers.

- Memory Foam is a specialized PU Foam, that NASA engineers used to make airplane cushions for astronauts. The popularity of this gave rise to a plethora of foam-based mattresses. Another popular material is Gel Memory Foam.
- In order to understand the range of Memory Foam Mattress, we should know what they are. These mattresses are made of lush layers of Memory Foam material that has the ability to conform to a shape. It gets its name, Memory Foam, because of the nature of changing its shape to the contour of the body.
- The gel memory foam is a newer range that uses a technology called Phase Changing Material (PCM). In the case of a PCM such as Gel Memory Foam, when the temperature rises, it warms up absorbing heat during this phase change and eventually melting, causing the surroundings to cool. The reverse occurs when the temperature falls. It freezes and releases heat, warming up the environment. Thus, it adds to the shape-conforming nature of the Memory Foam.
- Looking at the two extremes of hard to soft mattresses, foam layers work in tandem to relieve pressure points from joints and balance body temperature. These layers conform to the body shape and absorb movement so the sleep is undisturbed.
- The Profiled Foams enable firm and soft zoning in the mattress and also enhance air circulation for freshness

2) **RUBBERISED COIR**

Rubberised Coir is an advanced version of coir which is made from coconut fibre and processed Natural Latex rubber. Thus, lending it more flexibility, finesse, and durability and enhancing its even firmness feel.

3) **NATURAL LATEX FOAM**

Natural latex breathes and gets rid of moisture, ensuring a cool, clean sleep. Moulded foaming technology allows the mattress layers or pillows to take the shape of a predefined mould for the best ergonomic advantage. This technology enables the foam to adapt to the body contours with an intelligent movement response, as one

changes position while sleeping. Moulding offers a protective skin around the structure offers the protection to the foam, without compromising on breathability and hygiene.

4) **INNERSPRING MATTRESS**

- Innerspring mattresses have evolved from the old world but have taken the modern world by storm. It owes its fandom to its longevity and comfort. Inner Spring mattresses, as the name suggests, are made of steel coil springs crafted into open coils (springs) or individually wrapped coils which are popularly called pocketed coils or springs. These spring components establish firm support at the base of the mattress and are then filled appropriately to offer cushion and comfort.
- Because of the dynamic nature of the steel coils, one has to understand that the number of coils doesn't always amount to the same level of comfort from one mattress to the other but the density of springs plays a role in reducing motion transfer and offering support.
- Each manufacturer uses different designs and support techniques to achieve the ultimate result. He may often include layers of polyurethane foam and other fillings inside the mattress. However, more luxurious innerspring mattresses will use other kinds of foam, including memory foam, gel memory foam and latex materials.
- Pocket Springs and Bonnell Springs are the other two varieties of springs used in mattress manufacturing. While Bonnell Springs offer firm support, Pocket Spring bases ensure no partner disturbance due to their unique pocket designs.
- Another variation of Innerspring Mattresses is the Box Spring mattress, widely used in international markets. A Box Spring often has spiked coils that are stapled to the bottom to a flat wooden frame over which a wire mesh is placed. On top of this foundation, a thin layer of upholstery is applied. This frame is then inserted into a pre-sewn cover that encases the top and sides of the unit. A border fabric that matches the mattress exterior is applied to the sides, and a dust cover is added to the face.

5) **HYBRID MATTRESSES**

The hybrid mattress is the combination of two or more materials that go into the manufacturing of a mattress. For example, a mattress with a spring coil and memory foam. The coils offer support, while memory foam layers conform to posture and comfort. Cotton fabric blends are added to protect the bed. You get the best of both mattress types above in the hybrid, plus personalized materials that are going to work together to help you get a good night's sleep.

6) **WOOL**

- Can be found in some mattresses for extra padding and temperature regulation. Wool is a breathable material used both inside and outside of the mattress. It has unique temperature-regulating properties. Mattresses are presently made of many materials, both natural and synthetic. The innerspring, helical, and Box Spring components are made from wire; the Box Spring wire is typical of a heavier gauge than that used in the innerspring. The insulator consists of semi-rigid netting or wire mesh, and the cushioning layers can comprise a number of differences that are crucial in a mattress.
- Wool is a great natural insulator and its moisture-wicking properties are a boon in the summer months to wick sweat and heat through the layers of wool fibres keeping you cool when it's warm.
- In the cold winter months, the layers trap warm air in and help to keep you warm. This makes it a perfect mattress filler as keeping a comfortable body temperature ensures a good night's sleep. It is sustainable, recyclable and biodegradable.
- Wool is one of the biggest anti-allergy agents. Wool traps and holds onto dust particles and absorb air pollutants making it a natural air purifier. This is great for those who suffer from allergies or hay fever in the summer months and helps to create the healthiest sleeping surface possible.

HOW THE MATTRESSES ARE BUILT

- Mattress re presently made of many materials, both natural and synthetic. The innerspring, helical, and Box Spring components are made from wire; the Box Spring wire is typical of a heavier gauge than that used in the innerspring. The insulator consists of semi-rigid netting or wire mesh, and the cushioning layers can comprise a number of different materials including natural fibre, polyurethane foam, and polyester. The flanges are made of fabric, and the hog rings are of metal. The top, bottom, and side panels consist of a durable fabric cover quilted

over a backing of foam or fibre, and the binding tape that holds the ticking together is made of heavy-duty, fibrous, synthetic material.

- The underlying Box Spring may consist of either a wooden frame with slats or metal coils similar to those used in the mattress itself. The Box Spring may be upholstered, but, even if it is not, it always receives a fabric covering.

(source: <https://ispf.co.in/the-mattress-dictionary/>)

THE MANUFACTURING PROCESS

○ **BUILDING MATTRESS LAYERS**

For innerspring mattresses, springs are arranged on top of an insulator base to create a wire mesh and then a layer of the insulator is applied as a top layer. In the case of Pocket Springs, the pockets are stitched and aligned together in a way, which ensures no partner disturbance.

Next, cushioning layers are applied that will determine the feel and comfort of the final product.

A decorative cover is prepared on a giant quilting machine, which controls a multitude of needles that stitch the cover to a layer of backing material.

The stitching chosen serves both useful and ornamental purposes, as it must prevent the mattress cover from slipping or creeping over the layers of cushioning in addition to creating a visually pleasing exterior.

Once the fabric is quilted, it is cut into panels that will fit the top and bottom of the mattress. The side panels are often cut from this same composite or made separately on a border machine. If side handles or vents are to be added, they are attached to the side panels before they are applied to the mattress.

Specific to innerspring mattresses: Specially modified sewing machines are used to attach the flanges to the top and bottom panels, and the hog rings are stapled to the flanges. Everything is now ready for the closing operation, during which the hog rings will be secured to the innerspring unit.

○ **COMPLETING THE MATTRESS**

Tape edge operators manually feed the top, bottom, and side panels and a heavy-duty binding tape into the sewing machine as it moves around the mattress. As this combination of materials is fed into the machine, the operators use their skill to feed the proper amount of each material into the machine to produce a professionally tailored product.

Some of the highest quality mattresses may also feature a pillowtop, an additional comfort layer filled with extra comfort layers and attached to the top and side panels of the mattress for a more luxurious feel and appearance. Prequilted, the pillowtop is taped to the mattress top.

○ **INSPECTION, LABELLING, AND PACKING**

Once the units are complete, they are inspected for quality. If everything is in order, they are labelled with the content and the contingent “Do not remove” tag, required by law to assure the consumer that the contents are properly represented in the labelling.

The finished product is then transported to the packing area. Here it is inserted by hand or by automated machinery into protective plastic or paper covers. Additional information about the warranty, safety, and care of the product is also included in the packaging.

○ **QUALITY CONTROL**

A vague analysis of the recent trends in the domestic mattress market gives us the impression that the consumer mindset towards mattresses as a product is gradually changing. People are now looking forward to investing in a good mattress and their main focus is on the comfort and functionality of the product that would, in turn, help them ensure their overall well-being.

Mattress makers have been adopting innovative strategies both in the offline and online mediums to deliver unique experiences to customers, who are now willing to experience new sleep products. Companies are leveraging new techniques to utilize their resources and technology. Increased infrastructural developments and a growing number of residential facilities and hotels across the country are hiking the demand for luxury mattress brands in India.

However, the domestic mattress industry is still reeling under the pressure of the dominating unorganized mattress market that still commands a large part of the market pie. Taking cognizance of this threat, the organized players have been consistently floating new strategies to retain their existing consumers and create new ones. Industry experts are quite positive about the new financial year, and they do have some expectations from the government to give their strategies an aggressive push.

2023: A SUNRISE YEAR FOR THE INDUSTRY

Having gone through turbulent times in the last two financial years, industry experts are quite positive about the industry's performance this financial year. The market is believed to get back on track and the growing awareness about the importance of sleep among consumers is expected to give the industry an upward push.

“Despite, all the challenges the Indian mattress industry did fairly well. the Indian mattress industry is still dominated by the unorganized sector, which pesters the organized players in the market to come up with new and innovative products aligning their marketing strategies that would subtly contribute towards shifting the consumer mindset.”

“Post covid, the industry slowly came up in 2022 with the growth rate likely to be between 7 to 8 percent. In 2023, the scope is quite huge as numerous initiatives have been taken by the industry for the sake of consumers,”. The organised sector is taking several initiatives to battle against the dominant unorganized sector. As consumers are increasingly becoming aware of the variety of mattresses available in the market, mattress manufacturers and retailers are arming themselves with the right set of knowledge to serve their customers better. Intensive training is being given to dealers who in turn will educate the consumers and help them find the right product, explains Sundaresan.

Though the market seems to be upbeat, mattress manufacturers still have to work hard towards tackling the unorganized market that again got active last year and brands need to rethink their innovation strategies. “

GROWTH DRIVERS

Growth Drivers Rise in income levels and growing awareness about health and well-being are the two primary growth drivers for the Indian mattress market. “Consumers are now more aware of the products and they understand different forms of mattresses. After covid, people have become health conscious and now they are willing to spend money on health and wellbeing.

The industry is also witnessing a change in the way consumers now view sleep products. Earlier, the consumers would be price sensitive, now they are more focused on the comfort and functionality of the product. Sundaresan outlines various reasons that could drive growth in the mattress market this year. The industry is likely to do well this financial year as a lot of initiatives are being taken to impart training to the sleep retailers, who are now being called the 'doctors of sleep'. The retailers are now trained adequately to make customers feel comfortable and discuss their requirements. Based on the customer's requirement, sleep retailers help their customers spot the right product. Secondly, there is a lot of emphasis on creating sustainability this year. The whole idea of recycling mattresses is being promoted

under the slogan '#phekonahirecyclekaro' (meaning don't throw but recycle). All these premium mattresses will now be sold by green stores by green dealers. Thirdly, the growing inclination among millennials to invest in the right product. They do their research before buying a product and with further discussion from retailers they ensure, they pick the right sleep product for themselves.

THREAT FROM THE UNORGANIZED SECTOR

The unorganized sector dominates the mattress market. Going to a report from Research and Markets, the mattress category in India is worth Rs. 12,000 to Rs. 13,000 crores; out of which the organised segment commands only a 60 per cent share. The outbreak of Covid contributed towards deactivating the unorganized players that maintained a low key during the Covid phase.

“In the second half of 2022, we witnessed an increased involvement from the unorganized sector that was quieter in 2020 and 2021 because of the effect of covid and also due to the effect of higher input prices of foam and coir and everything. In the second half of 2022, the unorganized sector became very active because of lower foam prices and lower ticking prices and also capitalized on the greater sensitivity of consumers towards price points,”

“The threat will be from the unorganized sector. The unorganized sector does not pay any tax or GST. The price difference between organized and unorganized sector mattresses will be almost 35 per cent. Competing with the unorganized sector will be difficult. The organized players are going to face the biggest threat from the unorganized players. In every region, there are unorganized players who do not pay taxes or comply with other rules.

CHANGING CONSUMER MINDSET

A lot of research reports indicate that changing consumer mindset is one of the biggest reasons to drive growth in this Indian mattress market. As per experts, consumers are no more price sensitive and prefer quality over cost-effectiveness. People are now looking for recyclable materials and hence, the effect of eco-friendly products is growing every day.

The consumer mindset is slowly changing with most buyers preferring good quality sleep products. Consumers who would earlier just pick up a cost-effective sleep product are now researching well about a mattress or other sleep products and then finalizing on a product. They now know the difference between different types of mattresses and enquire about the material that has gone into manufacturing a mattress

THE ROAD AHEAD FOR THE INDIAN MATTRESS MARKET

Product innovation, appropriate marketing strategies to promote the idea of good sleep and intensive training and development of the stakeholders in the domestic mattress segment is already contributing a lot towards shaping up the mattress industry in India.

According to India Mattress Market Outlook, 2022, the market share of unorganized players is expected to drop drastically in the coming years. The Indian mattress market, Factors that will guide Indian Mattress Industry in 2023.

Getting guidance from industry experts for the growth of the Indian mattress Industry market

- Based on the conversation, we had with some of the industry experts, one thing is clear the rise in income levels and growing health consciousness among people has contributed tremendously towards the growth of the Indian mattress market in recent years.
- Mattress makers have been adopting innovative strategies both in the offline and online mediums to deliver unique experiences to customers, who are now willing to experience new sleep products
- Increased infrastructural developments and the growing number of residential facilities and hotels across the country are hiking the demand for luxury mattress brands in India.
- The market is believed to get back on track and the growing awareness about the importance of sleep among consumers is expected to give the industry an upward push.
- In 2023, the scope is quite huge as numerous initiatives have been taken by the industry for the sake of consumers. The organised sector is taking several initiatives to battle against the unorganized sector
- The industry is also witnessing a change in the way consumers now view sleep products. Earlier, the consumers would be price sensitive, now they are more focused on the comfort and functionality of the product.
- The whole idea of recycling mattresses is being promoted under the slogan ‘#phekonahirecyclekaro’ (meaning don’t throw but recycle). All these premium mattresses will now be sold by green stores by green dealers.
- A lot of research reports indicate that changing consumer mindset is one of the biggest reasons to drive growth in this Indian mattress market. As per experts, consumers are no more price sensitive and prefer quality over cost-effectiveness.
- Consumers who would earlier just pick up a cost-effective sleep product are now researching well about a mattress or other sleep products and then finalizing on a product. They now know the difference between different types of mattresses and enquire about the material that has gone into manufacturing a mattress
- Consumers have even started buying from international brands because of their high-quality and contemporary products. While the key players in the mattress space are constantly innovating new sleep products and devising marketing strategies to influence consumers’ mindsets.

- Another reason that is helping the organized segment grow is the growing number of residential units across the country. With the increasing number of hotels and real estate businesses, the demand for good quality sleep products will only grow with time.
- The entire ecosystem that has been built steadily over the years to pull more consumers towards the organized market is slowly reaping results.
- If the unorganized sector poses a challenge, then it also gives tremendous opportunity for the Indian mattress space to turn this problem to its advantage.

Product innovation, appropriate marketing strategies to promote the idea of good sleep and intensive training and development of the stakeholders in the domestic mattress segment is already contributing a lot towards shaping up the mattress market in India. The consumer mindset is slowly changing with most of the buyers preferring good quality sleep products which is largely dominated by the unorganized sector led by the street-side shops and local players, is fast shifting towards branded mattresses. The organized sector is growing with rising demand for good quality mattresses among Indian consumers. Consumers have even started buying from international brands because of their high-quality and contemporary products.

While the key players in the mattress space are constantly innovating new sleep products, and devising marketing strategies to influence consumers' mindsets, they still feel threatened by the unorganized players. This problem can be tackled with the government's interference.

Another reason that could contribute towards the growth of the mattress market is the increased presence of brands in the online medium. We have witnessed established brands taking the online route and new players in the mattress segment building their customer base online. Gradually, these brands are also taking the offline route and they are trying their best to offer unique in-store experiences to their customers. Besides that, convenient return policies, packaging and competitive pricing are some of the key reasons making the mattress market more vibrant. Another reason that is helping the organized segment grow is the growing number of residential units across the country. With the growing number of hotels and real estate businesses, the demand for good quality sleep products will only grow with time.

If we consider the global scenario, a recent report from psmarketresearch.com has also indicated that the Asia Pacific region is leading the global mattress industry with a revenue share of approximately 40 percent in 2022. The reason behind such good numbers is attributed to the huge population of India, Indonesia, and China. As the purchasing power of the middle-class population from this region is increasing, their urge to spend more for improved standards of living is also surging.

Going by all the numbers and the ground-level scenario in the Indian mattress segment, one thing is clear the Indian mattress segment is all set to grow in the coming years. The entire ecosystem that has been built steadily over the years to pull more consumers towards the organized market is slowly reaping results. If the unorganized sector poses a challenge, then it also gives tremendous opportunity for the Indian mattress space to turn this problem to its advantage. What is already being done is working well towards benefitting the industry but the effort to make this segment still goes on. It would be interesting to watch out for the Indian mattress market this year and we hope new products with new technology, effective sales strategies and seamless after-sales services make way to this segment.

(source: <https://ispf.co.in/how-good-will-be-2023-for-the-indian-mattress-industry/>)

OUR BUSINESS OVERVIEW

Some of the information in this chapter, including information with respect to our plans and strategies, contain forward looking statements that involve risks and uncertainties. You should read “**Forward-Looking Statements**” beginning on page 17 for a discussion of the risks and uncertainties related to those statements and also “**Risk Factors**”, “**Restated Financial Statement**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 27, 162 and 201 respectively of this Draft Prospectus, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in “**Risk Factors**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and “**Restated Financial Statement**” beginning on pages 27, 201 and 162 respectively of this Draft Prospectus. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to “MLL”, “the Company”, “our Company”, and “the Issuer” and the terms “we”, “us” and “our”, are to Magenta Lifecare Limited.*

BACKGROUND

Our Company was originally incorporated as “Magenta Lifecare Private Limited” as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated August 04, 2015, issued by the Assistant Registrar of Companies, Gujarat. Subsequently, upon the conversion of our Company into a public limited company, pursuant to a special resolution passed by our shareholders on June 19, 2023, the name of our Company was changed to “Magenta Lifecare Limited” and a fresh certificate of incorporation dated July 05, 2023 was issued by the Registrar of Companies, Ahmedabad.

We are manufacturer of foam-based product such as mattresses and pillows which is marketed under our brand “**Magenta**” in India. Our Product offerings include wide range of mattresses such as memory foam, latex based, bonded mattresses, pocketed spring etc. and pillows such as memory foam pillow, molded memory foam pillow, molded contour foam pillow etc. We believe that our success is attributable to the quality of products that we offer to our customers, spread across retail, hotels and institutions. Driven by innovation, we strive to introduce new and innovative products on a continuous basis with the help of our team. For instance, we have introduced green tea and bamboo charcoal based herbal mattress and pet bed mattresses in our range of products. Further, we are also supply processed raw foam and adjustable bed frame (hydraulic bed) which we import under our brand Magenta

We believe that our product offering is across the section of the society from value-added product to premium segment. Our thoughtfully-designed products provide comfort, with ergonomic design, thermal comfort, pressure relief, motion isolation, easy position realignment, and long-term durability. We believe that our products are designed to support, comfort, and cool the body, leading to better-quality sleep. We believe that we offer mattresses with the diverse customization options in terms of fabric, shape, firmness, material, height, foam type & density, personalization, utility and structure.

We have developed distributor and dealer/retailer network across multiple states in India. We sell our products through offline channel of multi brand outlet and through a network of dealers and also through online e-commerce platform. Our distributors are appointed region wise.

We are capable of manufacturing both standardized as well as customized products. Our manufacturing facility is located at N P Patel Estate, A & T Padamla, Vadodara-391350, Gujarat, India. Our installed capacity for manufacturing of mattresses is currently at 60,000 Nos. and 70,000 nos. of pillows.

We benefit from the industry experience and business acumen of our individual Promoters, and are driven by their expertise. Our professional and experienced management team has been critical in building our brands, growing our operations and maintaining capital efficiency despite our emphasis on affordable product offerings. Under their leadership we have been able to expand our operations and have established a significant presence in India. As on October 30, 2023, our overall staff strength is 36 employees including skilled and unskilled labour,

Our key raw material for the manufacturing our products is raw foam, bonded foam, memory foam, latex, fabric, adhesive, cotton and threads. All the raw materials are purchased from the domestic market. Our purchase for the Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022 and for the Financial Year ended March 31, 2021 was Rs. 623.25 lakhs, 695.73 lakhs and Rs. 688.13 lakhs representing 57.98%, 63.64% and

60.46% of our revenue from operations, respectively and for the period ended on April 30, 2023 the raw material purchase were 57.18 Lakhs which represent 87.71% of our revenue from operations.

Financial and Operational Information

The following tables sets forth certain financial information for the periods indicated:

(₹ in lakhs, except percentages)

| Key Performance Indicator | For the period ended on April 30, 2023* | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--|---|----------------|----------------|----------------|
| Revenue from Operations ⁽¹⁾ | 65.19 | 906.61 | 924.40 | 964.74 |
| Growth in Revenue from Operations | -7.73% | -1.92% | -4.18% | NA |
| EBITDA ⁽²⁾ | 13.22 | 87.21 | 106.31 | 104.51 |
| EBITDA Margin ⁽³⁾ | 20.27% | 9.62% | 11.50% | 10.83% |
| Restated Profit After Tax for the Year | 8.02 | 24.55 | 18.89 | 19.44 |
| PAT Margin ⁽⁴⁾ | 12.31% | 2.71% | 2.04% | 2.02% |
| Net Worth ⁽⁵⁾ | 528.84 | 520.81 | 361.73 | 142.85 |
| Capital Employed ⁽⁶⁾ | 993.54 | 973.81 | 1,119.24 | 1,125.56 |
| ROCE% ⁽⁷⁾ | 1.58% | 11.86% | 8.95% | 7.64% |
| ROE% ⁽⁸⁾ | 1.75% | 5.56% | 7.49% | 14.60% |

*not annualized

Notes:

⁽¹⁾ PAT Margin is calculated as restated profit after tax divided by revenue from operations.

⁽²⁾ EBITDA is calculated as Restated Profit before tax (Before Exceptional items) plus finance costs and depreciation and amortization expenses. There are no Exceptional items.

⁽³⁾ EBITDA Margin is calculated by EBITDA divided by revenue from operations.

⁽⁴⁾ Return on Capital Employed is calculated as earnings before interest and tax divided by Capital Employed. Capital Employed is calculated as the sum of tangible net worth (excluding intangible assets) and total borrowings and deferred tax liability. Tangible net worth is calculated as equity attributable to the owners of our Company, less revaluation surplus, intangible assets and goodwill. EBIT is calculated as restated profit before tax plus finance cost.

⁽⁵⁾ Return on Equity is calculated as restated profit after tax divided by average equity. Average Equity is average opening equity and closing equity. Opening Equity is opening equity attributable to owners of our Company. Closing Equity is closing equity attributable to owners of Our Company.

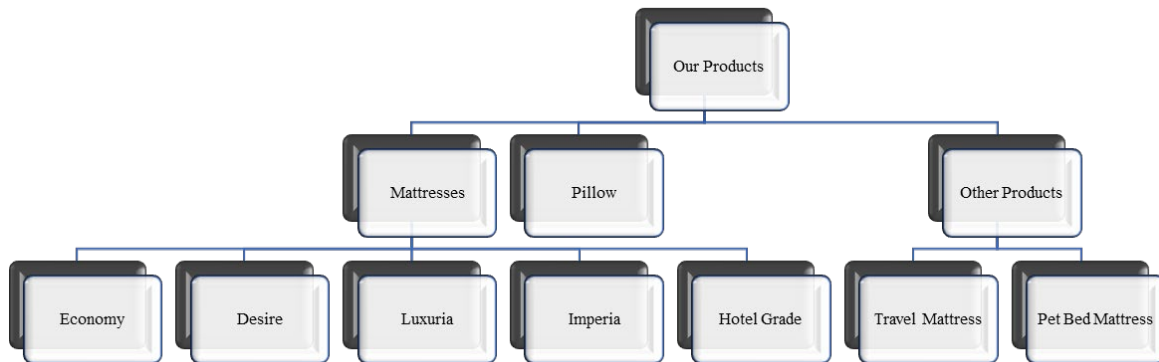
⁽⁶⁾ Debt / Equity Ratio is calculated as total borrowings divided by total equity. Total borrowings include non-current liabilities: borrowings and current liabilities: borrowings. Total equity is calculated as equity share capital plus other equity plus non-controlling interest.

⁽⁷⁾ Working Capital Days refers to trade receivables days plus inventory days less trade payable days

OUR PRODUCTS


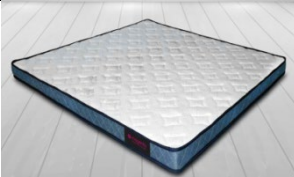
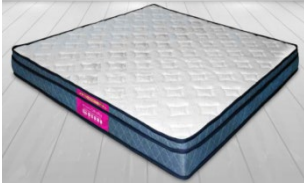
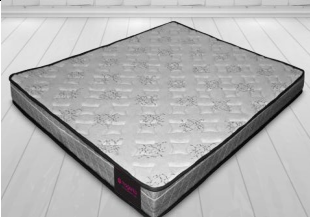
Product description



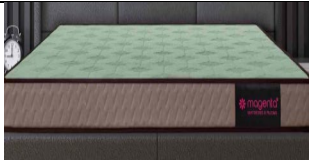


Our Company is majorly engaged in manufacturing of mattresses and pillows for our customers spread across retail, hotels and institutions. Our product is broadly classified as







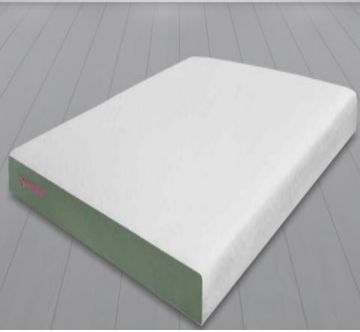


**Other Products also includes raw foam, non-standardized products*







Description of our key products





| Name of Products | Product Image | Application | Description |
|------------------|---|--|--|
| Dorama 5" |  | Ortho Memory mattress designed, best for the clients requiring hard mattress. | It is a perfect blend of style, comfort and durability which includes Bonded, HD foam, HR foam with memory foam quilted mattress. |
| Orthoheal 5" |  | Ortho Bonded with foam mattress best for customers requiring minor soft mattress. | Get the best of the firmness of Bonded foam and care of HR foam packed in a cradle for a healthy spine. |
| Orthoplus 5" |  | Ortho Bonded with HR foam mattress. Economically designed with medium soft comfort. | High-density bonded foam offering relaxing comfort with a therapeutic effect which includes Bonded, HD foam, HR foam Euro top Mattress. |
| Bonar 6" |  | Step up version of Bonded foam mattress. Strategically designed for desire segment with Medium soft and hard feel. | The mattress offers the precise balance of softness and firmness essential to support and retain the alignment of the spine, neck and shoulder including Bonded + HR foam. |


| | | | |
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| Bonarplus 6" |  | Ortho Memory foam mattress intelligently designed with soft comfort and classy look for customer looking for Medium soft mattress. | A combination of pressure relieving memory and hi-density bonded foam with Euro top mattress with memory foam for superior comfort with quilted mélange fabric. |
| Bonito 5.5" |  | Compressible Bonded memory foam mattress highly recommended for the clients requiring soft mattress with firm base. | Including the finest rapid responsive memory foam and breathable bonded foam, the mattress is the perfect sleep to end your stressful day. It has CertiPUR-US Certified Memory for better comfort. |
| Bliss 6"/8" |  | Ortho Memory mattress with premium bonded foam in base for smooth sleeping experience with skin friendly certified fabric. | It is inspired from sleep luxury trends in the world which includes Bonded + HD foam + HR Foam with Memory foam Quilted mattress. |
| Dezire 6" / 8" |  | Orthopaedic mattress with memory foam for best sleeping posture and for good spinal health with skin friendly certified fabric. | It is a Quilted Ortho Memory Foam mattress with ISI Approved HD Foam for Superior Comfort and anti-skid base with memory foam in the core. |
| Spineviva 7" |  | Step up Ortho memory mattress best for spinal health and strategically designed for high comfort with best support with prominent classy look. | A thick padding layer of foam on top creates a soothing, plush, sleeping base where body can enter into a deep sleep for front & side Sleepers which includes Bonded on base, HD Foam with memory foam mattress with elite Euro top design. |

| | | | |
|--------------|---|---|--|
| VioHd 6" |  | <p>Ortho Luxury mattress with CertiPUR-US certified memory foam, designed especially for the customer looking for softer and luxury sleeping experience.</p> | <p>Its superior design offers you optimum support and the most restful sleep. Ventilated Memory Foam perfectly contours to the shape and weight of your body for a peaceful sleeping experience with quilted memory foam.</p> |
| Alitex 7" |  | <p>Specialized Luxury mattress with Latex-memory foam specially designed for customers having back and spinal problems. Mattress works as back pain specialist.</p> | <p>Three layers are at work to provide you with the optimum level of comfort. First is the High-density foam, second is the additional layer of Latex, and third is the ventilated Memory foam which contours to your body and relieves pressure points and latex works as back pain specialist.</p> |
| Respiro 8" |  | <p>Premium Luxury mattress with cosy and cuddle sleeping experience especially for high end customer to support the luxury and comfort as desired.</p> | <p>Its special ventilated Memory Foam ensures smooth airflow to keep you comfortable all night. Its Quilted Memory Foam adds to the layer of comfort, HD Foam offers superior comfort and Anti- skid rubberized grip at the bottom to avoid mattress slippage.</p> |
| Frizogel 10" |  | <p>Best in class Gel luxury mattress having 7-star cloud sleeping experience. With highest level of comfort with pure bliss. Highly recommended for back pain having cool gel layers.</p> | <p>The ultimate combination of technology and luxury, this mattress provides the optimum comfort and support. Infused with Cool-Touch Plus Memory Foam and Gel-Care technology, it creates the perfect balance for a perfect luxurious sleep.</p> |

| | | | |
|-----------|---|---|--|
| Fresco 6" |  | <p>Green Tea mattress having therapeutic properties. Especially for neck pain, back pain and body ache. Herbal properties make the mattress unique in its own having refreshing green tea properties.</p> | <p>A blend of HD Foam and Green Tea extract infused ventilated Memory Foam; Magenta Fresco offers a perfect luxury of comfort and healthy sleeping. It has Green Tea Premium Breathable Circular Knit and anti-squid rubberized bottom grip to prevent mattress from slipping.</p> |
| Fresta 8" |  | <p>Green tea mattress having added green tea memory foam layer for refreshing and cosy sleeping experience highly recommended for headache, neck ache and body ache.</p> | <p>Immerse in the mild aroma of green tea and resurrect each morning refreshed, gratified, and energized. It has Green Tea Premium Breathable Circular Knit and anti-squid rubberized bottom grip to prevent mattress from slipping.</p> |
| Breo 6" |  | <p>Bamboo charcoal mattress with herbal properties with natural temperature control support. First time in India, the mattress which eliminates the radiation boosting better sleep & health.</p> | <p>It adds the touch of wellness of bamboo charcoal for cosy, peaceful and healthy sleep qualities. A preferred choice of Architects and Interior Designers complementing their high-class offerings to their customers. Premium Mocha chenille border adds value to the look.</p> |

| | | | |
|---------------------|---|---|---|
| Breyus 9" |  | Bamboo charcoal mattress with herbal properties with natural temperature control support. First time in India, the mattress which eliminates the radiation boosting better sleep & health. Memory foam quilted at top layer gives cosy sleeping experience. | A premium herbal mattress thoughtfully crafted to suit the luxury sleep requirements of privileged clients. It includes Bamboo Charcoal Premium Breathable Circular Knit, Mocha Chenille Border Accents, Knitted Semi-Transparent Cover to Protect Foam from Dust and Stains. Bamboo charcoal properties in High density foam enable the therapeutic properties and provide premium benefits. |
| Special mattress 6" |  | Mattress specially crafted for economy range having premium knitted skin friendly fabric. | It is a mattress including of hard, medium & soft designed according to the requirement of the customer at very affordable range. |
| Siesta 4" |  | For retails segment, pure foam mattress best suitable for furniture and retail economy customer. | It is a foam mattress designed according to the requirement of the customer at very affordable range. |
| Cielo Lite Pillow |  | Single mould memory foam pillow best for neck support. | The memory foam pillow comes with air infused premium memory foam. |
| Axilio |  | Cervical pillow best suitable for side sleepers and for people having back and neck pain. | The therapeutic design of this contour pillow adapts to your head, neck and shoulders to provide the enhanced support and gentle alignment you need. |
| Aero |  | Memory foam pillow having soft and cloud feel. Best suitable for every segment of client. | A shredded memory foam pillow is soft enough to conform to the shape of your head but supportive enough to keep your neck and back properly aligned. |

| | | | |
|--------|---|---|--|
| Elixir |  <p>The image shows a white, textured memory foam pillow with a plush knit cover. The background is a vibrant magenta. Text on the right side of the image reads: 'magenta Elixir', '• Molded Memory Foam Pillow', and '• Size (LxWxH): 28" x 16" x 5.5"'. The pillow is shown from a three-quarter perspective, highlighting its contoured shape.</p> | <p>Single mould memory foam pillow with skin friendly jacquard fabric. Naturally contours to the head shape and equally distributes weight. Suitable for all.</p> | <p>High-quality conforming memory foam adapts to your unique shape and supports your head and neck for personalized comfort. Plush knit cover provides an added comfort layer and can be unzipped, removed and machine washed for easy care.</p> |
| Esta |  <p>The image shows a white, textured memory foam pillow with a grid of ventilation points. The background is a vibrant magenta. Text on the right side of the image reads: 'magenta Esta', '• Ventilated Memory Foam Pillow', and '• Size (LxWxH): 28" x 16" x 5.5"'. The pillow is shown from a three-quarter perspective.</p> | <p>Ventilated memory foam pillow with ventilation point for refreshing and deep sleep. Suitable for all adult age groups.</p> | <p>It is a Ventilated memory foam pillow which enhances air circulation inside the pillow to enable the hot air to escape out easily. It is in cooler form which gives more comfort to your sleep.</p> |
| Orion |  <p>The image shows a white, textured memory foam pillow with a green tea scent. The background is a vibrant magenta. Text on the right side of the image reads: 'magenta Orion', '• Green Tea Ventilated Memory Foam Pillow', and '• Size (LxWxH): 28" x 16" x 5.5"'. The pillow is shown from a three-quarter perspective.</p> | <p>Green tea pillow having herbal green tea properties infused in a memory foam along with the ventilation points inside, enables stress free healthy and hygienic sleep.</p> | <p>Directly infused with all-natural green tea oil to calm the mind and body for a regenerative effect, restful sleep, and deeper relaxation. Constructed with ventilation holes to promote air circulation and increase cooling.</p> |
| Resto |  <p>The image shows a white, textured memory foam pillow with a bamboo charcoal scent. The background is a vibrant magenta. Text on the right side of the image reads: 'magenta Resto', '• Bamboo Charcoal Pillow', and '• Size (LxWxH): 28" x 16" x 5.5"'. The pillow is shown from a three-quarter perspective.</p> | <p>Bamboo charcoal abstracts added Memory foam pillow, eliminates radiation and avoid neck and shoulder pain resulting into a healthy and deep sleep.</p> | <p>It is Bamboo Charcoal pillow which is been proven to absorb excess moisture and moderate the temperature of the pillow, inhibiting dust mites and bacteria so you can sleep in a fresher, cleaner space.</p> |

| | | | |
|----------|--|---|---|
| Gel lite |  | Gel pillow with ventilation points to keep the head cool and refreshing all over the night. | It is good for side, back and stomach sleepers. Pillow is Pressure-relieving, hypoallergenic memory foam which offers lasting support throughout the night with ventilation points. |
|----------|--|---|---|

Mattresses & Pillows -

The range of mattresses and pillow manufactured by us comprise of economy mattress, desire mattress, luxuria mattress, imperia mattress, spring mattress, cielo lite pillow, aero pillow, elixir pillow, axilio pillow, esta pillow, gel lite pillow, Orion pillow, Resto pillow, etc.

Economy mattress: It is a range of hard medium & soft mattresses crafted and designed according to the requirement of the customer at very affordable Price.

Dezire mattress: This firm feel mattress offers a super strong, supportive core topped with comfort layers of high-density foam and HR foam. A strong edge ribbon assures a maximized sleeping surface with supportive sides. Dezire is a budget bed product series designed with elegance. It provides classic Foam, HR Foam and memory foam mattress bonded at the core for the best comfort and plush feel where your body can enter into a deep sleep. We have designed our product after drawing inspiration from sleep luxury trends in the world.

Luxuria mattress: Luxury mattresses are worth the higher price tag because of their superior design, quality, technology and longevity. They feature materials specifically designed to optimize comfort, including memory foam, cooling gel, Latex, breathable fabrics, and reinforced edges for better sleep. It offers ultimate sleep experience by maintaining the right temperature and its special ventilated Memory foam ensures smooth airflow to keep you comfortable all night.

Imperia mattress: Imperia Mattress is for cozy, peaceful, serene and healthy sleep qualities are inherent to a thoughtfully crafted mattress. It is one of the preferred choices of architects and interior designers complementing their high -class offerings. Extra comfort that shapes into cradle full of health and stress releasing sleep and it elevates the sleep experience with a range of mattresses with therapeutic & meditative properties.

Spring Mattress: Spring mattresses, also called innerspring mattresses, are beds that utilize dozens to hundreds of metal springs to provide an underlying support layer. They also have softer plush material layers to increase comfort and support. Spring mattresses have an open cell design that increase airflow and is great at keeping you cool at night. They are great for back sleepers and those with lower back pain. Spring beds will also often have foam layers surrounding the coils, as well as a plush or polyfoam comfort layer on top. The quality, material, and thickness of these layers can greatly influence the comfort and feel of the mattress.

Cielo Lite: The single moulded memory foam pillow comes with air infused premium memory foam.

Aero: A shredded memory foam pillow is soft enough to conform to the shape of your head and supportive enough to keep your neck and back properly aligned.

Elixir: High-quality conforming memory foam adapts to your head and shoulder shape and supports your head and neck for personalized comfort. Plush knit cover provides an added comfort layer and can be unzipped, removed and dry washed for easy care.

Axilio: The therapeutic cervical design of this contour pillow adapts to your head, neck and shoulders to provide the enhanced support and gentle alignment you need.

Esta: It is a Ventilated memory foam pillow which enhances air circulation inside the pillow to enable the hot air to escape out easily. It is in cooler form which gives more comfort to your sleep.

Gel Lite: It is good for side, back and stomach sleepers. Pillow is ventilated Pressure-relieving having hypoallergenic memory foam which offers lasting support throughout the night.

Orion: Directly infused with all-natural green tea properties to calm the mind and body for a regenerative effect, restful sleep, and deeper relaxation. Constructed with ventilation holes to promote air circulation and increase cooling.

Resto: It is Bamboo Charcoal pillow which is been proven to absorb excess moisture and moderate the temperature of the pillow, inhibiting dust mites and bacteria so you can sleep in a fresher, cleaner space and eliminates electromagnetic wave radiation.

Hydraulic bed

It is one of the adjustable bed bases which elevate your sleeping standards. It is designed for different activities on bed for which the body needs to be in different posture or positions and unfortunately, a flatbed will give users a lot of inconvenience for the same. We believe our Company provides most sophisticated adjustable bed frame that allows users to elevate their head and feet for desired comfort. We offer this is the flexible bed base under our brand name Magenta.

Product wise revenue

We derive our revenue from sale of our products i.e. Mattress, Pillow, Hydraulic Bed and other products. Our revenue from our various products for the periods is as set forth below:

(₹ in lakhs)

| Name of Products | As of April 30, 2023 | As % of Revenue from Operations | As of March 31, 2023 | As % of Revenue from Operations | As of March 31, 2022 | As % of Revenue from Operations | As of March 31, 2021 | As % of Revenue from Operations |
|------------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|
| Mattress | 35.65 | 52.50% | 491.96 | 54.26% | 462.62 | 50.05% | 373.95 | 38.76% |
| Pillow | 0.75 | 0.97% | 11.82 | 1.30% | 12.11 | 1.31% | 23.65 | 2.45% |
| Raw Foam | 28.64 | 46.32% | 302.64 | 33.38% | 395.73 | 42.81% | 528.84 | 54.82% |
| Hydraulic Bed | 0.00 | NA | 63.4 | 6.99% | 36.01 | 3.90% | 6.78 | 0.70% |
| Other Products* | 0.16 | 0.21% | 36.79 | 4.06% | 17.93 | 1.94% | 31.52 | 3.27% |
| Total Rs. | 65.19 | 100.00 | 906.61 | 100.00% | 924.4 | 100.00 | 964.74 | 100.00 |

* Other Products also includes non-standardized products

Geography wise revenue

(₹ in lakhs except share data)

| Geography | As of April 30, 2023 | As % of Revenue from Operations | As of March 31, 2023 | As % of Revenue from Operations | As of March 31, 2022 | As % of Revenue from Operations | As of March 31, 2021 | As % of Revenue from Operations |
|-------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|
| Andhra Pradesh | - | - | 2.26 | 0.24% | 4.31 | 0.46% | 1.11 | 0.11% |
| Assam | - | - | - | - | 0.11 | 0.01% | - | - |
| Chhattisgarh | 4.15 | 6.28% | 63.53 | 6.78% | 45.75 | 4.83% | 53.79 | 5.5% |
| Dadra and Nagar Haveli | - | - | - | - | - | - | 2.37 | 0.24% |
| Delhi NCR | - | - | - | - | 0.74 | 0.08% | 3.19 | 0.33% |
| Gujarat | 45.7 | 70.48% | 547.49 | 61.66% | 637.77 | 69.72% | 598.8 | 62.56% |
| Haryana | - | - | 2.22 | 0.24% | 1.91 | 0.2% | 1.31 | 0.13% |
| Jharkhand | - | - | - | - | 0.19 | 0.02% | - | - |
| Karnataka | 4.28 | 6.48% | 61.01 | 6.51% | 35.04 | 3.7% | 44.67 | 4.57% |

| | | | | | | | | |
|-----------------------|--------------|----------------|---------------|----------------|--------------|----------------|---------------|----------------|
| Kerala | - | - | 0.68 | 0.07% | 0.64 | 0.07% | - | - |
| Madhya Pradesh | 0.23 | 0.35% | 15.5 | 1.65% | 10.78 | 1.14% | 41.34 | 4.23% |
| Maharashtra | 2.47 | 3.74% | 82.2 | 8.77% | 83.47 | 8.82% | 85.55 | 8.75% |
| Rajasthan | 7.03 | 10.64% | 89.6 | 9.56% | 90.28 | 9.54% | 106.53 | 10.9% |
| Tamil Nadu | - | - | 8.57 | 0.91% | 5.14 | 0.54% | 16.68 | 1.71% |
| Telangana | - | - | 7.69 | 0.82% | 2.63 | 0.28% | 5.37 | 0.55% |
| Uttar Pradesh | 1.34 | 2.03% | 25.86 | 2.76% | 5.51 | 0.58% | 4.03 | 0.41% |
| West Bengal | - | - | - | - | 0.13 | 0.01% | - | - |
| Total Rs. | 65.20 | 100.00% | 906.61 | 100.00% | 924.4 | 100.00% | 964.74 | 100.00% |

SEGMENTWISE REVENUE

| Name of Products | As of April 30, 2023 | As % of Revenue from Operations | As of March 31, 2023 | As % of Revenue from Operations | As of March 31, 2022 | As % of Revenue from Operations | As of March 31, 2021 | As % of Revenue from Operations |
|------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|
| Online | 0.10 | 0.15% | 0.88 | 0.10% | 0.78 | 0.08% | 0.00 | NA |
| Offline | 65.09 | 99.85% | 905.73 | 99.90% | 923.62 | 99.92% | 964.74 | 100.00 |
| Total Rs. | 65.19 | 100.00% | 906.61 | 100.00 | 924.4 | 100.00 | 964.74 | 100.00 |

OUR COMPETITIVE STRENGTHS

Diversified customer base and long-standing relationship with our customers-

We have a well-diversified customer base all over India, wherein we provide the products and the services as per their requirements. This reduces the intensity of any significant single customer's contribution in our revenues. Our products we offer to our customers is spread across retail, hotels and institutions. Our top ten customers contribute is ₹ 45.34 lakhs which is around 69.55% of our revenue from operations as of April 30, 2023. We have relationships spanning around 5 years with our top ten customers by contribution to revenue from operations as of the April 30, 2023.

Our continuous focus on providing quality products and services consistently to our customers has helped us nurture long-term relationships with them. Our track record of delivering timely services and demonstrated industry expertise has helped in strong relationships with them. We have a history of high customer retention and derive a significant proportion of our revenue from repeated business.

Extensive and well-developed pan-India sales and distribution network

Our distribution network provides key support to our business operations and our well-developed sales and distribution network are the key for our business success. As of October 30, 2023, we deployed sales personnel who actively engage with key distributors. We have long-term relationships with our distributors and many of our distributors have been associated with us for more than 5 years. As on October 30, 2023 we have 26 distributor and our distributor dealer network is spread across over 15 states. We leverage the strength and presence of our distributors in territories they operate, thus expanding into such territories. Further, our products are also available across various e-commerce platforms.

Diversified Product portfolio

We are manufacturer of foam-based product such as mattresses and pillows which is marketed under our brand "Magenta" in India. Our Product offerings include wide range of mattresses such as memory foam, latex based, bonded mattresses etc. and pillows such as memory foam pillow, molded memory foam pillow, molded contour foam pillow etc. We believe that our success is attributable to the quality of products that we offer to our customers, spread across retail, hotels and institutions. Driven by innovation, we strive to introduce new and innovative products on a continuous basis with the help of our team. For instance, we have introduced green tea and bamboo

charcoal based herbal mattress and pet bed mattresses in our range of products. Further, we are also supply processed raw foam and adjustable bed frame (hydraulic bed) which we import under our brand Magenta.

For further details, regarding the relevant descriptions of the products we manufacture, please refer to “*Our Business – Our Products*” beginning on page no. 108 of this Draft Prospectus.

Experienced Promoter Directors with extensive domain knowledge

We are led by our Promoters Directors Divyesh Modi and Khyati Modi who have a collective experience of over a decade in this industry. Our Promoter Directors are involved in various aspects of our business, including manufacturing process, finance, procurement and marketing. Divyesh Modi is looking after product development, market research & analysis, marketing strategies, business relations and core team of finance & sales.

We believe that the experience, depth and diversity of our Promoter Directors have enabled our Company to scale our operations in domestic market. Their industry experience enables us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships and respond to changes in customer preferences.

For further information on our Promoter Directors please see the chapter titled “*Our Promoter and Promoter Group*” and “*Our Management*” beginning on pages 156 and 140, respectively

Quality assurance and accreditations

Our Company has necessary instruments for checking of our raw materials and finished goods for measuring the sizes and shapes in order to match the standards based on the standardized dimensions as well as customer specifications. If the raw materials purchased through the purchase orders fail to confirm to the required standards for manufacturing the products, the same are liable to be rejected and are returned to the suppliers/vendors.

We follow prescribed quality standard in our manufacturing process. Further, our raw materials supplied by our manufacturers having certifications like CertiPUR-US certified foam.

We believe that our certifications and industrial expertise favorably position us in servicing client requirements across all segments of the mattress and pillow.

OUR BUSINESS STRATEGIES

We strive to increase our market share in India’s growing mattress market and believe we are uniquely positioned to capitalize on India’s growth opportunities by leveraging our competitive strengths and pursuing the following strategies:

Increase Brand Awareness and Equity to Acquire New Customers

Increasing brand awareness and growing favorable brand equity among consumers in both existing and new markets has been, and remains, central to our growth. We believe brand familiarity and preference will continue to have a significant role in winning customers as the decision to buy sleep products and solutions is thoughtful and personal.

We drive brand awareness through a combination of sophisticated, multi-layered marketing programs, word-of-mouth referrals, experiential brand events, and ongoing product usage. A core tenet of our brand growth strategy is offering consumers increased ways to engage with our products through our distributor and online e-commerce platform.

Drive Continued Operational Excellence

We are committed to improving productivity and profitability through a number of operational initiatives designed to grow our revenue and expand our margins. We have strived continuously to improve our gross margin over the years. Overall business profitability will be driven by continued net revenue growth in conjunction with gross margin improvements, continued marketing efficiencies, and generating operating leverage. We believe there is opportunity for continued improvement in gross margins, marketing efficiencies, and operating leverage through various cost saving initiatives.

Continue to focus on development of personalized products

We believe that with rising household incomes in India, our target consumers are increasingly favoring personalized home-comfort packages that are tailored towards their physiological, aesthetic and ergonomic attributes. We aim to manufacture higher volumes of our current portfolio of customized products, as well as develop newer lines of

personalized home-comfort products to further improve our operating margins. We plan to expand and consolidate our *Magenta* brand, and develop *Magenta* to ensure that they can be made to match the shape and proportions of a consumer's bed, while providing, among other features, differing levels of comfort for different body zones.

Enhance customer base by entering new geographies -

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing our product portfolio. As on date of this Draft Prospectus, our Company has presence only in the domestic market. We plan to expand our presence in the international market which are currently untapped by our Company. Enhancing our presence in additional regions will enable us to reach out to a larger market. Further, our Company believes in maintaining long term relationships with our customers. We aim to achieve this by maintaining the high quality, timely delivery, competitive pricing and reliability of our products.

Expand our distribution network

Our historically developed distribution and dealer network across various states has been critical to our growth. We intend to continue developing and nurturing existing distributor relationships, and create new distribution channels in under and non-penetrated geographies. We aim to further develop our sales networks in primarily two types of territories: the first being those that are characterized by lower transportation costs, and the second, being those which have a significant demand of our products, where we can sell at price-points that can effectively offset higher transportation costs. We also aim to expand our retail presence by increasing our partnerships with exclusive retail partners and increasing our exclusive *Magenta* branded outlets.

Focus on quality's

Our Company intends to focus on adhering to the quality of our offerings. This is necessary so as to make sure that we maintain the high-quality standards for our offerings and get repeat orders from our customers. This will also aid us in enhancing our brand value and further increase the business.

OUR MANUFACTURING FACILITY

Our manufacturing facility is spread across a plant area of 31000 sq. ft. with one unit 1 spread on 16000 sq. ft and unit 2 is spread on 15000 sq. ft. Our manufacturing facility comprises of unit 1 and unit 2 within same premise and having closed shed as well as open area. Unit 1 is mainly designed for manufacturing processes of foam cutting, mattress pasting, mattress tap edging, fabric quilting etc., whereas Unit 2 is designed to carry out stamping, packing, sealing, finishing process, loading and dispatch.

Our manufacturing facility operates 6 days in a week having 8 hours of shift with national and public holidays being the off days and presently working one shift per day.

Set forth below are details of the installed capacity and the utilized capacity, for the Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022 and for the Financial Year ended March 31, 2021, respectively

| Product Name | For period month ended on April 30, 2023 | | March 31, 2023 | | March 31, 2022 | | March 31, 2021 | |
|------------------------|--|------------------------------|---------------------|-------------------|----------------------|-------------------|----------------------|-------------------|
| | Installed capacity* (per month) | Actual capacity *(per month) | Installed capacity* | Actual capacity * | Installed capacity * | Actual capacity * | Installed capacity * | Actual capacity * |
| Mattresses (Nos.) | 5000 | 1760 | 60000 | 16140 | 60000 | 14670 | 60000 | 8026 |
| Raw Foam (Blocks) | 1250 | 190 | 15000 | 2250 | 15000 | 2100 | 15000 | 1800 |
| Fabric Quilting (Mtrs) | 36000 | 9640 | 432000 | 112900 | 432000 | 67000 | 432000 | 48300 |
| Pillows (Nos.) | 6250 | 2600 | 75000 | 29400 | 75000 | 28170 | 75000 | 12398 |

**As certified by M/s Ramesh V Vaghela, Chartered Engineer, vide their certificate October 20, 2023.*

Our Equipment

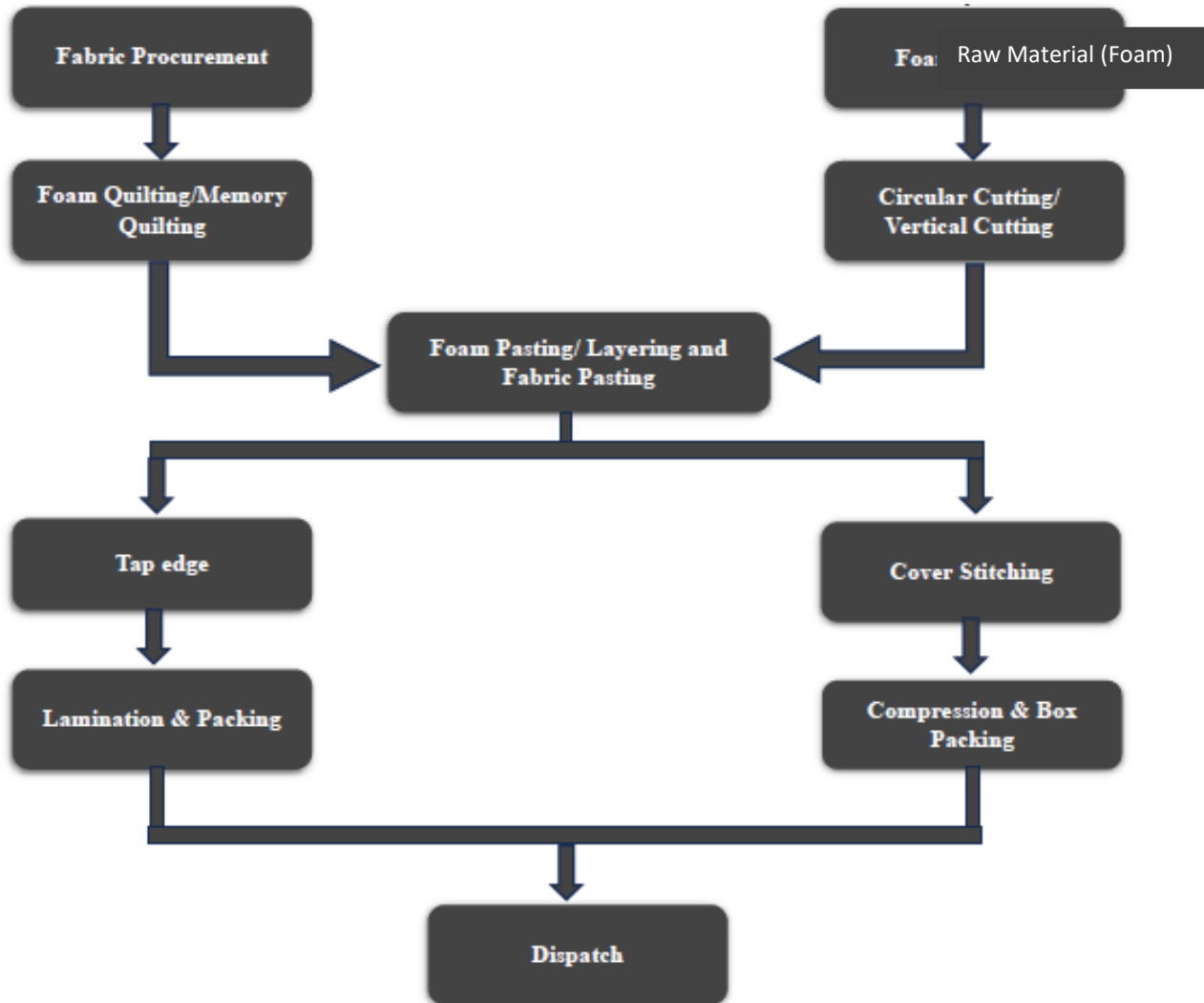
The details of existing Plant and Machineries in our manufacturing facility are given herein below:

| Sr. No. | Description (including make, model etc.) | Quantity |
|----------------|---|-----------------|
| 1 | Circular Cutting Machine | 1 |
| 2 | Vertical Cutting Machine | 3 |
| 3 | Hydraulic Press Machine | 1 |
| 4 | Tap edge Machine | 3 |
| 5 | Quilting Machine | 1 |
| 6 | Overlock Machine | 3 |
| 7 | Sewing Machine | 8 |
| 8 | Foam Crusher Machine | 1 |
| 9 | Mattress Roller Machine | 1 |
| 10 | Sealing Machine | 2 |
| 11 | Bailing Machine | 1 |

**As certified by M/s Ramesh V Vaghela, Chartered Engineer, vide their certificate October 20, 2023*

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Our Manufacturing Process



COLLABORATIONS/TIE UPS/JOINT VENTURES

Our Company has not entered into any Collaborations/ Tie-Ups/ Joint Ventures as on the date of this Draft Prospectus.

SALES AND MARKETING STRATEGY

Marketing is an important function of any organization. Given the nature of our product offering, we are required to regularly engage and interact with our customers before concluding a sale of our products. Such interaction may include exchange of design and product information, feedback on various aspects of the product, estimation of effort and cost for development of tooling. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our Promoters through their vast experience with our customers owing to timely and quality delivery of products play an instrumental role in creating and expanding a work platform for our Company.

Our Marketing strategy includes advertisement through online and offline media such as prints, hoarding and social media platform. We also engaged with our potential customers through participating in events, festival sponsorships, road side kiosk, exhibition and trade shows. Further, we also run festival campaign like discounts, free accessories bedsheets etc. from time to time.

We leverage our relationships with our existing customers to procure repeat orders from them, as well as invitations to develop new products for their new models. Our management has flexibility to accept customer's specific requirements while negotiating and discussing development of new products. In order to maintain good relation with our customers, our Promoter Director regularly interacts with them and focuses on gaining an insight into the additional needs of our customers.

OUR CUSTOMERS AND CUSTOMER CONTRACTS

We have a well-diversified customer base spread across various states and from various end-use industries. We do not enter into any long-term contract with our customers.

COMPETITION

We operate in the sleep economy industry, which includes mattress and pillows. We compete primarily on brand awareness, innovation, product quality and breadth, price, speed of delivery and product performance. The competitive environment of the industries in which we operate causes us to be subject to the risk of loss of market share, loss of significant consumers, reductions in margins and the inability to acquire new consumers. Within the mattress category, we compete primarily with legacy mattress manufacturers, retailers, and direct-to-consumer companies. Among the legacy mattress manufacturers, we compete with nationally recognized brand names and direct-to-consumer providers.

We face competition from domestic manufacturers. Competition emerges from small as well as big players in the mattresses industry. The organized players in the industry compete with each other by providing high quality-time bound products and value-added services. We have a number of competitors offering products similar to us. We believe that our experience in this business and quality assurance will be key to overcome competition posed by organized and unorganized players. We believe that we are able to compete effectively in the market with our quality of services and our reputation. We believe that the principal factors affecting competition in our business include client relationships, reputation, and the relative quality and price of the products.

UTILITIES

Our manufacturing operation require a limited amount of power and water. We depend on state electricity supply for our power requirements. The power supply systems at our facilities are equipped with feeder connections to ensure the continuous availability of power. To meet our water requirements for operation and office purposes, we consume water supplied to us by municipal corporations.

NETWORK

RAW MATERIAL AND SUPPLIERS

Our basic raw material includes foam, bonded, memory foam, fabric, springs, cotton rolls, threads, labels, packing bags-materials and adhesive and we procure our raw materials based on market availability, pricing and quality through domestic suppliers. The raw material pricing is dependent on multiple factors including, inter-alia, demand supply scenario and exchange rate fluctuation for our imported products.

We enjoy a long-standing relationship with many of our raw material suppliers, which enables a timely manufacturing and delivery of components. We keep an array of suppliers with us, to ensure that there is no delay in manufacturing and delivery of the component to the customer due to the delay or failure to supply a critical raw material by any supplier. Our top 10 suppliers contribute is ₹ 599.78 lakhs which represent 96.23% of the purchase for the Financial Year ended March 31, 2023. Presently, we have not entered into any long-term supply agreements for sourcing any of our raw materials, and we source our raw materials by purchase orders with our suppliers.

PRODUCT GUARANTEE AND WARRANTIES

We provide a set of guarantee and warranties on our products. Warranties benefits are available to end-customers who register their purchases through the authorised dealer from who they purchase our products, and cover product damage arising from sagging, crumbling and natural disintegration. Our guarantees are typically either in the nature of replacement guarantees, whereby, we undertake to replace a damaged product by an equivalent or higher value substitute within the initial guarantee period, or pro-rata money-back guarantees, whereby, after the expiry of the replacement guarantee period, a pro-rated amount (based on the original purchase price and the year in which the guarantee is invoked) is refunded to the relevant customer. We also provide warranties for product defects, typically

for a period of 1- 25 years, whereby our customers receive credit equivalent to the warranty settlement value of a damaged product for the purchase of a new product.

INFORMATION TECHNOLOGY

Our IT systems are vital to our business and we have installed Tally ERP for our accounting services.

HUMAN RESOURCES

We place importance on developing our human resources. We focus on attracting and retaining the best possible talent. Our business model comprises of experienced, qualified and semi qualified personnel. As on October 30, 2023, our Company currently has 36 employees in total. Our work processes and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans. Our employees are not affiliated to any trade union Further, the Company does not employ workers on contract basis. Apart from these we also employ casual labour or temporary labour on need basis.

Following is the Department wise employees list: -

| Sr. No. | Department | No. of Employees |
|--------------|---------------------------|------------------|
| 1 | Board of Director | 5 |
| 2 | Company Secretary | 1 |
| 3 | Finance & Accounts | 3 |
| 4 | Sales & Marketing | 13 |
| 5 | Human Resource | 1 |
| 6 | Plant Operator/Supervisor | 3 |
| 7 | Tap edge Operator | 4 |
| 8 | Quilting Operator | 1 |
| 9 | Skilled Labour | 5 |
| TOTAL | | 36 |

INSURANCE

Except as mentioned below, our Company does not have any Insurance Policy as on date of this Draft Prospectus.

| Name of the Insurance Company | Type of Policy | Validity Period | Description of Assets covered under the Policy | Policy No. | Total Sum Insured (₹) | Premium including taxes (₹) |
|-------------------------------|----------------|----------------------|--|--------------------|-----------------------|-----------------------------|
| National Insurance Co Limited | Standard | 05/09/23 to 04/09/24 | Building, Raw Material, Stock in Trade, Stock stock in Process, packing material including goods held in trust and insured trade related stock and Plant and Machinery | 301200112310000994 | 5,50,00,000 | 1,61,666 |
| National Insurance Co Limited | Burglary | 05/09/23 to 04/09/24 | Stock in Trade & Others | 301200592310000606 | 4,50,00,000 | 5,309 |

Our Company believes that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and our Company cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

QUALITY ASSURANCE

We believe in adhering to the highest standards of quality for our products. Our Product material is CertiPUR-US Certified foam. We have checks and testing systems in place, from the procurement of raw material to the manufactured product, for ensuring the quality of our Products.

OUR PROPERTIES


Immovable Properties

We own and lease certain properties for our corporate operations cum factory. The brief details of some of the material properties owned/leased by our Company are set out below:

| Sr. No | Details of the Property | Area | Validity of Agreement | Owner/ Lessor | Consideration (₹) | Lease Rent (₹) | Purpose Used |
|--------|---|---------------|--|---|-------------------|---|-----------------------------|
| 1. | 591, N. P. Patel Estate, A & T Padamla, Dist.: Vadodara | 16,000 sq. ft | September 01, 2023 to September 30, 2026 | Patel Shilpaben and Jitendrakumar Narsinhbhai | NA | 1,65,000/- per month (security deposit of ₹ 5,28,00) | Factory Operations & Office |
| 2. | 591, N. P. Patel Estate, A & T Padamla, Dist.: Vadodara | 15,000 sq. ft | September 01, 2023 to September 30, 2026 | Patel Rajiv Narsinhbhai and Patel Shital Rajiv Bhai | NA | 1,50,000/- per month (security deposit of ₹ 4,95,000) | Factory Operations |

Intellectual Property

Our Company has obtained registration and/or made applications for the registration of the following trademark with Trademark Registry, Government of India.

| Sr. No | Brand Name/ Logo Trademark | Class | Nature of Trademark | Applicant | Application No. & Date | Status | Validity |
|--------|---|-------|-----------------------------------|---------------------------|---|------------|-----------------|
| 1 |  | 99 | Registrar of Trademark, Ahmedabad | Magenta Lifecare Pvt. Ltd | Application No.: 3038423 Date: August 20, 2015 | Registered | August 20, 2025 |

Domain Details

| Sr. No | Domain name and ID | Registration name, ID and Address | Registry Expiry date |
|--------|--|--|----------------------|
| 1 | www.magentamattresses.com | Divyesh Modi 30 Laxmidas Nagar Part 2, Gotri Road Vadodara, Gujarat 390021 IN modi237@gmail.com | 16/07/2024 |

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of certain sector-specific statutes, regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to us in order to carry out our business and operations in India. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies that are available in the public domain. The description set out below is only intended to provide general information to the investors and may not be exhaustive and is neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the chapter titled “Government and other Approvals” on page 217 of this Draft Prospectus.

APPROVALS

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and other Approvals” beginning on page number 217 of this Draft Prospectus.

APPLICABLE LAWS AND REGULATIONS

BUSINESS/TRADE RELATED LAWS/REGULATIONS

The Bureau of Indian Standards Act, 2016

The Bureau of Indian Standards Act, 2016 (“BIS Act”) provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, inter-alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

Bureau of Indian Standards Rules, 2018 (the “Bureau of Indian Standards Rules”)

The Bureau of India Standards Rules, 2018, as amended, have been notified, in supersession of the Bureau of Indian Standards Rules, 1987, in so far as they relate to Chapter IV A of the said rules relating to registration of the articles notified by the Central Government, and in supersession of the Bureau of Indian Standards Rules, 2017 except in relation to things done or omitted to be done before such supersession. Under the Bureau of Indian Standards Rules, the bureau is required to establish Indian standards in relation to any goods, article, process, system or service and shall reaffirm, amend, revise or withdraw Indian standards so established as may be necessary.

Steel and Steel Products (Quality Control) Order, 2020 (the “Quality Control Order 2020”)

The Steel and Steel Products (Quality Control) Order, 2020, as, was notified by the Ministry of Steel, Government of India, to bring specified steel products under mandatory BIS certification. All manufacturers of steel and steel products are required to apply to the Bureau of Indian Standards for certification and ensure compliance with the Quality Control Order 2020.

Legal Metrology Act, 2009 (the “Metrology Act”)

The Legal Metrology Act, 2009, as amended was enacted with the objective to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Metrology Act states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in rules by each state.

The Micro, Small and Medium Enterprises Development Act, 2006 (the “Act”)

It consists of six chapters which are further divided into 32 sections. This Act also provides for the formation of the National Board of Micro, Small and Medium Enterprises. The head office of the Board is in Delhi. Section 3 of the Act defines the members of the board. The Central Government, by notification, can constitute an advisory committee. Registration of micro, small and medium enterprises is replaced with the filling of the memorandum. To avail the benefit of the Act, it is always recommended to register the enterprises as a micro, small or medium enterprise. The concept is important for the promotion of industrial development in rural areas, use of traditional or inherited skills, use of local resources and mobilization of resources and exportability of products. It provides maximum opportunities for employment outside the agriculture sector as well.

Consumer Protection Act, 1986 (“CPA”)

The CPA came into effect on December 24, 1986. It aims to reinforce the interests and rights of consumers by laying down a mechanism for speedy consumer grievance redressal. A consumer, his legal heir or representative, as defined under the CPA including a person who avails of any services for a consideration which has been paid in full or part or promised to be paid, any voluntary consumer association registered under any applicable law or numerous consumers having the same interest, or the Central or State Government may lodge a complaint before the district forum or any other appropriate forum under CPA, inter alia, for:

- (i) Defective or spurious goods or services;
- (ii) Unfair or restrictive trade practices;
- (iii) Deficiency in services hired or availed;
- (iv) Manufacture or provision of hazardous goods/services; and
- (v) Misleading or false warranties or guarantee or representations by the manufacturer/service provider.

In addition to awarding compensations and/or corrective orders, the forums and commissions under CPA are empowered to impose imprisonment of not less than a month, but not exceeding three years, or a fine of not less than two thousand rupees, but not more than ten thousand rupees, or both.

ENVIRONMENT RELATED LAWS

Environment Protection Act, 1986 and Environment (Protection) Rules, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for coordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

The Environmental Impact Assessment Notification, 2006 (the “Notification”)

As per the Notification, any construction of new projects or activities or the expansion or modernisation of existing projects or activities as listed in the Schedule attached to the notification entailing capacity addition with change in process and or technology can be undertaken only after the prior environmental clearance from the Central Government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central government under the provisions of the Environment (Protection) Act, 1986, in accordance with the procedure specified in the notification. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. However, in 2016, MoEF issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects. This is in line with the objective of the Central Government to streamline the permissions for buildings and construction sector so that affordable housing can be provided to weaker sections in urban area under the scheme ‘Housing for All by 2022’ and is proposing to remove the requirement of seeking a separate environment clearance from the MoEF for individual buildings having a total build up area between 5,000 square metre and 150,000 square metre, apart from adhering to the relevant byelaws of the concerned State authorities.

The Water (Prevention and Control of pollution) Act, 1974 (the “Water Act”)

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who is empowered to establish standards and conditions that are required to be complied with.

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

The Air (Prevention and Control of Pollution) Act, 1981 has been enacted to provide for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

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

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

The Municipal Solid Wastes (Management and Handling) Rules, 2000 (“Waste Management Rules, 2000”) as superseded by Solid Waste Management Rules, 2016 (“Waste Management Rules, 2016”)

The Waste Management Rules, 2000 applied to every municipal authority responsible for collection, segregation, storage, transportation, processing and disposal of municipal solid wastes. Any municipal solid waste generated in a city or a town, was required to be managed and handled in accordance with the compliance criteria and the procedure laid down in Schedule II of the Waste Management Rules, 2000. The Waste Management Rules, 2000 make the persons or establishments generating municipal solid wastes responsible for ensuring delivery of wastes in accordance with the collection and segregation system as notified by the municipal authority. The Waste Management Rules, 2000 have been superseded by the Waste Management Rules, 2016 which stipulate various duties of waste generators which, inter alia, include segregation and storage of waste generated by them in the manner prescribed in the Waste Management Rules, 2016; separate storage of construction and demolition waste and payment of user fee for solid waste management as specified in the bye-laws of the local bodies.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (“Hazardous Wastes Rules”)

The Hazardous Wastes Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state PCB for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste.

The Public Liability Insurance Act, 1991

The Public Liability Insurance Act places responsibility on those who own or control hazardous substances for any damage resulting from accidents involving such substances. A roster of hazardous substances falling under the scope of this law is outlined through government notifications. The owner or handler of these substances is additionally mandated to acquire an insurance policy that covers liability in connection with the act. Rules established under the Public Liability Act dictate that the employer is obligated to contribute to the environmental relief fund, an amount equivalent to the premium paid for insurance policies. This contribution is payable to the insurer.

GENERAL CORPORATE COMPLIANCE

Companies Act, 2013 (the “Companies Act”)

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and

vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors, the procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the director's payable by the companies is under Part II of the said schedule.

The Registration Act, 1908 (the “Registration Act”)

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

Shops and commercial establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All establishments must be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations, as well as the procedures for appeal in relation to such contravention of the provisions.

EMPLOYMENT AND LABOUR LAWS

The Code on Wages, 2019 (the “Code”)

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees and allows the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

The Payment of Wages Act, 1936

Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

The Payment of Bonus Act, 1965 (the “PoB Act”)

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

The Equal Remuneration Act, 1976

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment

and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

Occupational Safety, Health and Working Conditions Code, 2020

The Government of India enacted 'The Occupational Safety, Health and Working Conditions Code, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The laws that it shall subsume are as follows –

The Factories Act, 1948

The Factories Act, 1948, as amended, defines a “factory” to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

Industrial Relations Code, 2020

The Government of India enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. Currently the laws are as follows –

Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal, or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workers. The ID Act further provides for direct access for the workers to labour courts or tribunals in case of individual disputes and provided for the constitution of grievance settlement machineries in any establishment having twenty or more workers.

Trade Unions Act, 1926

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

Industrial Employment (Standing Orders) Act, 1946 (the “Standing Orders”)

The Standing Orders were passed by the Central Government to bring uniformity in the terms of employment in industrial establishments so as to minimize industrial conflicts. The Standing Orders play a key role in defining the

terms and conditions of employment within an industrial employment. The highlights of the Standing Orders such as classification of workmen, manner of intimation to workers about work and wage related details. Attendance and conditions for leaves, conditions of termination of employment and means of redressal for workmen in different matters.

Code on Social Security, 2020

The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. The laws that the code shall subsume, are currently as follows –

Employee's Compensation Act, 1923

The Employees' Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the Employees' Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employees' Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death/serious bodily injury.

Employee's State Insurance Act, 1948

It is an Act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

Employee's Provident Fund and Miscellaneous Provisions Act, 1952

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

Maternity Benefit Act, 1961

The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

Payment of Gratuity Act, 1972

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or

establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

Employees' Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 6C of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees' Pension Scheme, 1995

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is member of EPF or PF has an option of the joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the all the employees who are members of the fund.

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

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Child Labour (Prohibition and Regulation) Act, 1986 (the "CLPR Act")

The "CLPR Act seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

Fire Prevention Laws

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centres and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Public Liability Insurance Act, 1991 ("PLI Act")
- Industrial (Development and Regulation) Act, 1951 ("IDRA")
- Industrial Disputes Act, 1947 ("ID Act")
- Payment of Bonus Act, 1965 ("POB Act")
- Payment of Gratuity Act, 1972.
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Equal Remuneration Act, 1976 ("ER Act")

- Contract Labour (Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition)
- Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 (“WCA”)
- Maternity Benefit Act, 1961 ("Maternity Act")
- Industrial Employment Standing Orders Act, 1946
- The Employees Compensation Act, 1923 (“EC Act”) and the rules framed thereunder
- Minimum Wages Act, 1948 (“MWA”) and the rules framed thereunder

ANTI-TRUST LAWS

Competition Act, 2002 (the “Act”)

The Act is to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The Act deals with prohibition of anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

TAX RELATED LEGISLATIONS

Income Tax Act, 1961 (the “IT Act”)

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

Customs Act, 1962

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

Central Goods and Services Tax Act, 2017 (the "GST Act")

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state is levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

INTELLECTUAL PROPERTY LEGISLATIONS

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- Indian Copyright Act, 1957
- The Trade Marks Act, 1999
- The Designs Act, 2000

- The Patent Act, 1970

The Acts applicable to our Company will be:

Trade Marks Act, 1999 (the “TM Act”)

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

GENERAL LAWS

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Negotiable Instrument Act 1881, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, Consumer Protection Act 2019, Indian Contract Act, 1872, Transfer of Property Act, 1882, Information Technology Act, 2000 etc.

OTHER LAWS:

Foreign Exchange Management Act, 1999 (“FEMA”)

FEMA was enacted by the Government of India to replace the erstwhile Foreign Exchange Regulation Act, 1973 (“FERA”). The Act was aimed at consolidating and amending the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA has removed restrictions on trade in goods and services to and from India, except for the enabling provision for the Central Government to impose reasonable restrictions in the interest of public when required.

Foreign Trade (Development and Regulation) Act, 1992 (the “Act”)

The Act regulates and governs the foreign policy of India in relation to trade of goods and services. The Act was enacted in the year 1992 as a replacement of the Import and Exports (Control) Act, 1947. The objective of the Act was to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. Through the Foreign Trade (Development and Regulation) Amendment Act of 2010, "services" was also included in the ambit of import and export of trade in the purview of the Act.

Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular. The Reserve Bank of India (“RBI”) also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

Other Laws

Export Promotion Capital Goods Scheme (“EPCG Scheme”)

The objective of the EPCG Scheme under the Foreign Trade Policy 2015-20 is to promote the import of capital goods for producing quality goods and services in India, thereby enhancing India’s manufacturing competitiveness.

The EPCG Scheme allows import of capital goods for pre-production, production and post production at zero customs duty, subject to an export obligation equivalent to six times of duties, taxes and chess saved on capital goods, to be fulfilled in six years reckoned from date of issue of authorization. The EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s)/ vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers.

Remission of Duties and Taxes on Export Products Scheme (“RODTEP Scheme”)

Prior to January 1, 2021, the Merchandise Exports from India Scheme (“MEIS”) was in force pursuant to which, the Government provided duty benefits depending on the product and the country of export. However, the Ministry of Finance, GoI has discontinued MEIS with effect from January 1, 2021 and announced RODTEP Scheme for exporters. RODTEP scheme will ensure that the exporters receive the refunds on the embedded taxes and duties that were previously non-recoverable. RODTEP scheme allows the exporter for the payment of import duty or sell such duty credit scrips in the open market to other importers.

Other regulations:

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

HISTORY AND CERTAIN CORPORATE MATTERS

HISTORY AND BACKGROUND

Our Company was originally incorporated as “Magenta Lifecare Private Limited” as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated August 04, 2015, issued by the Assistant Registrar of Companies, Ahmedabad. Subsequently, upon the conversion of our Company into a public limited company, pursuant to a special resolution passed by our shareholders on June 19, 2023, the name of our Company was changed to “Magenta Lifecare Limited” and a fresh certificate of incorporation dated July 05, 2023 was issued by the Registrar of Companies, Ahmedabad.

BUSINESS AND MANAGEMENT

For a description of our activities, services, designing, market segments, the growth of our Company and regional geographical segment in which our Company operates, please refer Chapter titled “*Business Overview*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 108, 93 and 201 of this Draft Prospectus, respectively. For details of the management and managerial competence of our Company, please refer Chapter title “*Our Management*” beginning on page 140 of this Draft Prospectus.

CHANGES IN REGISTERED OFFICE OF OUR COMPANY

There has been changes in the registered office of our Company which are as follows:

| Date | From | To | Reasons |
|-------------------|---|--|----------------------------|
| January 13, 2016 | B-102 Shantam Greens, Near Dwarkesh Party Plot, Vasna Road, Race Course Vadodara – 390007, Gujarat, India | 802-Ocean, Nr Centre Square Mall, Sarabhai Compound, Wadi Vadi, Vadodara, - 390023, Gujrat, India. | Administrative Convenience |
| December 01, 2022 | 802-Ocean, Nr Centre Square Mall, Sarabhai Compound, Wadi Vadi, Vadodara, - 390023, Gujrat, India. | N P Patel Estate, A & T Padamla, Vadodara – 391350, Gujrat, India. | Administrative Convenience |

MAIN OBJECTS OF OUR COMPANY

The Main Objects clause of the Company as per the Memorandum of Association is as under:

To carry on business in India or elsewhere, of manufacture, prepare, produce, cultivate, buy, store, distribute, sell, import, export, process, re-process, prepare, double, cure, cut, join, comb, combine, blend, spin, weave, gin, pack, bleach, dye, print, tuft, finish, scour, otherwise deal in all kinds, descriptions, types, varieties and grades of products, goods, articles, commodities, items inclusive of carpets, mat, blankets rugs, floor coverings, linen, cloth, textile, fabric, felted, netted, looped or flocked, staple fiber, synthetic fiber and all other fibers, allied products, by-products and substitutes for or any of them, which are being utilized by the people at large for their betterment and good Care in their day today life, made out of Cotton, Forms, Silk, Linen, Nylon, Rayon, Jute, Hemp, Flax, Silk, Wool, Yarn, coir, sisal Fibers and fibrous substances.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION (MoA)

Since incorporation, the following amendments have been made to the MoA:

| Date of Shareholder’s Resolution | Particulars |
|----------------------------------|---|
| August 05, 2016 | Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from Rs. 10,00,000/- (Ten Lakhs Only) divided into 1,00,000 equity shares of Rs. 10/- each to Rs. 1,50,00,000/- (One Crore Fifty Lakh Only) divided into 15,00,000 Equity shares of Rs. 10/- |

| | |
|-------------------|--|
| | each. |
| February 22, 2023 | Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from Rs. 1,50,00,000/- (One Crore Fifty Lakh Only) divided into 15,00,000 Equity shares of Rs. 10/- each to Rs. 7,00,00,000/- (Seven Crore Only) divided into 70,00,000 Equity shares of Rs. 10/- each. |
| June 19, 2023 | Clause I of the Memorandum of Association was changed from “Magenta Lifecare Private Limited” to “Magenta Lifecare Limited” pursuant to Conversion from Private Limited Company to Public Limited Company |

MAJOR EVENTS, MILESTONES, KEY AWARDS, ACHIEVEMENTS AND ACCOLADES OF OUR COMPANY

| Year | Description |
|-------------|--|
| 2015 | Incorporation of the Company in the name and style of “Magenta Lifecare Private Limited”. |
| 2023 | Converted into Public Limited Company vide fresh certificate of incorporation dated July 05, 2023. |

HOLDING / SUBSIDIARY COMPANY/ JOINT VENTURE AND ASSOCIATE

As on the date of this Draft Prospectus, our Company does not have a Holding or Subsidiary company or any joint venture or any Associate.

STRATEGIC PARTNERS

Our Company does not have any strategic partners as on the date of this Draft Prospectus.

FINANCIAL PARTNERS

Apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, as on the date of this Draft Prospectus, our Company does not have any financial partners.

TIME AND COST OVERRUN IN SETTING UP OF PROJECTS

As on the date of this Draft Prospectus, there have been no instances of time and cost overruns in setting up of our projects.

LOCK-OUT AND STRIKES

There have been no instances of strikes or lock-outs at any time in our Company.

CAPACITY/ FACILITY CREATION, LOCATION OF PLANTS

For details pertaining to capacity / facility creation, location of plant refers chapter titled “*Business Overview*” beginning on page 108 of this Draft Prospectus.

DETAILS OF LAUNCH OF KEY PRODUCTS, ENTRY IN NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS

For details pertaining to launch of key products, entry in new geographies or exit from existing markets, please refer chapter titled “*Business Overview*” on page 108 of this Draft Prospectus.

DEFAULTS OR RESCHEDULING / RESTRUCTURING OF BORROWINGS OF OUR COMPANY WITH FINANCIAL INSTITUTIONS / BANKS

Except for Punjab National Bank, as on the date of this Draft Prospectus, there have been no defaults or rescheduling/restructuring of borrowings with any of the financial institutions/banks in relation to our Company.

ACQUISITION OR DIVESTMENTS OF BUSINESS / UNDERTAKINGS, MERGERS AND AMALGAMATIONS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers or amalgamation in the last ten years.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

SHAREHOLDERS AND OTHER MATERIAL AGREEMENTS

Our Company has not entered into any Shareholders Agreement as on the date of this Draft Prospectus.

CHANGES IN THE ACTIVITIES OF OUR COMPANY HAVING MATERIAL EFFECT

As on date of this Draft Prospectus, there is no changes in the activities of our Company having material effect.

DETAILS OF GUARANTEES GIVEN TO THIRD PARTIES BY THE PROMOTERS

As on the date of this Draft Prospectus, no guarantee has been issued by Promoters except as disclosed in the "*Financial Indebtedness*" on page no. 210 of this Draft Prospectus.

AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTERS OR ANY SENIOR MANAGERIAL PERSONNEL OR OTHER EMPLOYEE OF THE COMPANY

There are no agreements entered into by key managerial personnel or a Directors or Promoters or senior managerial personnel or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

COLLABORATION

Our Company has not entered into any Collaboration as on the date of this Draft Prospectus.

INJUNCTION OR RESTRAINING ORDERS

There are no injunctions/restraining orders that have been passed against the Company.

OUR MANAGEMENT

BOARD OF DIRECTORS DETAILS ARE AS FOLLOWS

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Prospectus, our Board comprises of five Directors (two directors being women directors), including Executive Directors, Non-Executive Director and Non-Executive Independent Directors. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act.

The following table sets forth details regarding our Board as of the date of this Draft Prospectus

BOARD OF DIRECTORS DETAILS ARE AS FOLLOWS

| Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship | Other Directorships as on the date of this Draft Prospectus |
|---|---|
| <p>DIVYESH MODI Designation: Chairman and Managing Director DIN: 02016172 Date of Birth: July 23, 1981 Age:42 Occupation: Business Address: B-102, Shantam Greens, Near Dwarkesh Party Plot, Vasna Road, Vadodara Racecourse, Vadodara – 390007, Gujarat, India. Nationality: Indian Original Date of Appointment: August 04, 2015 Change in Designation: September 06, 2023 Period of Directorship: For a period of five years w.e.f September 06, 2023</p> | <p>Public Companies: Nil Private Companies: 1. Allianz Infocom Private Limited 2. Allianz Infonet Private Limited Foreign Companies: Nil</p> |
| <p>KHYATI MODI Designation: Non-Executive Director DIN:06727195 Date of Birth: June 12, 1981 Age:42 Occupation: Business Address: B-102, Shantam Greens, Near Dwarkesh Party Plot, Vasna Road, Vadodara Racecourse, Vadodara – 390007, Gujarat, India. Nationality: Indian Original Date of Appointment: August 04, 2015 Change in Designation: September 11, 2023 Period of Directorship: Liable to retire by rotation</p> | <p>Public Companies: Nil Private Companies: Nil Foreign Companies: Nil</p> |

| Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship | Other Directorships as on the date of this Draft Prospectus |
|--|---|
| <p>VIPINCHANDRA MODI Designation: Non-Executive Director DIN:09824996 Date of Birth: January 01, 1948 Age:76 Occupation: Business Address: 30 Laxmidas Nagar Part -2, Iscon Temple, Behind Rupal Park Society, Gotri Road, Vadodara – 390021, Gujarat, India Original Date of Appointment: December 14, 2022 Change in Designation: September 11, 2023 Period of Directorship: Liable to retire by rotation</p> | <p>Public Companies: Nil Private Companies: Nil Foreign Companies: Nil</p> |
| <p>NANDISH JANI Designation: Non-Executive Independent Director DIN:09565657 Date of Birth: October 04, 1989 Age:34 Occupation: Professional Address:15, Arasuri Society, near Vyasvadi Nava Vadaj, Ahmedabad-380013, Gujarat. Nationality: Indian Original Date of Appointment: July 07, 2023 Change in Designation: September 11, 2023 Period of Directorship: 5 (five) consecutive years w.e.f 7th July, 2023</p> | <p>Public Companies: 1. Dipna Pharmachem Limited 2. Yarn Syndicate Limited 3. Neurich Nutrifooods Limited Private Companies: Nil Foreign Companies: Nil</p> |
| <p>CHINU KALAL Designation: Non-Executive Independent Director DIN:09568622 Date of Birth: February 03, 1994 Age: 30 Occupation: Professional Address: SwagatVatika Road, Banjariya, Kherwara, Udaipur-313803, Rajasthan. Nationality: Indian Original Date of Appointment: May 26, 2023</p> | <p>Public Companies: 1. Vaxfab Enterprises Limited 2. Qmin Industries Limited Private Companies: Nil Foreign Companies: Nil</p> |

| Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship | Other Directorships as on the date of this Draft Prospectus |
|---|---|
| <p>Change in Designation: 5 (five) consecutive years w.e.f 26th May, 2023</p> <p>Period of Directorship: 5 (five) consecutive years from 26th May, 2023</p> | |

Brief Biographies of our Directors

Divyesh Modi, aged 42 years is the Chairman & Managing Director of the board of our Company. He is one of the Promoter of our Company. He holds a bachelor of commerce degree from The Maharaja Sayajirao University of Baroda. He has been associated with our company since incorporation and has over 6 years of experience in the field of mattresses and pillow industry

Khyati Modi, aged 42 years is the Non-Executive Director of the board of our Company. She is one of the Promoter of our Company. She has been associated with our Company since incorporation and has over 6 years of experience in the field of mattresses and pillow industry. She holds a bachelor of commerce degree from The Maharaja Sayajirao University of Baroda. She also holds degree of master of computer applications from Gujarat University She has over in the field of mattresses and pillow industry.

Vipinchandra Modi, aged 76 years is the Non-Executive Director of our Company. He has been associated with our Company since December 14, 2022. He has a completed his secondary schooling from M S Patel Sarvajanic Vidhyalaya, Nasvadi. He has over 45 years of experience in the field of human resource management.

Nandish Jani, aged 34 years is the Non-Executive Independent Director of our Company. He has been appointed by our Company w.e.f. July 07, 2023. He holds a Bachelor of Commerce degree from Aroma College of Commerce. He has over 10 years of experience in the field of accounts and tax.

Chinu Kalal, aged 30 years is the Non-Executive Independent Director of our Company. She has been appointed by our Company w.e.f. May 26, 2023. She holds a Master of Science in nursing degree from Sai Tirupati University, Udaipur. She has over 6 years of experience in the field of medical.

Relationship between our Directors and KMPs

Except as mentioned below, as on the date of this Draft Prospectus, none of our Directors and KMPs are related to each other as per section 2(77) of the Companies Act, 2013.

| Directors and KMPs | Other Directors | Relation |
|--------------------|-------------------|-----------------|
| Divyesh Modi | Vipinchandra Modi | Son |
| | Khyati Modi | Spouse |
| Khyati Modi | Vipinchandra Modi | Father- in- law |
| | Divyesh Modi | Spouse |

Details of any arrangement or understanding with major shareholders, customers, suppliers or others

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers and none of our Directors or members of senior management were appointed pursuant to any arrangement or understanding with any major shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

Borrowing Powers of the Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by the at the EGM of the Company held on June 19, 2023, our Board has been authorized to borrow any sum of money from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital and free reserves of our Company, provided that the total outstanding amount so borrowed shall not any time exceed the limit of ₹ 10,000 lakhs.

Terms of Appointment & Remuneration to the Directors

Divyesh Modi

Divyesh Modi was appointed as a Managing Director and Chairman of our Company, by virtue of resolution passed by our Board of Directors on September 06, 2023 and by the shareholders in the Annual General Meeting held on September 11, 2023 for a period of 5 years w.e.f September 6, 2023 to September 5, 2028 for a remuneration of Rs. 1 lakh per month.

Khyati Modi

Khyati Modi was appointed as a Non-Executive Director of our Company, by virtue of resolution passed by our Board of Directors on July 07, 2023, and by the shareholders in the Annual General Meeting held on September 11, 2023.

Vipinchandra Modi

Vipinchandra Modi was appointed as a Non-Executive Director of our Company, by virtue of resolution passed by our Board of Directors on December 14, 2022, and by the shareholders in the Annual General Meeting held on September 11, 2023.

The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof).

Compensation paid to Executive Directors during preceding financial year ended 2022-23

| Name of the Director | Designation | Remuneration (₹ in Lakhs) |
|-----------------------------|--------------------------------|----------------------------------|
| Divyesh Modi | Managing Director and Chairman | Nil |
| Khyati Modi | Non-Executive Director# | Nil |

#Khyati Modi was redesignated as Non-Executive Director in the Annual General Meeting *September 11, 2023*

Our Executive directors was not paid any compensation or benefits.

Payment or benefit to Non -Executive Directors and Independent Directors of our Company

Pursuant to Board resolution dated July 18, 2023 each Non-Executive Independent Directors is entitled to receive sitting fees of ₹ 3000 for attending Board and Committee Meetings. Further, our Non-Executive Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act and the SEBI Listing Regulations. Our Company had no Independent Directors in Financial Year ended 2023. Hence, no sitting fees or commission was paid by our Company to any Independent Directors in Financial Year ended 2023

Remuneration paid or payable to our Directors by our Subsidiaries

There is no subsidiary of our Company. Hence, none of the Directors of our Company has been paid any remuneration, including any contingent or deferred compensation accrued for Financial Year 2022-23.

Shareholding of Directors in our Company

As per our AOA, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as on the date of this Draft Prospectus is set forth below:

| Name of director | Number of equity shares | Percentage of Pre-Issue Capital (%) |
|-------------------|-------------------------|-------------------------------------|
| Divyesh Modi | 21,58,800 | 44.33% |
| Khyati Modi | 16,65,000 | 34.19% |
| Vipinchandra Modi | 2,70,000 | 5.54% |
| Total | 40,93,800 | 84.06% |

Confirmations

None of our Directors is or was a director of any listed companies, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the five (5) years preceding from the date of this Draft Prospectus, during their term of directorship in such company.

None of our Directors is or was, a Director of any listed companies, which has been or were delisted from any stock exchange(s), during their term of directorship in such Company.

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrower by any bank or financial institution or consortium, in accordance with the applicable guidelines issued by the Reserve Bank of India.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

None of our Directors have any interest in any property acquired in the three years preceding the date of this Draft Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Interest of directors

All our Non-Executive Directors including Independent Director may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles. Our Executive Directors deemed to be interested to the extent of remuneration payable to them pursuant to Articles of the Company and resolution approved by the Board of Directors/ Members of our Company, as the case may be, time to time for services rendered as an officer or employee of our Company. The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer chapter titled ***“Our Management - Shareholding of Directors in our Company”*** beginning on page 140 of this Draft Prospectus.

Other than our Promoter Directors, none of the other Directors have any interest in the promotion of our Company other than in the ordinary course of business.

No sum has been paid or agreed to be paid to our directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

Except as stated in the chapter “**Business Overview**” beginning on page 108 of this Draft Prospectus and in the chapter “**Restated Financial Statement**” beginning on page 162 none of our Directors have any interest in the property acquired or proposed to be acquired by our Company.

Except as stated in “**Restated Financial Statement**” beginning on page 162 and as disclosed in this section, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

Payment of benefits (non-salary related)

Except as disclosed above, no amount or benefit has been paid or given since incorporation or is intended to be paid or given to any of our Directors except the remuneration for services rendered and/or sitting fees as Directors.

Contingent and Deferred Compensation payable to Directors.

No Director has received or is entitled to any contingent or deferred compensation.

Bonus or profit-sharing plan for the Directors

None of the Directors are party to any bonus or profit-sharing plan of our Company.

Companies with Which Our Directors Has Disassociated as Director in The Last Three (3) Years

None of our Directors have been disassociated as a director from any companies during the last three years preceding the date of this Draft Prospectus.

Changes in the board of directors in the last three (3) years immediately preceding the date of Draft Prospectus.

There has been no change in the Board of Directors, except as stated below during the last three (3) years preceding the date of this Draft Prospectus:

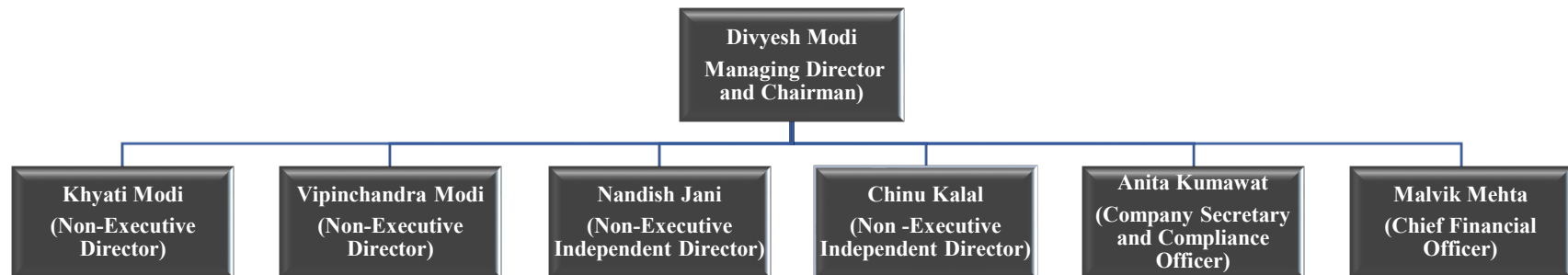
| Sr. No | Name | Date | Designation | Reason |
|--------|-------------------|--------------------|---|--|
| 1. | Divyesh Modi | July 29, 2015 | Managing Director | Appointed as Managing Director |
| 2. | Khyati Modi | December 15, 2022 | Non-Executive Director | Resignation as Non-Executive Director |
| | | July 07, 2023 | Additional Director | Appointment as Additional Director |
| | | September 11, 2023 | Non-Executive Director | Appointment as Non-Executive Director |
| 3. | Priyang Patel | September 15, 2020 | Non-Executive Director | Resignation as Non-Executive Director |
| 4. | Dhruval Vyas | April 12, 2021 | Non-Executive Director | Resignation as Non-Executive Director |
| 5. | Vipinchandra Modi | December 14, 2022 | Additional Non-Executive Director | Appointment as Additional Non-Executive Director |
| | | September 11, 2023 | Non-Executive Director | Regularisation |
| 6. | Chinu Kalal | May 26, 2023 | Additional Non-Executive Independent Director | Appointment as Additional Non-Executive Independent Director |
| | | September 11, 2023 | Non-Executive Independent Director | Regularisation |
| 7. | Nandish Jani | July 07, 2023 | Additional Non-Executive Independent Director | Appointment as Additional Non-Executive Independent Director |

| Sr. No | Name | Date | Designation | Reason |
|--------|------|--------------------|------------------------------------|----------------|
| | | | Director | Director |
| | | September 11, 2023 | Non-Executive Independent Director | Regularisation |

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Management Organization Structure

The following chart depicts our Management Organization Structure



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Corporate Governance

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI Listing Regulations to the extent applicable to the entity whose shares are listed on BSE SME and shall be applicable to us immediately upon the listing of our Equity Shares with the BSE SME. We are in compliance with the requirements of the applicable regulations, the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act. The Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report. We have complied with the requirements of the applicable regulations, including Regulations, in respect of Corporate Governance including constitution of the Board and its Committees. The Corporate Governance framework is based on an effective Independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Committees of the Board of directors

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee and (iii) Stakeholders Relationship Committee

(i) Audit Committee

Our Company has constituted an Audit Committee as per Section 177 and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable Clauses of SEBI Listing Regulations and any other applicable guidelines vide resolution passed in the meeting of our Board dated September 11, 2023. The constitution of the Audit Committee is as follows:

| Name of Director | Position in the Committee | Designation |
|------------------|---------------------------|------------------------------------|
| Nandish Jani | Chairman | Non-Executive Independent Director |
| Chinu Kalal | Member | Non-Executive Independent Director |
| Khyati Modi | Member | Non-Executive Director |

Terms of Reference for the Audit Committee:

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- (1) to investigate any activity within its terms of reference;
- (2) to seek information from any employee;
- (3) to obtain outside legal or other professional advice;
- (4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (5) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

B. Role of Audit Committee

The role of the Audit Committee shall include the following:

- (1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
 - (2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
 - (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - (4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;
 - (5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
 - (6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
 - (7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
 - (8) reviewing, with the management, the statement of uses / application of funds raised through an issue(public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Issue document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - (9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - (10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;
- Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
- (11) scrutiny of inter-corporate loans and investments;
 - (12) valuation of undertakings or assets of the Company, wherever it is necessary;
 - (13) evaluation of internal financial controls and risk management systems;

- (14) reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (15) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (16) discussion with internal auditors of any significant findings and follow up there on;
- (17) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (18) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (19) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (20) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- (21) reviewing the functioning of the whistle blower mechanism;
- (22) monitoring the end use of funds raised through public offers and related matters;
- (23) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (24) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (25) reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;
- (26) carrying out any other functions required to be carried out as per the terms of reference of the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;
- (27) consider and comment on rationale, cost- benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its members; and
- (28) to review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively; and
- (29) Such roles as may be prescribed under the Companies Act, SEBI Listing Regulations and other applicable provisions.
- (30) Approve all related party transactions and subsequent material modifications

(ii) Nomination and Remuneration Committee

Our Company has constituted Nomination and Remuneration Committee in terms of Section 178, Schedule V and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines, in the meeting of the Board of Directors held on September 11, 2023. The Nomination and Remuneration Committee presently consists of the following Directors of the Board.

| Name of Director | Position in the Committee | Designation |
|-------------------|---------------------------|------------------------------------|
| Chinu Kalal | Chairman | Non-Executive Independent Director |
| Nandish Jani | Member | Non-Executive Independent Director |
| Vipinchandra Modi | Member | Non-Executive Director |

A. Tenure: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings: The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

C. Terms of Reference for the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the “Board” or “Board of Directors”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“Remuneration Policy”).

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals.
- (ii) Formulation of criteria for evaluation of performance of independent directors and the Board;
 - (iii) Devising a policy on Board diversity;
 - (iv) Identifying persons who are qualified to become directors and who may be appointed as senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out effective evaluation of performance of Board, its committees and individual directors (including independent directors) to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
 - (v) Analyzing, monitoring and reviewing various human resource and compensation matters;

- (vi) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (vii) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (viii) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
- (ix) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (x) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employ Benefits and Sweat Equity) Regulations, 2021, if applicable;
- (xi) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as ended from time to time, including:
 - (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
- (xii) Administering monitoring and formulating detailed terms and conditions the employee stock option scheme/ plan approved by the Board and the members of the Company in accordance with the terms of such scheme/ plan ("ESOP Scheme"), if any;
- (xiii) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/ or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- (xiv) Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.
- (xv) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (a) use the services of an external agencies, if required;
 - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (c) consider the time commitments of the candidates.
- (xvi) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

(iii) Stakeholders Relationship Committee

Our Company has constituted the Stakeholders Relationship Committee in terms of Section 178 sub section (5) and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the meeting of Board of Directors dated September 11, 2023 Stakeholders Relationship Committee presently consists of following Directors of the Board:

| Name of Director | Position in the Committee | Designation |
|------------------|---------------------------|------------------------------------|
| Nandish Jani | Chairman | Non-Executive Independent Director |
| Chinu Kalal | Member | Non-Executive Independent Director |
| Khyati Modi | Member | Non-Executive Director |

Terms of Reference for the Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required under the applicable law, the following:

- (1) Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;
- (2) Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
- (3) Review of measures taken for effective exercise of voting rights by members;
- (4) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (5) Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (6) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
- (7) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the members of the company; and
- (8) Carrying out such other functions as may be specified by the Board from time to time or specified / provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

Policy on disclosures and internal procedure for prevention of Insider Trading

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the BSE SME. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on BSE SME. The Board of Directors at their meeting held on September 11, 2023 have approved and adopted the policy for prevention of insider trading.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

Policy for determination of materiality & materiality of Related Party Transactions and on dealing with Related Party Transactions

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on BSE SME. We shall comply

with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of BSE SME. The Board of Directors at their meeting held on September 06, 2023 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

OUR KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

Brief Profile of Key Managerial Personnel:

Anita Kumawat, Company Secretary & Compliance Officer

Anita Kumawat, aged 33 years is Company Secretary & Compliance Officer of our Company. She was appointed by our Board of Directors in their meeting held on July 07, 2023. She is member of Institute of Company Secretaries of India since October 10, 2018. She also holds the Bachelor of Commerce degree from Maharaja Sayajirao University of Baroda. She has over 1 years of experience in secretarial department. Prior to joining our Company, she was associated with M/s Chandrima Mercantile Limited.

Malvik Mehta, Chief Financial Officer

Malvik Mehta, aged 36 years, is the Chief Financial Officer of our Company. He has been by appointed by the Board of Directors of our Company as Chief Financial Officer with effect from July 07, 2023. He holds Bachelor degree from Maharaja Sayajirao University, Vadodara. He has over 13 years of experience in the field of accounts & finance.

Divyesh Modi, Managing Director

For the complete profile of **Divyesh Modi**, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see heading “*Brief Biographies of our Directors*” in chapter titled “*Our Management*” beginning on of page 140of this Draft Prospectus.

Khyati Modi, Whole-Time Director

For the complete profile of **Khyati Modi**, along with details of her educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see heading “*Brief Biographies of our Directors*” in chapter titled “*Our Management*” beginning on of page 140of this Draft Prospectus.

Nature of any family relation between any of the key managerial personnel

Except as disclosed below, none of our key managerial personnel and senior management personnel are related to each other or to any of the Directors as per the definition of “Relative” under the Companies Act, 2013.

| Name of Key Managerial Personnel | Name of another Key Managerial Personnel / Director | Relationship |
|---|--|---------------------|
| Divyesh Modi | Khyati Modi | Spouse |

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as a Key Managerial Personnel.

Compensation paid to Key Managerial Personnel and Senior Management Personnel during last financial year i.e., 2022-23

For details with respect to the compensation paid to our Key Managerial Personnel and Senior Management Personnel during preceding Financial Year 2022-23 refer “*Terms and conditions of employment of our Executive Directors of our Company*” beginning on page 140 and “*Restated Financial Statements*” beginning on page 162 of this Draft Prospectus.

Anita Kumawat, has been appointed as Company Secretary & Compliance Officer w.e.f. July 07, 2023. Hence, she has not received remuneration during preceding Financial Year 2022-23.

Malvik Mehta, has been appointed as Chief Financial Officer w.e.f. July 07, 2023. Hence, he has not received remuneration during preceding Financial Year 2022-23.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnel

None of the Key Management Personnel and Senior Management Personnel is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel.

Status of Permanent Employment of KMPs and Senior Management Personnel

All the key managerial personnel mentioned above are permanent employees of our Company.

Payment or Benefits to of Our KMPs or SMP's (non-salary related)

No non-salary amount or benefit has been paid or given to any of our Key Managerial Personnel within the two preceding years or is intended to be paid or given.

Service Contracts with KMPs or SMP's

Our Company does not have any service contract with the KMP pursuant to which they are entitled to any benefits upon termination of employment.

Employees' Stock Option or or Employee Stock Purchase Scheme

As on date of this Draft Prospectus, our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Prospectus.

Attrition

None of our key management personnel attrition rate is high as compared to the industry.

Shareholding of the Key Managerial Personnel and Senior Management Personnel

As per our AOA, our key managerial personnel and senior management personnel are not required to hold any qualification shares.

The shareholding of our key managerial personnel and senior management personnel in our Company as on the date of this Draft Prospectus is set forth below:

| Name of Key Managerial Personnel and Senior Management Personnel | Number of equity shares | Percentage of Pre-Issue Capital (%) |
|--|-------------------------|-------------------------------------|
| Divyesh Modi | 21,58,800 | 44.33% |
| Khyati Modi | 16,65,000 | 34.19% |

Changes in Key Managerial Personnel and Senior Management Personnel during preceding Three (3) Years

Except as mentioned below, there has been no change in Key Managerial Personnel during the last three (3) years preceding the date of this Draft Prospectus:



| Name of KMP | Date of Change in Designation / Appointment | Designation | Reason |
|---------------|---|--|-------------|
| Divyesh Modi | September 11, 2023 | Managing Director | Appointment |
| Khyati Modi | September 11, 2023 | Non-Executive Director | Appointment |
| Malvik Mehta | July 07, 2023 | Chief Financial Officer | Appointment |
| Anita Kumawat | July 07, 2023 | Company Secretary and Compliance Officer | Appointment |

OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS

Divyesh Modi and Khyati Modi are the Promoter of our Company. As on the date of this Draft Prospectus, our Promoters holds in aggregate 38,23,800 Equity Shares of face value ₹ 10.00/- each, representing 78.52% of the issued, subscribed and paid-up Equity Share Capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, please refer to the chapter titled "*Capital Structure –Shareholding of our Promoters*" beginning on page no. 62 of this Draft Prospectus.

BRIEF PROFILE OF OUR PROMOTER ARE AS FOLLOWS:

| | |
|---|---|
|  | <p>Divyesh Modi, aged 42 years. He is the Promoter & Chairman and Managing Director of the Company.</p> <p>Date of Birth: July 23, 1981</p> <p>Address: B-102, Shantam Greens, Near Dwarkesh Party Plot, Vasna Road, Vadodara Racecourse, Vadodara – 390007, Gujarat, India.</p> <p>Permanent Account Number: AIIPM6718R</p> <p>For the complete profile of Divyesh Modi along with the details of his experience in the business, educational qualifications, positions / posts held in the past and other directorships, special achievements, business and other activities, please refer to the chapter titled "<i>Our Management - Brief profile of our Directors</i>" beginning on page 140 of this Draft Prospectus.</p> |
|  | <p>Khyati Modi, aged 42 years. She is the Promoter and Non-Executive Director of the Company.</p> <p>Date of Birth: June 12, 1981</p> <p>Address: B-102, Shantam Greens, Near Dwarkesh Party Plot, Vasna Road, Vadodara Racecourse, Vadodara – 390007, Gujarat, India.</p> <p>Permanent Account Number: ABZPH2749H</p> <p>For the complete profile of Khyati Modi along with the details of her experience in the business, educational qualifications, positions / posts held in the past and other directorships, special achievements, business and other activities, please refer to the chapter titled "<i>Our Management - Brief profile of our Directors</i>" beginning on page 140 of this Draft Prospectus.</p> |

DECLARATION

Our Company confirms that the Permanent Account Number (PAN), Bank Account Number(s), Aadhar Card Number, Driving License Number and Passport Number(s) of our Promoter and shall be submitted to the Stock Exchange at the time of filing this Draft Prospectus.

CONFIRMATIONS

Our Promoter has confirmed that he has not been identified as wilful defaulter or fraudulent borrower by the RBI or any other governmental authority.

Our Promoter has not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

Except mentioned below, no violations of securities law have been committed by our Promoter or members of our Promoter Group or any Group Companies in the past or is currently pending against him. Neither our Promoter nor members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies or the Companies with which our Promoter is or was associated as a Promoter, Director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

| Name of the promoter | Entity | Competent Authority | Regulatory charges | Regulatory action/date of order | Status |
|----------------------|----------------------------------|---------------------|---|--|--|
| Divyesh Modi | Allianz Infonet Private Limited. | MCA | Did Not File Annual Return and/or Balance Sheet | Declared defaulter as per list available on MCA website August 15, 2011 | Complied. Not appearing now in the defaulter list |

OTHER VENTURES OF OUR PROMOTERS

Other than as disclosed in the chapter titled ***“Our Promoter and Promoter Group”*** and ***“Our Management”*** beginning on page 156&140of this Draft Prospectus, our Promoters are not involved in any other ventures.

EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled ***“Our Management”*** beginning on page 140of this Draft Prospectus.

CHANGE IN MANAGEMENT AND CONTROL OF OUR COMPANY

Our Promoter is the original promoter of the Company and there has not been any change in the management or control of our Company in the five years immediately preceding the date of this Draft Prospectus. For further details of acquisition of Equity Shares by our Promoters, please see chapter titled ***“Capital Structure-Build-up of the shareholding of our Promoters in our Company”*** on page 62 of this Draft Prospectus.

For details of acquisition of shareholding by our Promoters, please see ***“Capital Structure –Build-up of Promoters shareholding in our Company”*** on page 62 of this Draft Prospectus.

INTEREST OF PROMOTERS

Our Promoter is interested in our Company to the extent (1) that they have promoted our Company; (2) of their respective shareholding, the shareholding of their relatives and entities in which the Promoters are interested and which hold Equity Shares in our Company and the dividend payable upon such shareholding, if any, and other distributions in respect of the Equity Shares held by them, their relatives or such entities, if any; (3) employment related benefits paid by our Company i.e. remuneration and reimbursement of expenses payable to them in such capacity of Directors and Key Managerial Personnel of our Company.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoter is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please refer the chapter titled ***“Related Party Transactions”*** in chapter ***“Restated Financial Statement”*** on page 162 of this Draft Prospectus.

Interest in promotion of our Company

Our Company is currently promoted by the Promoter in order to carry on its present business. Our Promoter is interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest in the property, land, construction of building, supply of machinery, etc.

Except as mentioned in the chapter titled ***“Our Business”*** beginning on page 108 of this Draft Prospectus, our Promoter does not have any other interest in any property acquired or proposed to be acquired by our Company in a period of 2 (two) years before filing of this Draft Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Interest in our Company arising out of being a member of a firm or company

Our Promoter is not interested as member of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify them as a director, or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

Interest in our Company other than as Promoter

Except as mentioned in this chapter and chapters titled ***“Our Business”***, ***“History and Certain Corporate Matters”***, ***“Our Management”*** and ***“Restated Financial Statements”*** beginning on pages 108, 137, 140 and 162, respectively, our Promoter does not have any other interest in our Company.

Payment or Benefit to the Promoter or Promoter Group in the last 2 (two) years

Except as stated above in chapters ***“Restated Financial Statements”*** beginning on page 162 of this Draft Prospectus, there has been no amount or benefit paid or given during the preceding 2 (two) years of filing of this Draft Prospectus or intended to be paid or given to any Promoter or member of our Promoter Group and no consideration for payment of giving of the benefit.

COMMON PURSUITS OF OUR PROMOTER

None of our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

MATERIAL GUARANTEES

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Draft Prospectus

SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY

For details of shareholding of members of our Promoter Group as on the date of this Draft Prospectus, please see the chapter titled ***“Capital Structure”*** beginning on page 62 of this Draft Prospectus.

LITIGATION INVOLVING OUR PROMOTER

For details relating to legal proceedings involving the Promoter, please refer ***“Outstanding Litigation and Material Developments”*** beginning on page 212 of this Draft Prospectus.

COMPANIES OR FIRMS WITH WHICH OUR PROMOTERS HAS DISASSOCIATED IN THE LAST THREE (3) YEARS

None of our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Prospectus.

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulations 2(1) (pp) of the SEBI (ICDR) Regulations 2018, are as under:

A. *The natural persons who are part of the Promoter Group (due to their relationships with our Promoters), other than our Promoters, are as follows:*

| Relationship with Promoter | Divyesh Modi |
|-----------------------------------|---|
| Father | Vipinchandra Somalal Modi |
| Mother | Nirmalaben Vipinchandra Modi |
| Brother | Dharmesh Vipinchandra Modi |
| Sister | NA |
| Spouse | Khyati Divyesh Modi |
| Son | Aman Divyesh Modi Aarav Divyesh Modi |
| Son-in-law | N.A. |
| Daughter | N.A. |
| Daughter in-law | N.A. |
| Spouse's Father | Late Pankajbhai Naginbhai Hansawala |
| Spouse's Mother | Amitaben Pankajbhai Hansawala |
| Spouse's Brother | Krunal Pankajbhai Hansawala |
| Spouse's Sister | Nisha Sanjay Lal |

Entities forming part of the Promoter Group

- *Allianz Infocom Private Limited*
- *Allianz Infonet Private Limited*

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the terms “*Group companies*”, includes (i) such companies (other than Promoters) with which the relevant issuer company had related party transactions, had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the issuer company.

Accordingly, for (i) above, all such companies with which there were related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, shall be considered as ‘Group Companies’ of the Company in terms of the SEBI ICDR Regulations.

Further, for (ii) above, the Board pursuant to the Materiality Policy, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Financial Statements) shall be considered “material” and will be disclosed as a ‘group company’ in the offer documents, and the Company has entered into one or more transactions with such company during the last completed Financial year (or relevant sub period, if applicable), which individually or cumulatively in value exceeds 5% of the net profit after tax for the last completed Financial as per the Restated Financial Statements.

There are no companies falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group companies/entities.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The declaration of dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company and any other factors considered by our Board of Directors. The Articles of Association also provides discretion to our Board to declare and pay interim dividends. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer chapter titled “*Financial Indebtedness*” beginning on page 210 of this Draft Prospectus.

All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Draft Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors and shall pay dividends in accordance with the provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association and other Applicable Laws.

Our Company has not declared and/or paid any dividend on the Equity Shares since incorporation.

SECTION VI - FINANCIAL STATEMENTS
RESTATED FINANCIAL STATEMENTS

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**Independent Auditor’s Examination report on Restated Financial Information of
Magenta Lifecare Limited**

To,
The Board of Directors
Magenta Lifecare Limited
N P Patel Estate, A & T Padamla,
Vadodara, Gujarat, India, 391350.

Dear Sirs,

1. We have examined the attached Restated Financial Information of **Magenta Lifecare Limited** (the “Company” or the “Issuer”) comprising of the Restated Statement of Assets and Liabilities as at April 30, 2023, March 31, 2023 and March 31, 2022, March 31, 2021 the Restated Statements of Profit and Loss , the Restated Cash Flow Statement for the year ended on April 30, 2023, March 31, 2023 and March 31, 2022, March 31, 2021 the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on for the purpose of inclusion in the Draft Prospectus/ Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“IPO”).
2. These restated Summary Statement have been prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the“Act”)
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended(“ICDR Regulations”);and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).
3. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Prospectus/Prospectus to be filed with SME Platform of BSE Limited Securities and Exchange Board of India, the Registrar of Companies, Gujarat and in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Information. The Board of Directors’ responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Basis for Opinion

We conducted our audit of the Restated Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act . Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Restated Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Restated Financial Information under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Restated Financial Information

4. We have examined such Restated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 6th, 2023 in connection with the proposed IPO of equity shares of the Issuer;
 - b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

5. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Company for the period ended on April 30, 2023, March 31, 2023 and March 31, 2022, March 31, 2021 which has been approved by the Board of Directors.
 - a) We have audited the special purpose financial statements of the company as at year ended April 30, 2023 and March 31, 2023 prepared by the company in accordance with Accounting Standard (Indian GAAP) for the limited purpose of complying with the requirement of Restated Audited Financial statements in the offer documents should not be more than six months old from the issue opening date as required by ICDR Regulations in relation to the proposed IPO. For financial year ended 31st March, 2023, Vijay N Tewar & Co. have issued their report dated 6th September, 2023 on this special purpose which have been approved by the Board of Directors at their meeting held on 6th September, 2023. MJM Patel & Co. have audited the financial statements for the year ended March 31, 2022 and March 31, 2021 for which they have issued their audit report dated September 26, 2022, June 3, 2021. We have also reaudited the financial statements for the period ended 30th April, 2023 and March 31, 2023 and

have issued our audit report dated 20th October, 2023 and 10th October, 2023 respectively.

- b) Audited financial statements of the Company as at and for the period ended on April 30, 2023, March 31, 2023 and March 31, 2022, March 31, 2021 prepared in accordance with the Accounting Standards (Indian GAAP) which have been approved by the Board of Directors at their meetings held on **15th October, 2023**, September 6, 2023 and September 26, 2022, June 3, 2021 respectively.
6. For the purpose of our examination, we have relied on:
- a) Auditors' reports issued by statutory auditors dated 15th October, 2023 as at and for period ended on April 30, 2023 as referred in Paragraph 5(a) above and dated September 26, 2022, June 3, 2021 for the year ended on March 31, 2022 and March 31, 2021 respectively as referred in Paragraph 5(b) above.

The Restated Financial Statement have been prepared after regrouping and adjustments to the individual financial statements of the Company, which in our opinion were appropriate.

7. Based on our examination and according to the information and explanations given to us, we report that:
- a) The **“Restated Summary Statement of Assets and Liabilities”** as set out in **Annexure I** to this report, of the Company as at and for the period ended on April 30, 2023, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more. These fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.
 - b) The **“Restated Summary Statement of Profit and Loss”** as set out in **Annexure 2** to this report, of the Company as at and for the period ended on April 30, 2023, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.
 - c) The **“Restated Summary Statement of Cash Flow”** as set out in **Annexure 3** to this report, of the Company as at and for the period ended on April 30, 2023, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.
 - d) The Restated Summary Statement have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

- e) The Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
 - f) The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate, if any and there are no qualifications which require adjustments;
 - g) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
 - h) There were no qualifications in the Audit Reports issued by the Statutory Auditors as at and for the period ended on April 30, 2023, March 31, 2023 and March 31, 2022 which would require adjustments in this Restated Financial Statements of the Company;
 - i) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure 4** to this report;
 - j) There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements
 - k) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
 - l) The company has not proposed any dividend in past effective for the said period.
8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the period ended on April 30, 2023, March 31, 2023 and March 31, 2022 proposed to be included in the Draft Prospectus/Prospectus.

| Annexure No. | Particulars |
|---------------------|---|
| 1 | Restated Statement of Assets & Liabilities |
| 4.01 | Restated Statement of Share Capital |
| 4.02 | Restated Statement of Reserves & Surpluses |
| 4.03 | Restated Statement of Long-Term Borrowings |
| 4.05 | Restated Statement of Deferred Tax Liabilities/Assets |
| 4.07 | Restated Statement of Short-Term Borrowings |
| 4.08 | Restated Statement of Trade Payable |
| 4.09 | Restated Statement of Other Current Liabilities |
| 4.10 | Restated Statement of Short-Term Provisions |

| | |
|------------------|---|
| 4.11-4.13 | Restated Statement of Property, Plant and Equipment & Intangible Assets & Depreciations |
| 4.14 | Restated Statement of Deferred Tax Assets |
| 4.15 | Restated Statement of Long-Term Loans and Advances |
| 4.16 | Restated Statement of Other Non-Current Assets |
| 4.17 | Restated Statement of Inventories |
| 4.18 | Restated Statement of Trade Receivable |
| 4.19 | Restated Statement of Cash & Cash Equivalent |
| 4.20 | Restated Statement of Short-Term Loans and Advances |
| 4.21 | Restated Statement of Other Current Assets |
| 2 | Restated Statement of Profit & Loos |
| 4.22 | Restated Statement of Revenue from operations |
| 4.23 | Restated Statement of Other Income |
| 4.24 | Restated Statement of Cost of material consumed |
| 4.27 | Restated Statement of Changes in Inventories of Finished Goods |
| 4.28 | Restated Statement of Employees Benefit Expenses |
| 4.29 | Restated Statement of Financial Cost |
| 4.30 | Restated Statement of Other Expenses |
| 4.31 | Restated Statement of Earning Per Equity Share |
| | |
| Other Annexures: | |
| 3 | Cash Flow Statement |
| 8 | Statement of Significant Accounting Policies |
| 4 | Notes to the Re-stated Financial Statements |
| 4.54 | Statement of Accounting & Other Ratios, As Restated |
| 7 | Statement of Capitalization, As Restated |
| 4.38 | Statement of Related Parties & Transactions |
| 4.35 | Contingent Liabilities |
| 5 | Statement of adjustment to restated financial information |
| 6 | Other financial information |

9. We, M/s. S S R V & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “**Peer Review Board**” of the ICAI which is valid till December 31, 2025.
10. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim financial statements and audited financial statements mentioned in paragraph 5 above.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the

report.

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

For S S R V and Associates
Chartered Accountants
Firm Registration No.: 135901W

Sd/-
Vishnu Kant Kabra
Partner
Membership No.: 403437

Place: Mumbai
Date: 23rd October, 2023
UDIN: 23403437BGWEQJ9808

Annexure 8

A. Background of the company:

The company was incorporated on 04-08-2015. CIN U74120GJ2015PTC084050. The company is engaged in the business of manufacturing, Sales & Service of Manufacturing of Mattresses, Pillows, Foam etc. at its registered office at workshop premises at N.P. Patel Estate, National Highway No.8, Padmala, Vadodara-391350, Gujarat.

B. Statement of Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('Act') read with the companies (Accounting Standard) Rules, 2022, provision of the Act (to the extent notified)."The Company is a Small and Medium Sized Company as defined in the General Instructions in respect of Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014 (as amended). Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Size Company.

The Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents.

i) Use of Estimates:

The preparation of Financial Statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affects the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amounts of revenues and expenses during the reported period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

ii) Property, Plant and Equipment: Tangible Assets.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the Property, plant and equipment are ready for use, as intended by management. Borrowing cost relating to acquisition of Property Plant and equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets ready to be put to use.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation is recognised so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives, using the Written Down Value Method on the basis of useful lives specified in part C of Schedule II to the Companies Act, 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Long Term Loans and advances"

iii) Inventories:

Inventories of Finished Goods & Stores and Spares are valued at cost or estimated net realizable value whichever is lower using weighted average cost method. The cost comprises of purchase price, freight, taxes and duties. The cost is further reduced to the extent of value of Input tax benefits availed by the company.

iv) Revenue recognition:

Sale of goods and services

Revenue from Service contracts is recognized on the basis of the acceptances received from the customers, as per the terms of the contract.

v) Other Income:

Export Incentive

The company has not made any exports during the year hence not applicable.

vi) Employee Benefits:

a) Provident Fund:

The Company's contributions paid and payable during the year towards Provident Fund are made to Regional Provident Fund Commissioner & are charged in Profit & Loss Statement every year.

b) Gratuity:

The Company has policy of giving gratuity to its employees who complete period of qualifying service which is 5 years.

The employees of the company are entitled for Gratuity as per Payment of Gratuity Act, 1972. However, the company has not provided for any liability towards the payment of gratuity towards employees. In absence of detailed working, its impact on the financial statements is not ascertainable.

The company does not have any further information about fair value of plan assets under the plan, accordingly disclosures related to Planned assets and underlying assumption has not been disclosed

c) Compensated Absences:

The Company extends the benefit of leave encashment to its employees on retirement I separation. The same is accounted on the basis of actual liability on the date of balance sheet.

vii) Foreign Currency Transactions and translations:

Company does not have any foreign currency transactions during the year.

viii) Segment Reporting Policies:

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers wherever required.

Segment Policies:

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

ix) Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of other items based on future sales projection of the company. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such setoff. Deferred tax assets are reviewed at each Balance Sheet date for their realizability.

x) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xi) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

- a) The Company recognizes provisions only when it has a present obligation as result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation and when a reliable estimate of the amount of the obligation can be made.
- b) No provision is recognized for any possible obligation that arises from past events and the existence of which be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the management of the Company.

xii) Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

xiii) Impairments of Assets:

At the end of each year, Company determines whether a provision should be made for impairment loss on Property, Plant and Equipment by considering the indications that an impairment loss may have occurred in accordance with the Accounting Standard 28 "Impairment of Assets" (AS 28) as prescribed under Section 133 of Companies Act, 2013 read with the Companies (Accounting Standard) Rules, 2022. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized in prior accounting period is reversed, if there has been a change in the estimate of recoverable amounts.

xiv) Borrowing Cost:

Borrowing cost includes interest; amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost if any.

Notes to the Re-stated Financial Statements:

I. Non-adjustment Items:

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

II. Material Regroupings:

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

III. Material Adjustments in Restated Profit & Loss Account:

(Rs. In Lakhs)

| Particulars | For the Period Ended | | | |
|--|----------------------|------------|------------|------------|
| | April 2023 | 31-03-2023 | 31-03-2023 | 31-03-2022 |
| Profit After Tax as per Books of Accounts | 8.02 | 24.55 | 24.55 | 18.89 |
| Adjustment for provision of Depreciation | - | - | - | - |
| Adjustment for provision of Income Tax | - | - | - | - |
| Adjustment for provision of Deferred Tax | - | - | - | - |
| Profit After Tax as per Restated | 8.02 | 24.55 | 24.55 | 18.89 |

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

1. Based on the information available with the Company in respect of MSME (as defined in the Micro, Small and Medium Enterprises Development Act, 2006) there are no delays in payment of dues to such enterprise during the period.
2. The identification of Micro, Small and Medium Enterprises Suppliers as defined under “The Micro, Small and Medium Enterprises Development Act, 2006” is based on the information available with the management. As certified by the management, the amounts overdue as on last date of reporting period to Micro, Small and Medium Enterprises on account of principal amount together with interest, aggregate to Rs. Nil.

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

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

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

VIII. **Expenditure in Foreign Currency:** Nil

IX. **Earnings in Foreign Exchange:** Nil

X. Leave Encashment [AS-15]

Accounting Standard (AS) – 15 issued by ICAI is Mandatory. However, the company has not made provision for leave encashment benefit on retirement of employee as the quantum of liability is not ascertainable due to the availability of leave encashment benefit and availment of leave any time during the service period.

XI. Re-grouping/re-classification of amounts

The figures have been grouped and classified wherever they were necessary and have been rounded off to the nearest rupee.

XII. Examination of Books of Accounts & Contingent Liability

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

XIII. Director Personal Expenses

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

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

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

Annexure I - Restated Statement of Assets and Liabilities
(Amounts in INR Lakh, unless otherwise stated)

| Particulars | Annexure 4 Note | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|--------------------|------------------------|------------------------|------------------------|------------------------|
| I. EQUITY AND LIABILITIES | | | | | |
| (1) Shareholders' funds | | | | | |
| (a) Share Capital | 4.01 | 154.24 | 154.24 | 142.01 | 122.01 |
| (b) Reserves and Surplus | 4.02 | 374.60 | 366.57 | 219.72 | 20.84 |
| Total | | 528.84 | 520.81 | 361.73 | 142.85 |
| (2) Non-current liabilities | | | | | |
| (a) Long-term Borrowings | 4.03 | 90.03 | 73.68 | 339.20 | 588.68 |
| (b) Deferred Tax Liabilities | 4.05 | - | - | - | - |
| (c) Long-term Provision | 4.06 | - | - | - | - |
| Total | | 90.03 | 73.68 | 339.20 | 588.68 |
| (3) Current liabilities | | | | | |
| (a) Short-term Borrowings | 4.07 | 374.70 | 379.33 | 418.33 | 394.05 |
| (b) Trade Payables | 4.08 | - | - | - | - |
| - Due to Micro and Small Enterprises | | - | - | - | - |
| - Due to Others | | 242.56 | 247.68 | 177.60 | 233.31 |
| (c) Other Current Liabilities | 4.09 | 19.55 | 22.41 | 114.99 | 11.46 |
| (d) Short-term Provisions | 4.10 | 9.00 | 7.00 | 3.75 | 89.43 |
| Total | | 645.81 | 656.43 | 714.66 | 728.25 |
| Total Equity and Liabilities | | 1,264.68 | 1,250.92 | 1,415.61 | 1,459.78 |
| II. ASSETS | | | | | |
| (1) Non-current assets | | | | | |
| (a) Property, Plant and Equipment and Intangible Assets | | | | | |
| (i) Property, Plant and Equipment | 4.11 | 184.27 | 185.21 | 203.35 | 221.32 |
| (ii) Intangible Assets | 4.12 | 0.02 | 0.02 | 0.02 | 0.02 |
| (iii) Capital Work-in-progress | 4.13 | - | - | - | - |
| (b) Deferred Tax Assets (net) | 4.14 | - | - | - | - |
| (c) Long-term loans & advances | 4.15 | 5.85 | 5.85 | 5.85 | - |
| (d) Other Non-current Assets | 4.16 | 202.73 | 202.73 | 252.73 | 252.73 |
| Total | | 392.87 | 393.81 | 461.96 | 474.07 |
| (2) Current assets | | | | | |
| (a) Inventories | 4.17 | 690.69 | 675.38 | 653.52 | 616.15 |
| (b) Trade Receivables | 4.18 | 136.43 | 140.77 | 262.19 | 336.00 |
| (c) Cash and Cash Equivalents | 4.19 | 37.87 | 34.16 | 33.73 | 26.87 |
| (d) Short-term Loans and Advances | 4.20 | 6.82 | 6.82 | 4.21 | 6.69 |
| (e) Other Current Assets | 4.21 | - | - | - | - |
| Total | | 871.81 | 857.13 | 953.66 | 985.71 |
| Total Assets | | 1,264.68 | 1,250.92 | 1,415.61 | 1,459.78 |

The above Restated Statement of Assets and Liabilities should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - 4 and Statement of Adjustments to Audited Financial Statements appearing in Annexure - 5.

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

For S S R V & Associates

Chartered Accountants

Firm's Registration No. 135901W

sd/-

Vishnu Kant Kabra

Partner

Membership No. 403437

UDIN: 23403437BGWEQJ9808

Place: Mumbai

Date: 23rd October 2023

For and on behalf of the Board of Directors of

MAGENTA LIFECARE LIMITED

sd/-

Divyesh Modi

CEO & MD

DIN: 02016172

sd/-

Khyati Modi

Director

DIN: 06727195

sd/-

Malvik Mehta

CFO (KMP)

sd/-

Anita Kumawat

Company Secretary

Place: Vadodara

Date: 23rd October 2023

Annexure 2 - Restated Statement of Profit and Loss
(Amounts in INR Lakh, unless otherwise stated)

| Particulars | Annexure 4 Note | For the period ended 30 April 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-----------------|------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Revenue from Operations | 4.22 | 65.19 | 906.61 | 924.40 | 964.74 |
| Other Income | 4.23 | 4.14 | 48.68 | 14.07 | 1.40 |
| Total Income | | 69.33 | 955.29 | 938.47 | 966.14 |
| Expenses | | | | | |
| Cost Raw Material Consumed | 4.24 | 41.87 | 601.40 | 658.35 | 715.98 |
| Purchases of Stock in Trade | 4.25 | - | - | - | - |
| Change in Inventories of work in progress, finished goods and Stock in Trade | 4.27 | - | - | - | - |
| Employee Benefit Expenses | 4.28 | 5.31 | 77.23 | 68.95 | 54.80 |
| Finance Costs | 4.29 | 5.64 | 83.95 | 77.49 | 68.43 |
| Depreciation and Amortization Expenses | 4.30 | 1.70 | 20.39 | 20.25 | 19.91 |
| Other Expenses | 4.31 | 4.80 | 140.77 | 90.78 | 89.45 |
| Total expenses | | 59.31 | 923.74 | 915.83 | 948.57 |
| Restated profit/(Loss) before Exceptional and Extraordinary Item and Tax | | 10.02 | 31.55 | 22.64 | 17.57 |
| Exceptional Item | | | | | |
| Restated profit/(Loss) before Extraordinary Item and Tax | | 10.02 | 31.55 | 22.64 | 17.57 |
| Extraordinary Item | | | | | |
| Restated profit/(Loss) before Tax | | 10.02 | 31.55 | 22.64 | 17.57 |
| Tax Expenses | 4.32 | | | | |
| - Current Tax | | 2.00 | 7.00 | 3.75 | 3.25 |
| - Deferred Tax | | - | - | - | (5.12) |
| - Short /(Excess) provision for income tax of earlier year | | - | - | - | - |
| Total Tax Expense | | 2.00 | 7.00 | 3.75 | (1.87) |
| Restated profit/(Loss) after Tax | | 8.02 | 24.55 | 18.89 | 19.44 |
| Restated Earnings Per Share (Face Value per Share Rs.10 each) | | | | | |
| -Basic | 4.33 | 0.52 | 1.59 | 1.33 | 1.59 |
| -Diluted | 4.33 | 0.52 | 1.59 | 1.33 | 1.59 |

The above Restated Statement of Profit and Loss should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - 4 and Statement of Adjustments to Audited Financial Statements appearing in Annexure - 5.

This is the Restated Statement of Profit and Loss referred to in our report of even date.

For S S R V & Associates
Chartered Accountants
Firm's Registration No. 135901W

For and on behalf of the Board of Directors of
MAGENTA LIFECARE LIMITED

sd/-
Vishnu Kant Kabra
Partner
Membership No. 403437
UDIN: 23403437BGWEQJ9808
Place: Mumbai
Date: 23rd October 2023

sd/- sd/- sd/- sd/-
Divyesh Modi Khyati Modi Malvik Mehta Anita Kumawat
CEO & MD Director CFO (KMP) Company Secretary
DIN: 02016172 DIN: 06727195
Place: Vadodara
Date: 23rd October 2023

Annexure 3 - Restated Statement of Cash Flows
(Amounts in INR Lakh, unless otherwise stated)

| Particulars | Annexure 4 Note | For the period ended 30 April 2023 | For the period ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|--------------------|---------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Net Profit after tax | | 8.02 | 24.55 | 18.89 | 14.32 |
| Depreciation and Amortisation Expense | | 1.70 | 20.39 | 20.25 | 19.91 |
| Provision for tax | | 2.00 | 7.00 | 3.75 | 3.25 |
| Loss/(Gain) on Sale / Discard of Assets (Net) | | - | - | - | - |
| Interest Expense (Interest Income) | | - | - | - | - |
| Finance Costs | | 5.64 | 83.95 | 77.49 | 68.43 |
| Operating Profit before working capital changes | | 17.36 | 135.90 | 120.38 | 105.92 |
| Adjustment for: | | | | | |
| Inventories | | (15.31) | (21.86) | (37.37) | 27.86 |
| Trade Receivables | | 4.34 | 121.42 | 73.81 | (135.95) |
| Loans and Advances | | - | (2.61) | (0.12) | 8.46 |
| Other non Current Assets | | - | 50.00 | - | 0.20 |
| Current Liabilities | | (10.62) | (58.24) | (16.84) | 105.72 |
| | | - | - | - | - |
| Cash generated from Operations | | (4.23) | 224.62 | 139.86 | 112.20 |
| Tax paid(Net) | | 2.00 | 7.00 | 3.75 | 3.25 |
| Net Cash from Operating Activities | | (6.23) | 217.62 | 136.11 | 108.95 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | |
| Purchase of Property, Plant and Equipment | | (0.76) | (2.25) | (2.29) | (31.65) |
| Capital Work-in-Progress | | - | - | - | - |
| Purchase of Investment | | - | - | - | - |
| Long term Loans & Advances | | - | - | - | - |
| Interest Income | | - | - | - | - |
| | | - | - | - | - |
| Net Cash (Used in) Investing Activities | | (0.76) | (2.25) | (2.29) | (31.65) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Proceeds & Repayment of Borrowings (net) | | - | - | - | - |
| Finance Cost | | (5.64) | (83.95) | (77.49) | (68.43) |
| Proceeds from issue of Share Capital | | - | 134.53 | 200.00 | - |
| Proceeds from Short Term Borrowings | | - | - | - | - |
| Proceeds/(Repayment) of Long Term Borrowings | | 16.35 | (265.52) | (249.48) | 12.29 |
| Interest and Other Borrowing cost | | - | - | - | - |
| Net Cash (Used in) / Generated from Financing Activities | | 10.72 | (214.94) | (126.97) | (56.14) |
| Net (Decrease) in Cash and Cash Equivalents | | 3.72 | 0.43 | 6.85 | 21.16 |
| Opening Balance of Cash and Cash Equivalents | | 34.16 | 33.73 | 26.88 | 5.73 |
| Closing Balance of Cash and Cash Equivalents | 18 | 37.89 | 34.16 | 33.73 | 26.89 |

The above Restated Statement of Cash Flows should be read in conjunction with Notes to the Restated Financial Information appearing in Annexure - 4 and Statement of Adjustments to Audited Financial Statements appearing in Annexure - 5.

This is the Restated Statement of Cash Flows referred to in our report of even date.

For S S R V & Associates
Chartered Accountants
Firm's Registration No. 135901W

For and on behalf of the Board of Directors of
MAGENTA LIFECARE LIMITED

sd/-
Vishnu Kant Kabra
Partner
Membership No. 403437
UDIN: 23403437BGWEQJ9808
Place: Mumbai
Date: 23rd October 2023

sd/-
Divyesh Modi
CEO & MD
DIN: 02016172

sd/-
Khyati Modi
Director
DIN: 06727195

sd/-
Malvik Mehta
CFO (KMP)

sd/-
Anita Kumawat
Company Secretary

Place: Vadodara
Date: 23rd October 2023

Annexure 4 - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

4.01 Share Capital

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|------------------------|------------------------|
| Authorised Share Capital Equity Shares, Rs. 10 par value, 7000000 Equity Shares | 700.00 | 700.00 | 150.00 | 150.00 |
| Issued, Subscribed and Fully Paid up Share Capital Equity Shares, Rs. 10 par value, 1542403 Equity Shares paid up | 154.24 | 154.24 | 142.01 | 122.01 |
| Total | 154.24 | 154.24 | 142.01 | 122.01 |

Note:

Pursuant to a special resolution at the meeting of the members of the company held on 22nd February, 2023 the authorised share capital of the company has been increased from existing INR 1,50,00,000/- to revised INR 7,00,00,000/-

(i) Reconciliation of number of shares

| Particulars | As at 30 April 2023 | | As at 31 March 2023 | |
|---|---------------------|---------------|---------------------|---------------|
| | No. of shares | Amount | No. of shares | Amount |
| Equity Shares | | | | |
| Opening Balance | 15,42,403 | 154.24 | 14,20,100 | 142.01 |
| Issued during the year | 1,22,303 | 12.23 | 1,22,303 | 12.23 |
| Sub-division having a face value of Rs. 100 into 10 equity shares | - | - | - | - |
| Deletion during the year | - | - | - | - |
| Closing balance | 16,64,706 | 166.47 | 15,42,403 | 154.24 |

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|--------------------------|---------------------|---------------|---------------------|---------------|
| | No. of shares | Amount | No. of shares | Amount |
| Equity Shares | | | | |
| Opening Balance | 12,20,100 | 122.01 | 12,20,100 | 122.01 |
| Issued during the year | 2,00,000 | 20.00 | - | - |
| Deletion during the year | - | - | - | - |
| Closing balance | 14,20,100 | 142.01 | 12,20,100 | 122.01 |

(ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of Rs. 10 (previous year Rs. 100) per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

| Equity Shares | As at 30 April 2023 | | As at 31 March 2023 | |
|---------------------|---------------------|--------|---------------------|--------|
| | No. of shares | In % | No. of shares | In % |
| Name of Shareholder | | | | |
| Divyesh V. Modi | 7,19,600 | 46.65% | 7,19,600.00 | 46.65% |
| Khyati D. Modi | 5,55,000 | 35.98% | 5,55,000.00 | 35.98% |
| Dhruval Vyas | - | 0.00% | - | 0.00% |
| Vipinchandra Modi | 90,000 | 5.84% | 90,000 | 5.84% |

| Equity Shares | As at 31 March 2022 | | As at 31 March 2021 | |
|---------------------|---------------------|--------|---------------------|--------|
| | No. of shares | In % | No. of shares | In % |
| Name of Shareholder | | | | |
| Divyesh V. Modi | 7,19,600.00 | 50.67% | 6,19,600.00 | 50.78% |
| Khyati D. Modi | 5,55,000.00 | 39.08% | 4,55,000.00 | 37.29% |
| Dhruval Vyas | 90,000.00 | 6.34% | 90,000.00 | 7.38% |
| Others | 55,500.00 | 3.91% | 55,500.00 | 4.55% |

(iv) Shares held by Promoters at the end of the year 30 April 2023

| Name of Promotor | Class of Shares | No. of Shares | % of total shares | % Change during the year |
|-------------------|-----------------|---------------|-------------------|--------------------------|
| Divyesh V. Modi | Equity | 7,19,600 | 43.23% | -3.43% |
| Khyati D. Modi | Equity | 5,55,000 | 33.34% | -2.64% |
| Vipinchandra Modi | Equity | 90,000 | 5.41% | -0.43% |

Shares held by Promoters at the end of the year 31 March 2023

| Name of Promotor | Class of Shares | No. of Shares | % of total shares | % Change during the year |
|-------------------|-----------------|---------------|-------------------|--------------------------|
| Divyesh V. Modi | Equity | 7,19,600 | 46.65% | -4.02% |
| Khyati D. Modi | Equity | 5,55,000 | 35.98% | -3.10% |
| Vipinchandra Modi | Equity | 90000 | 5.84% | 1.93% |

Shares held by Promoters at the end of the year 31 March 2022

| Name of Promotor | Class of Shares | No. of Shares | % of total shares | % Change during the year |
|-------------------|-----------------|---------------|-------------------|--------------------------|
| Divyesh V. Modi | Equity | 7,19,600 | 50.67% | -0.11% |
| Khyati D. Modi | Equity | 5,55,000 | 39.08% | 1.79% |
| Vipinchandra Modi | Equity | 55,500 | 3.91% | 3.91% |

Shares held by Promoters at the end of the year 31 March 2021

| Name of Promotor | Class of Shares | No. of Shares | % of total shares | % Change during the year |
|------------------|-----------------|---------------|-------------------|--------------------------|
| Divyesh V. Modi | Equity | 6,19,600 | 50.78% | 0.00% |
| Khyati D. Modi | Equity | 4,55,000 | 37.29% | 0.00% |

(v) Equity shares movement during 5 years preceding 30 April 2023

| Particulars | Year 1 | Year 2 | Year 3 | Year 4 and Year 5 | Year 5 |
|--|--------|--------|--------|-------------------|--------|
| Equity shares issued as bonus | - | - | - | - | - |
| Equity shares extinguished on buy-back | - | - | - | - | - |

(vi) Sub-division and increased of authorised share capital

Pursuant to a special resolution at the meeting of the members of the company held on 22nd February, 2023 has been increased the authorised share capital of the company from existing INR 1,50,00,000/- to revised INR 7,00,00,000/-

4.02 Reserves and Surplus

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|
| Statement of Profit and loss | | | | |
| Balance at the beginning of the year | 64.27 | 39.72 | 20.83 | 1.40 |
| Add: Profit during the year | 8.02 | 24.55 | 18.89 | 19.44 |
| | 72.29 | 64.27 | 39.72 | 20.84 |
| Security premium | | | | |
| Balance at the beginning of the year | 302.30 | 180.00 | - | - |
| Add : Addition during the year | - | 122.30 | 180.00 | - |
| | 302.30 | 302.30 | 180.00 | - |
| | | | | |
| Balance at the end of the year | 374.60 | 366.57 | 219.72 | 20.84 |

4.03 Long term borrowings

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|------------------------|------------------------|
| Secured Term loans from banks | 18.07 | 16.35 | 22.14 | 93.02 |
| Unsecured loans from related parties and shareholders | 18.53 | 18.53 | 124.13 | 286.16 |
| Unsecured Inter corporate loans | 7.38 | 7.38 | 37.38 | 37.38 |
| Unsecured dealer deposit | 46.05 | 31.43 | 155.55 | 172.12 |
| Total | 90.03 | 73.68 | 339.20 | 588.68 |

4.04 Particulars of Borrowings

| Name of Lender/Type of Loan | Nature of Security | |
|-------------------------------------|---|--|
| a) Term Loan | | |
| - Punjab Natonal Bank - GECL | Secured against the Inventaries, Book-Debt & Fixed assets of the company repayable in 48 installment and secured by the GOI guarantee | |
| - Axis Bank & Central Bank Car Loan | Secured by Hypo. Of Motor Cars and gaurantee of Directors. | |
| - HDFC Bank Ltd. | Business loan agianst the personal guarantee of Directors. | |

4.05 Other long term liabilities

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------|
| Others | | | | |
| -Security Deposit from Customers' | - | - | - | - |
| Total | - | - | - | - |

4.06 Long term provisions

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|------------------------|------------------------|
| Provision for employee benefits | | | | |
| - Provision for Gratuity (Note-35) | - | - | - | - |
| - Provision for Compensated Absences (Note-35) | - | - | - | - |
| Total | - | - | - | - |

4.07 Short term borrowings

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|------------------------|------------------------|
| Secured | | | | |
| Loan repayable on demand from Bank | | | | |
| - Cash credit | 343.28 | 342.54 | 343.44 | 323.69 |
| - Overdraft Facility | 8.90 | 10.43 | 16.16 | 20.01 |
| | 352.18 | 352.97 | 359.61 | 343.70 |
| Current maturity of long term borrowings | | | | |
| Term loans from Bank | 22.52 | 26.36 | 58.72 | 50.35 |
| | 22.52 | 26.36 | 58.72 | 50.35 |
| Unsecured | | | | |
| Loans and advances from related parties | | | | |
| - From directors | - | - | - | - |
| | - | - | - | - |
| Total | 374.70 | 379.33 | 418.33 | 394.05 |

Notes:

a) Loan repayable on demand from bank;

Cash credit is secured by way of hypothecation of stocks, book debts and all the movable and immovable assets of the company and personal guarantee of directors

4.08 Trade payables

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|------------------------|------------------------|
| - for Purchase of Goods & Expenses (Due to MSME) | - | - | - | - |
| - for Purchase of Goods & Expenses (Due to Others) | 242.56 | 247.68 | 177.60 | 233.31 |
| Total | 242.56 | 247.68 | 177.60 | 233.31 |

Trade Payable ageing schedule as at 30 April 2023

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------|--|--------------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | - | - | - | - | - |
| Others | 217.93 | 24.63 | - | - | 242.56 |
| Disputed dues- MSME | | | | | |
| Disputed dues- Others | | | | | |
| Sub total | 217.93 | 24.63 | - | - | 242.56 |
| MSME - Undue | | | | | |
| Others - Undue | | | | | |
| Total | 217.93 | 24.63 | - | - | 242.56 |

Trade Payable ageing schedule as at 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------|--|--------------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | - | - | - | - | - |
| Others | 223.05 | 24.63 | - | - | 247.68 |
| Disputed dues- MSME | | | | | |
| Disputed dues- Others | | | | | |
| Sub total | 223.05 | 24.63 | - | - | 247.68 |
| MSME - Undue | | | | | |
| Others - Undue | | | | | |
| Total | 223.05 | 24.63 | - | - | 247.68 |

Trade Payable ageing schedule as at 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------|--|--------------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | - | - | - | - | - |
| Others | 123.31 | 54.29 | - | - | 177.60 |
| Disputed dues- MSME | | | | | |
| Disputed dues- Others | | | | | |
| Sub total | 123.31 | 54.29 | - | - | 177.60 |
| MSME - Undue | | | | | |
| Others - Undue | | | | | |
| Total | 123.31 | 54.29 | - | - | 177.60 |

Trade Payable ageing schedule as at 31 March 2021

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------|--|--------------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | - | - | - | - | - |
| Others | 171.82 | 61.49 | - | - | 233.31 |
| Disputed dues- MSME | | | | | |
| Disputed dues- Others | | | | | |
| Sub total | 171.82 | 61.49 | - | - | 233.31 |
| MSME - Undue | | | | | |
| Others - Undue | | | | | |
| Total | 171.82 | 61.49 | - | - | 233.31 |

4.09 Other current liabilities

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|-------------------------------|------------------------|------------------------|------------------------|------------------------|
| Advance from Customers | - | - | - | - |
| Other paybles | | | | |
| - ESIC/Provident Fund payable | 0.89 | 0.80 | 0.51 | - |
| - TDS/TCS payable | 6.84 | 6.69 | 7.55 | - |
| - GST payable | 4.49 | 3.18 | 91.31 | - |
| - Professional Tax payable | 1.08 | 1.15 | 0.92 | - |
| - Salary and wages payable | 6.25 | 10.60 | 10.43 | 11.46 |
| - Other expenses payable | - | - | 4.26 | - |
| Total | 19.55 | 22.41 | 114.99 | 11.46 |

4.10 Short term provisions

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|------------------------|------------------------|
| - ESIC/Provident Fund payable | | | | 0.64 |
| - TDS/TCS payable | - | - | - | 4.71 |
| - GST payable | - | - | - | 76.75 |
| - Professional Tax payable | - | - | - | 0.54 |
| - Other expenses payable | | | | 3.55 |
| - Provision for Tax (Net of advance tax) | 9.00 | 7.00 | 3.75 | 3.25 |
| Total | 9.00 | 7.00 | 3.75 | 89.43 |

Annexure 4 - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

4.11 Property, Plant and Equipment

| Particulars | Brand Building | Vehicles | Plant & Machinery | Electrical Installation | Office Equipment | Asset with Dealer | Furniture & Fixtures | Computers | Others | Air Conditioner & | Total |
|---------------------------------|----------------|----------|-------------------|-------------------------|------------------|-------------------|----------------------|-----------|--------|-------------------|--------|
| Gross carrying amount | | | | | | | | | | | |
| As at April 2020 | - | - | 138.52 | 0.84 | 1.03 | 81.34 | 7.47 | 7.17 | 1.08 | 5.97 | 243.42 |
| Addition | - | 30.38 | 0.17 | 0.28 | 0.27 | - | 0.52 | 0.02 | - | - | 31.65 |
| Deduction | - | - | - | - | - | - | - | - | - | - | - |
| As at March 2021 | - | 30.38 | 138.69 | 1.11 | 1.31 | 81.34 | 8.00 | 7.20 | 1.08 | 5.97 | 275.07 |
| As at April 2021 | - | 30.38 | 138.69 | 1.11 | 1.31 | 81.34 | 8.00 | 7.20 | 1.08 | 5.97 | 275.07 |
| Addition | - | 0.75 | 0.07 | 1.48 | 0.38 | - | 0.29 | 0.08 | 0.14 | - | 3.18 |
| Deduction | - | - | - | - | - | 0.89 | - | - | - | - | 0.89 |
| As at March 2022 | - | 0.75 | 30.38 | 138.75 | 2.59 | 1.69 | 80.45 | 8.29 | 7.27 | 1.22 | 277.36 |
| As at April 2022 | - | 0.75 | 30.38 | 138.75 | 2.59 | 1.69 | 80.45 | 8.29 | 7.27 | 1.22 | 277.36 |
| Addition | - | 1.72 | - | 0.53 | - | - | - | - | - | - | 2.25 |
| Deduction | - | - | - | - | - | - | - | - | - | - | - |
| As at March 2023 | - | 2.47 | 30.38 | 138.75 | 3.12 | 1.69 | 80.45 | 8.29 | 7.27 | 1.22 | 279.61 |
| As at April 2023 | - | 2.47 | 30.38 | 138.75 | 3.12 | 1.69 | 80.45 | 8.29 | 7.27 | 1.22 | 279.61 |
| Addition | - | 0.76 | - | - | - | - | - | - | - | - | 0.76 |
| Deduction | - | - | - | - | - | - | - | - | - | - | - |
| As at 30th April 2023 | - | 3.23 | 30.38 | 138.75 | 3.12 | 1.69 | 80.45 | 8.29 | 7.27 | 1.22 | 280.37 |
| Accumulated depreciation | | | | | | | | | | | |
| As at April 2020 | - | - | 18.63 | 0.05 | 0.83 | - | 2.47 | 6.53 | 0.65 | 4.70 | 33.86 |
| Addition | - | 1.66 | 10.78 | 0.18 | (0.33) | 7.73 | 0.97 | (1.65) | 0.06 | 0.49 | 19.89 |
| Deduction | - | - | - | - | - | - | - | - | - | - | - |
| As at March 2021 | - | 1.66 | 29.42 | 0.23 | 0.50 | 7.73 | 3.44 | 4.88 | 0.70 | 5.19 | 53.75 |
| As at April 2021 | - | 1.66 | 29.42 | 0.23 | 0.50 | 7.73 | 3.44 | 4.88 | 0.70 | 5.19 | 53.75 |
| Addition | - | 0.05 | 2.73 | 8.33 | 0.23 | 0.08 | 7.24 | 0.75 | 0.60 | 0.16 | 20.25 |
| Deduction | - | - | - | - | - | - | - | - | - | - | - |
| As at March 2022 | - | 0.05 | 4.40 | 37.74 | 0.47 | 0.58 | 14.97 | 4.19 | 5.48 | 0.87 | 74.01 |
| As at April 2022 | - | 0.05 | 4.40 | 37.74 | 0.47 | 0.58 | 14.97 | 4.19 | 5.48 | 0.87 | 74.01 |
| Addition | - | 0.22 | 2.73 | 8.33 | 0.23 | 0.08 | 7.24 | 0.75 | 0.60 | 0.13 | 20.39 |
| Deduction | - | - | - | - | - | - | - | - | - | - | - |
| As at March 2023 | - | 0.26 | 7.13 | 46.07 | 0.70 | 0.66 | 22.21 | 4.93 | 6.08 | 1.00 | 94.40 |
| As at April 2023 | - | 0.26 | 7.13 | 46.07 | 0.70 | 0.66 | 22.21 | 4.93 | 6.08 | 1.00 | 94.40 |
| Addition | - | 0.02 | 0.23 | 0.69 | 0.02 | 0.01 | 0.60 | 0.06 | 0.05 | 0.01 | 1.70 |
| Deduction | - | - | - | - | - | - | - | - | - | - | - |
| As at 30th April 2023 | - | 0.28 | 7.36 | 46.76 | 0.72 | 0.66 | 22.81 | 4.99 | 6.13 | 1.01 | 96.10 |
| Net carrying amount | | | | | | | | | | | |
| As at March 2021 | - | 28.72 | 109.27 | 0.88 | 0.81 | 73.61 | 4.55 | 2.32 | 0.38 | 0.78 | 221.32 |
| As at March 2022 | - | 0.71 | 25.98 | 101.01 | 2.13 | 1.11 | 65.48 | 4.10 | 1.80 | 0.35 | 203.35 |
| As at March 2023 | - | 2.21 | 23.25 | 92.69 | 2.42 | 1.03 | 58.24 | 3.36 | 1.20 | 0.60 | 185.21 |
| As at 30th April 2023 | - | 2.95 | 23.02 | 91.99 | 2.40 | 1.03 | 57.64 | 3.29 | 1.15 | 0.59 | 184.27 |

Annexure 4 - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

4.12 Intangible Assets

| Particulars | Computers Software | Licenses | Total |
|--|---------------------------|-----------------|--------------|
| Gross carrying amount | | | |
| As at April 2020 | - | 0.24 | 0.24 |
| Addition | - | - | - |
| Deduction | - | - | - |
| As at March 2021 | - | 0.24 | 0.24 |
| As at April 2021 | - | 0.24 | 0.24 |
| Addition | - | - | - |
| Deduction | - | - | - |
| As at March 2022 | - | 0.24 | 0.24 |
| As at April 2022 | - | 0.24 | 0.24 |
| Addition | - | - | - |
| Deduction | - | - | - |
| As at March 2023 | - | 0.24 | 0.24 |
| As at April 2023 | - | 0.24 | 0.24 |
| Addition | - | - | - |
| Deduction | - | - | - |
| As at 30th April 2023 | - | 0.24 | 0.24 |
| Accumulated amortisation and impairment | | | |
| As at April 2020 | - | 0.20 | 0.20 |
| Addition | - | 0.02 | 0.02 |
| Deduction | - | - | - |
| As at March 2021 | - | 0.22 | 0.22 |
| As at April 2021 | - | 0.22 | 0.22 |
| Addition | - | - | - |
| Deduction | - | - | - |
| As at March 2022 | - | 0.22 | 0.22 |
| As at April 2022 | - | 0.22 | 0.22 |
| Addition | - | - | - |
| Deduction | - | - | - |
| As at March 2023 | - | 0.22 | 0.22 |
| As at April 2023 | - | 0.22 | 0.22 |
| Addition | - | - | - |
| Deduction | - | - | - |
| As at 30th April 2023 | - | 0.22 | 0.22 |
| Net carrying amount | | | |
| As at March 2021 | - | 0.02 | 0.02 |
| As at March 2022 | - | 0.02 | 0.02 |
| As at March 2023 | - | 0.02 | 0.02 |
| As at 30th April 2023 | - | 0.02 | 0.02 |

Annexure 4 - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

4.13 Capital Work-in-progress

| Particulars | Licenses | Total |
|------------------------------|----------|-------|
| Gross carrying amount | | |
| As at April 2020 | - | - |
| Addition | - | - |
| Deduction | - | - |
| As at March 2021 | - | - |
| As at April 2021 | - | - |
| Addition | - | - |
| Deduction | - | - |
| As at March 2022 | - | - |
| As at April 2022 | - | - |
| Addition | - | - |
| Deduction | - | - |
| As at March 2023 | - | - |
| As at April 2022 | - | - |
| Addition | - | - |
| Deduction | - | - |
| As at 30th April 2023 | - | - |

CWIP ageing schedule

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Project in progress | - | - | - | - | - |
| Projects temporarily suspended | | | | | |
| Total | - | - | - | - | - |

Annexure 4 - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

4.14 Deferred tax assets net

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|------------------------------------|------------------------|------------------------|------------------------|------------------------|
| Deferred Tax Asset/(Liability)-Net | - | - | - | - |
| Total | - | - | - | - |

Significant Components of Deferred Tax

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|------------------------|------------------------|
| Deferred Tax Asset | | | | |
| Difference between book depreciation and tax depreciation | - | - | - | - |
| Disallowances under section 43B | - | - | - | - |
| Gross Deferred Tax Asset (A) | - | - | - | - |
| Deferred Tax Liability | | | | |
| Difference between book depreciation and tax depreciation | - | - | - | - |
| Gross Deferred Tax Liability (B) | - | - | - | - |
| Net Deferred Tax Asset (A)-(B) | - | - | - | - |

4.15 Long term loans & advances

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|------------------------------------|------------------------|------------------------|------------------------|------------------------|
| Rent Deposit - Khyati Modi | 1.05 | 1.05 | 1.05 | - |
| Rent Deposit - Narsinhbhai P Patel | 4.80 | 4.80 | 4.80 | - |
| Other Deposits | - | - | - | - |
| Total | 5.85 | 5.85 | 5.85 | - |

4.16 Other non current assets

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|------------------------|------------------------|
| Security deposits | | | | |
| - Deferred Revenue Expenditure | - | - | 50.00 | 50.00 |
| - Assests Lying with Distributors & Dealers | - | - | - | - |
| Other receivables | 202.73 | 202.73 | 202.73 | 202.73 |
| | - | - | - | - |
| Total | 202.73 | 202.73 | 252.73 | 252.73 |

4.17 Inventories

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|-------------------|------------------------|------------------------|------------------------|------------------------|
| Stores and Spares | - | - | - | - |
| Packing Goods | - | - | - | - |
| Raw Materials | - | - | - | - |
| Finished Goods | 690.69 | 675.38 | 653.52 | 616.15 |
| Work in Process | - | - | - | - |
| Stock in Trade | - | - | - | - |
| Goods-in-transit | - | - | - | - |
| Total | 690.69 | 675.38 | 653.52 | 616.15 |

4.18 Trade receivables

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|------------------------------|------------------------|------------------------|------------------------|------------------------|
| Undisputed - considered good | 136.43 | 140.77 | 262.19 | 336.00 |
| Total | 136.43 | 140.77 | 262.19 | 336.00 |

Trade Receivables ageing schedule as at 30 April 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|-----------|-----------|-------------------|---------------|
| | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables-considered good | 124.48 | 11.95 | - | - | - | 136.43 |
| Undisputed Trade Receivables-considered doubtful | - | - | - | - | - | - |
| Disputed Trade Receivables considered good | - | - | - | - | - | - |
| Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| Sub total | 124.48 | 11.95 | - | - | - | 136.43 |
| Undue - considered good | - | - | - | - | - | - |
| Total | 124.48 | 11.95 | - | - | - | 136.43 |

Trade Receivables ageing schedule as at 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|-----------|-----------|-------------------|---------------|
| | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables-considered good | 128.82 | 11.95 | - | - | - | 140.77 |
| Undisputed Trade Receivables-considered doubtful | - | - | - | - | - | - |
| Disputed Trade Receivables considered good | - | - | - | - | - | - |
| Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| Sub total | 128.82 | 11.95 | - | - | - | 140.77 |
| Undue - considered good | - | - | - | - | - | - |
| Undue - considered doubtful | - | - | - | - | - | - |
| Provision for doubtful debts | - | - | - | - | - | - |
| Total | 128.82 | 11.95 | - | - | - | 140.77 |

Trade Receivables ageing schedule as at 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|--------------|--------------|-------------------|---------------|
| | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables-considered good | 134.83 | 65.78 | 34.42 | 27.16 | - | 262.19 |
| Undisputed Trade Receivables-considered doubtful | - | - | - | - | - | - |
| Disputed Trade Receivables considered good | - | - | - | - | - | - |
| Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| Sub total | 134.83 | 65.78 | 34.42 | 27.16 | - | 262.19 |
| Undue - considered good | - | - | - | - | - | - |
| Undue - considered doubtful | - | - | - | - | - | - |
| Provision for doubtful debts | - | - | - | - | - | - |
| Total | 134.83 | 65.78 | 34.42 | 27.16 | - | 262.19 |

Trade Receivables ageing schedule as at 31 March 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-------------------------------|--|------------------|--------------|--------------|-------------------|---------------|
| | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables- | 214.28 | 42.47 | 57.53 | 21.72 | - | 336.00 |
| Undisputed Trade Receivables- | - | - | - | - | - | - |
| Disputed Trade Receivables | - | - | - | - | - | - |
| Disputed Trade Receivables | - | - | - | - | - | - |
| Sub total | 214.28 | 42.47 | 57.53 | 21.72 | - | 336.00 |
| Undue - considered good | - | - | - | - | - | - |
| Undue - considered doubtful | - | - | - | - | - | - |
| Provision for doubtful debts | - | - | - | - | - | - |
| Total | 214.28 | 42.47 | 57.53 | 21.72 | - | 336.00 |

4.19 Cash and cash equivalents

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|---------------------|---------------------|
| - Cash on hand | 36.23 | 32.81 | 33.74 | 26.12 |
| - Balances with banks | 1.64 | 1.36 | (0.01) | 0.74 |
| | 37.87 | 34.16 | 33.73 | 26.87 |
| - Deposits held as a margin money (20% FD for LC and BG) | - | - | - | - |
| - Deposit with bank with maturity of more than 3 months | - | - | - | - |
| Total | 37.87 | 34.16 | 33.73 | 26.87 |

4.20 Short term loans and advances

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|---------------------|---------------------|
| Balances with Government Authorities | | | | |
| - Advance Tax, TDS and TCS | - | - | 0.39 | 0.27 |
| - EPF Subsidy Receivable | 0.57 | 0.57 | 0.57 | - |
| - CST Receivable/ Refundable | 6.25 | 6.25 | 3.25 | - |
| Other loans and advances (Unsecured, considered good) | | | | |
| - Advance to sundry creditors | - | - | - | - |
| - Prepaid expenses (unexpired fire insurance) | - | - | - | - |
| - Loans & Advances | - | - | - | 6.42 |
| Total | 6.82 | 6.82 | 4.21 | 6.69 |

4.21 Other current assets

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|---------------------|---------------------|
| Accrued Interest- FDR and 20% FD for LC and BG | - | - | - | - |
| Total | - | - | - | - |

4.22 Revenue from operations

| Particulars | For the period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--------------------------|------------------------------------|--------------------------|--------------------------|--------------------------|
| Sale of products | 65.19 | 906.61 | 924.40 | 964.74 |
| Other operating revenues | | | | |
| - Sale of scrap | - | - | - | - |
| | 65.19 | 906.61 | 924.40 | 964.74 |
| Less: Trade discount | - | - | - | - |
| Total | 65.19 | 906.61 | 924.40 | 964.74 |

4.23 Other Income

| Particulars | For the period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-------------------------------|------------------------------------|--------------------------|--------------------------|--------------------------|
| Interest Income | | | | |
| - Bank Deposit | - | - | - | - |
| - Interest from Debtors | - | - | - | 0.37 |
| Others | | | | |
| - Remission of Credit Balance | 4.12 | 48.43 | 13.06 | 0.56 |
| - Freight & Alteration | 0.02 | 0.25 | 0.46 | 0.47 |
| - Cash Discount | - | - | 0.55 | - |
| - Notice Pay | - | - | - | - |
| - Other Income | - | - | - | - |
| - Prior Period Income | - | - | - | - |
| Total | 4.14 | 48.68 | 14.07 | 1.40 |

4.24 Cost of materials consumed

| Particulars | For the period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---------------------|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening Stock | 675.38 | 653.52 | 616.15 | 644.00 |
| Add: Purchases | 57.18 | 623.25 | 695.73 | 688.13 |
| | 732.56 | 1,276.77 | 1,311.87 | 1,332.13 |
| Less: Closing Stock | 690.69 | 675.38 | 653.52 | 616.15 |
| Total | 41.87 | 601.40 | 658.35 | 715.98 |

4.25 Purchases of stock in trade

| Particulars | For the period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-----------------------------|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Purchases of stock in trade | - | - | - | - |
| Total | - | - | - | - |

4.26 Stock in trade purchased (Items)

| Particulars | For the period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--------------|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Purchases | - | - | - | - |
| Total | - | - | - | - |

4.27 Change in Inventories of work in progress, finished goods and stock in trade

| Particulars | For the period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|----------------------------------|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening Inventories | | | | |
| - Work - in - process | - | - | - | - |
| - Finished Goods | - | - | - | - |
| - Stock in Trade | - | - | - | - |
| - Goods-in-transit | - | - | - | - |
| | - | - | - | - |
| Less: Closing Inventories | | | | |
| - Work - in - process | - | - | - | - |
| - Finished Goods | - | - | - | - |
| - Stock in Trade | - | - | - | - |
| - Goods-in-transit | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| Total | - | - | - | - |

Turnover from manufacturing and trading activities

| Particulars | For the period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|----------------------|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Manufacturing | | | | |
| | 65.20 | 906.61 | 924.40 | 964.74 |
| | 65.20 | 906.61 | 924.40 | 964.74 |
| Trading | | | | |
| | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| Total | 65.20 | 906.62 | 924.40 | 964.73 |

4.28 Employee benefit expenses

| Particulars | For the period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---------------------------------|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| - Salaries and wages | 5.20 | 70.81 | 58.69 | 46.65 |
| - Directors Remuneration | - | - | 6.00 | 6.00 |
| - Staff Bonus | - | 1.79 | 1.78 | 0.37 |
| - Staff Walefares | 0.11 | 1.37 | 1.24 | 0.49 |
| - Training Expenses | - | - | - | 0.55 |
| - Sales Incentives to Employees | - | 2.32 | - | - |
| - Notice Pay Recovery | - | - | - | (0.27) |
| - PF & ESI | - | 0.94 | 1.24 | 1.01 |
| Total | 5.31 | 77.23 | 68.95 | 54.80 |

4.29 Finance costs

| Particulars | For the period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-------------------------------|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| - Bank Charges | 0.02 | 2.63 | 1.73 | 2.01 |
| - Interest on Unsecured Loans | 1.00 | 28.66 | 24.57 | 16.50 |
| - Interest on Cash Credit | 4.35 | 50.95 | 44.86 | 40.16 |
| - Interest on Term Loan | - | - | - | 6.02 |
| - Interest on Car Loan | 0.07 | 0.79 | 1.11 | 0.43 |
| - Interest Others | - | - | 4.79 | 2.85 |
| - Interest on GST | 0.20 | 0.92 | 0.42 | 0.17 |
| - Interest on Custom Duty | - | - | - | - |
| - Interest on TDS | - | - | - | 0.29 |
| Total | 5.64 | 83.95 | 77.49 | 68.43 |

4.30 Depreciation and amortization expenses

| Particulars | For the period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--------------|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Depreciation | 1.70 | 20.39 | 20.25 | 19.89 |
| Amortization | - | - | - | 0.02 |
| Total | 1.70 | 20.39 | 20.25 | 19.91 |

4.31 Other expenses

| Particulars | For the period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Manufacturing Expenses | | | | |
| - Consumable Store & Spares | - | 0.09 | 1.86 | 1.98 |
| - Power & Fuel | - | 3.18 | 2.04 | 1.80 |
| - Job Work | 0.62 | 8.89 | 5.66 | 4.34 |
| - Factory Expenses | 0.21 | 0.63 | 0.10 | 0.08 |
| - Repair & Maintenance | - | 0.30 | 0.75 | 2.03 |
| - Freight Charges | 0.45 | 8.28 | 6.69 | 7.90 |
| - Factory Rent | - | 10.64 | 14.40 | 15.20 |
| Administrative & Other Expenses | | | | |
| - Audit Fees | - | - | 0.50 | 0.50 |
| - Conveyance Expenses | - | 0.01 | 0.13 | 1.16 |
| - Printing & Stationery | - | 3.34 | 3.88 | 0.96 |
| - Legal & Professional Fees | 0.14 | 3.20 | 2.30 | 2.83 |
| - Municipal Tax | - | - | - | 0.35 |
| - Building Repairs | - | - | - | 0.20 |
| - Other Administrative Expenses | - | - | - | - |
| - Postage & Courier | 0.02 | 1.06 | 0.66 | 0.34 |
| - Telephone Expenses | 0.04 | 0.77 | 0.50 | 0.73 |
| - GST Expenses | - | - | - | - |
| - Donation | - | - | 0.01 | 0.01 |
| - Repair & Maintenance | - | 1.59 | 0.38 | 0.32 |
| - Discount & Written Off | 0.08 | 0.03 | 0.17 | 0.72 |
| - Bad Debts | - | - | - | - |
| - Prior Period Expenses | - | - | - | - |
| - Exchange Rate Difference | - | - | - | - |
| - VAT Expenses | - | - | - | 0.26 |
| - internet Expenses | - | - | 0.06 | 0.10 |
| - Computer Expenses | - | 0.04 | 0.12 | 0.15 |
| - Insurance Premium | 0.10 | 1.67 | 2.10 | 2.79 |
| - Office Expenses | 0.03 | 0.62 | 1.64 | 0.55 |
| - Income Tax | - | 0.09 | - | 5.00 |
| - Professional Tax | - | 0.00 | - | 0.05 |
| - ROC Fees | - | 4.13 | - | - |
| - Stamp Duty | - | 2.75 | - | - |
| - Vehicle Expenses | - | 0.60 | - | 0.09 |
| Selling Expenses | | | | |
| - Excusive Showroom Rent | - | - | - | - |
| - Freight Outward | 2.52 | 21.63 | 23.64 | 23.98 |
| - Sales Commission | - | - | 2.09 | 0.29 |
| - Sales Promotion | 0.22 | 8.41 | 16.02 | 9.49 |
| - Deferred Revenue Expense W/off | - | 50.00 | - | - |
| - Discount | - | 1.26 | 1.04 | 0.73 |
| - Travelling Expenses | 0.38 | 7.57 | 4.07 | 4.53 |
| Total | 4.80 | 140.77 | 90.78 | 89.45 |

4.32 Tax Expenses

| Particulars | For the period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Current tax | | | | |
| - Current tax expenses | 2.52 | 7.00 | 3.75 | 3.25 |
| - Excess/Short Provision Written back/off | - | - | - | - |
| | 2.52 | 7.00 | 3.75 | 3.25 |
| Deferred tax | | | | |
| - Deferred tax (income)/Expenses | - | - | - | (5.12) |
| | - | - | - | (5.12) |
| Total | 2.52 | 7.00 | 3.75 | (1.87) |

Annexure 4 - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

4.33 EPS Calculation

| Particulars | Period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Restated profit attributable to equity shareholders (Amt. in Rs) | 8,02,265.08 | 24,55,199.99 | 18,89,204.48 | 19,43,314.45 |
| Weighted average number of equity shares | 15,42,403 | 15,42,403 | 14,20,100 | 12,20,100 |
| Restated Earnings per share basic (Amt. in Rs) | 0.52 | 1.59 | 1.33 | 1.59 |
| Restated Earnings per share diluted (Amt. in Rs) | 0.52 | 1.59 | 1.33 | 1.59 |
| Face value per equity share (Amt. in Rs) | 10 | 10 | 10 | 10 |

4.34 Auditors' Remuneration

| Particulars | Period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-------------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Payments to auditor as | | | | |
| - Auditor | - | - | 0.50 | 0.50 |
| - For other matters | - | - | - | - |
| Total | - | - | 0.50 | 0.50 |

4.35 Contingent Liabilities and Commitments

| Particulars | Period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Capital Commitments | | | | |
| - Estimated amount of Contracts to be executed on Capital Account and not provided for (net of advance of Rs. 50 Lakhs) | - | - | - | - |
| Total | - | - | - | - |

4.36 Leases : operating leases

The Company has taken various residential/commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry.

The rental expenses recognized in Profit and Loss account for operating lease.

| Particulars | Period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-----------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Minimum Rent | - | 10.64 | 14.40 | 15.20 |
| Contingent Rent | - | - | - | - |
| Total | - | 10.64 | 14.40 | 15.20 |

4.37 Disclosure of liability of gratuity and compensated absences

A Defined benefit plan – gratuity:

In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method.

B Defined benefit plan – leave encashment:

In accordance with Accounting Standard - 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using projected unit credit method. The detail of same as follows:

4.38 Related Party Disclosure

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the parties as defined in the accounting standard.

(i) List of Related Parties

| Particulars | Relationship |
|---|--------------------------|
| Mr. Divyesh Modi Mr. Vipinchandra Modi Mrs. Khyati Modi | Key Managerial Personnel |

(ii) Related Party Transactions

| Particulars | Period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---------------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Remuneration | | | | |
| Mr. Divyesh Modi | - | - | 6.00 | 6.00 |
| Mrs. Khyati Modi | - | - | - | - |
| Consultancy charges paid | | | | |
| Mr. Vipinchandra Modi | 0.12 | 1.44 | - | - |
| Loan Repaid | | | | |
| Mr. Divyesh Modi | - | - | - | - |
| Mrs. Khyati Modi | - | 8.16 | 17.45 | 10.80 |
| | - | 5.15 | 10.50 | 0.25 |
| Loan Taken | | | | |
| Mr. Divyesh Modi | - | - | - | - |
| Mrs. Khyati Modi | - | 6.18 | 19.37 | 15.84 |
| | - | - | 15.00 | 18.89 |

(iii) Related Party Balances

| Particulars | Period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 | Year ended 31 March 2021 |
|------------------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Loan Balances | | | | |
| Mr. Divyesh Modi | 8.61 | 8.61 | 10.60 | 96.27 |
| Mrs. Khyati Modi | 3.95 | 3.95 | 9.10 | 82.34 |
| Consultancy charges payable | | | | |
| Mr. Vipinchandra Modi | 0.74 | 0.74 | - | - |

4.39 MSME

On the basis of confirmation obtained from the supplier who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

| Particulars | Period ended 30 April 2023 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|----------------------------|-----------------------------|-----------------------------|
| a) The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting period | | | |
| - Principle amount | - | - | - |
| - Interest due thereon | - | - | - |
| b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting period; | | | |
| c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | | | |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting period; and | | | |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | | | |

4.40 Segment reporting

The Company is engaged in single manufacturing division and hence there are no separate reportable segment.

4.41 Title deed of immovable property not held in the name of company

The company holds all the title deeds of immovable property in its name.

4.42 Benami property

The company does not have any Benami property, where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

4.43 Security of Current Assets Against Borrowings

The company has filed quarterly returns or statements of current assets with Banks for borrowing facility against the security of the current assets from banks.

4.44 willful defaulter

The company is not declared as willful defaulter by any bank or financial Institution or other lender.

4.45 Transactions with struck off companies

The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

4.46 Registration of charges or satisfaction with Registrar of Companies

The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

4.47 Scheme of Arrangements

There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

4.48 Utilisation of Borrowed funds and share premium:

A The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

4.49 Undisclosed income

The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the years in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme.

4.50 Compliance with number of layers of companies

The Company does not have any subsidiaries therefore disclosure of compliance with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

4.51 disclosure pertaining to 'details of crypto currency or virtual currency

The company has not traded or invested in Crypto currency or Virtual Currency during the reporting periods

4.52 Revaluation of PPE and Intangible assets

The company has not revalued its Property, Plant and Equipment and Intangible assets during the reporting periods. The disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.

4.53 disclosure pertaining to 'corporate social responsibility activities'

The company is not covered under section 135 of the Companies Act, 2013. The disclose with regard to CSR activities is not applicable

Annexure 4 - Notes to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

4.54 Ratio analysis and its elements

| Particulars | 30-Apr-23 | 31 March 2023 | 31 March 2022 | 31 March 2021 | % change from March 31, 2023 to April 30, 2023 | % change from March 31, 2022 to March 31, 2023 | % change from March 31, 2021 to March 31, 2022 |
|----------------------------------|-----------|---------------|---------------|---------------|--|--|--|
| Current Ratio | 1.35 | 1.31 | 1.33 | 1.35 | 3.38% | -2.15% | -1.41% |
| Debt-Equity Ratio | 0.88 | 0.87 | 2.09 | 6.88 | 1.03% | -58.46% | -69.56% |
| Debt Service Coverage Ratio | 0.55 | 1.17 | 0.86 | 0.91 | -53.32% | 36.46% | -5.64% |
| Return on Equity Ratio | 18.34% | 5.56% | 7.49% | 10.75% | 229.69% | -25.72% | -30.35% |
| Inventory Turnover Ratio | 1.15 | 1.36 | 1.46 | 1.51 | -16.06% | -6.30% | -3.52% |
| Trade Receivables Turnover Ratio | 5.60 | 4.50 | 3.09 | 1.33 | 24.39% | 45.59% | 131.74% |
| Trade Payables Turnover Ratio | 2.80 | 2.93 | 3.39 | 1.75 | -4.50% | -13.44% | 93.59% |
| Net Capital Turnover Ratio | 3.46 | 4.52 | 3.87 | 3.75 | -23.37% | 16.79% | 3.22% |
| Net Profit Ratio | 12.31% | 2.71% | 2.04% | 2.02% | 354.43% | 32.51% | 1.41% |
| Return on Capital Employed | 18.91% | 11.86% | 8.95% | 1.81% | 59.44% | 32.58% | 393.23% |
| Return on Investment | NA | NA | NA | NA | NA | NA | NA |

Reasons for variance of more than 25% in above ratios :

- 1 Return on Equity Ratio has been increased from March 31, 2023 to April 30, 2023 due to increase in profitability
- 2 Net profit Ratio has been increased from March 31, 2023 to April 30, 2023 due to increase in profits
- 3 Return on capital employed Ratio has been increased from March 31, 2023 to April 30, 2023 due to increase in profits

Note: Since the stub period is of 1 month, the ratios for the current period has been adjusted to give the proper and compliant effect

Elements of Ratio

| Particulars | Numerator/Denominator | 30-Apr-23 | 31-Mar-23 | 31-Mar-22 | 31 March 2021 |
|--------------------------------------|---|-----------|-----------|-----------|---------------|
| (a) Current Ratio | <u>Current Assets</u> | 871.81 | 857.13 | 953.66 | 985.71 |
| | Current Liabilities | 645.81 | 656.43 | 714.66 | 728.25 |
| (b) Debt-Equity Ratio | <u>Total Debts</u> | 464.73 | 453.01 | 757.53 | 982.73 |
| | Equity | 528.84 | 520.81 | 361.73 | 142.85 |
| (c) Debt Service Coverage Ratio | <u>Earning available for Debt Service</u> | 15.36 | 128.90 | 116.63 | 107.79 |
| | Interest + Installments | 28.16 | 110.31 | 136.21 | 118.78 |
| (d) Return on Equity Ratio | <u>Profit after Tax</u> | 8.02 | 24.55 | 18.89 | 19.44 |
| | Average Shareholder's Equity | 524.83 | 441.27 | 252.29 | 133.13 |
| (e) Inventory Turnover Ratio | <u>Total Turnover</u> | 65.19 | 906.61 | 924.40 | 964.74 |
| | Average Inventories | 683.03 | 664.45 | 634.84 | 639.19 |
| (f) Trade Receivables Turnover Ratio | <u>Total Turnover</u> | 65.19 | 906.61 | 924.40 | 964.74 |
| | Average Account Receivable | 138.60 | 201.48 | 299.10 | 723.36 |
| (g) Trade Payable Turnover Ratio | <u>Total Purchases</u> | 57.18 | 623.25 | 695.73 | 688.13 |
| | Average Account Payable | 245.12 | 212.64 | 205.45 | 393.40 |
| (h) Net Capital Turnover Ratio | <u>Total Turnover</u> | 65.19 | 906.61 | 924.40 | 964.74 |
| | Net Working Capital | 226.00 | 200.70 | 238.99 | 257.46 |
| (i) Net Profit Ratio | <u>Net Profit after tax</u> | 8.02 | 24.55 | 18.89 | 19.44 |
| | Total Turnover | 65.19 | 906.61 | 924.40 | 964.74 |
| (j) Return on capital employed | <u>Earning before interest and taxes</u> | 15.66 | 115.50 | 100.13 | 86.01 |
| | Capital Employed | 993.54 | 973.81 | 1,119.24 | 1,125.56 |
| (k) Return on Investment | <u>Return on Investment</u> | NA | NA | NA | NA |
| | Total Investment | NA | NA | NA | NA |

4.55 The Restated Financial Information were authorized for issue in accordance with a resolution of the Board Directors on October 23, 2023

Annexure 5 - Statement of Adjustments to the Restated Financial Information
(Amounts in INR Lakh, unless otherwise stated)

Summarised below are the restatement adjustments made to equity as at April 30, 2023, March 31, 2023, March 31, 2022, March 31, 2021 and their consequential impact on the equity of the Company:

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|------------------------|------------------------|
| Total Equity as per Audited Financial Statements | 528.84 | 520.81 | 361.73 | 142.85 |
| <u>Restatement adjustments</u> | | | | |
| Compliance of Accounting Standard - 15 | - | - | - | - |
| Total impact of adjustments | - | - | - | - |
| Total Equity as per Restated Financial Information | 528.84 | 520.81 | 361.73 | 142.85 |
| Total | 528.84 | 520.81 | 361.73 | 142.85 |

Summarised below are the restatement adjustments made to equity as at April 30, 2023, March 31, 2023, March 31, 2022, March 31, 2021 and their consequential impact on the equity of the Company:

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|------------------------|------------------------|
| Profit after tax as per Audited Financial Statements | 8.02 | 24.55 | 18.89 | 19.44 |
| <u>Restatement adjustments</u> | | | | |
| <u>Compliance of Accounting Standard - 15</u> | | | | |
| (Increase)/decrease in expenses | | | | |
| Employee benefit expenses | - | - | - | - |
| Restated profit before tax | 8.02 | 24.55 | 18.89 | 19.44 |
| Tax adjustments | - | - | - | - |
| Profit after tax as per Restated financial information | 8.02 | 24.55 | 18.89 | 19.44 |
| Total | 8.02 | 24.55 | 18.89 | 19.44 |

Notes to adjustments:

Note 1:

Audit qualifications - There are no audit qualifications in auditor's report for the period/financial years ended March 31, 2023, March 31, 2022 and March 31, 2021.

Note 2:

Material regrouping/reclassification - Appropriate regrouping/reclassification have been made in the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification audited financial statements prepared in accordance with Schedule III of the Act, applicable AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Annexure 6 - Other financial information
(Amounts in INR full figures, unless otherwise stated)

The accounting ratios required under Paragraph 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|------------------------|------------------------|
| Restated profit attributable to equity shareholders (₹) (A) | 8,02,265.08 | 24,55,199.99 | 18,89,204.48 | 19,43,314.45 |
| Weighted average number of equity shares in calculating basic EPS (B) | 15,42,403 | 14,26,131 | 12,79,826 | 12,20,100 |
| Weighted average number of equity shares in calculating diluted EPS (C) | 15,42,403 | 14,26,131 | 12,79,826 | 12,20,100 |
| Basic earnings per share (₹ per share) (D=A/B) | 0.52 | 1.72 | 1.48 | 1.59 |
| Diluted earnings per share (₹ per share) (E=A/C) | 0.52 | 1.72 | 1.48 | 1.59 |
| Weighted average number of equity shares in calculating basic EPS - post bonus shares (J) | 46,27,209 | 42,78,394 | 38,39,478 | 36,60,300 |
| Weighted average number of equity shares in calculating diluted EPS - post bonus shares (K) | 46,27,209 | 42,78,394 | 38,39,478 | 36,60,300 |
| Basic earnings per share - post bonus shares (₹ per share) (L=A/J) | 0.17 | 0.57 | 0.49 | 0.53 |
| Diluted earnings per share - post bonus shares (₹ per share) (M=A/K) | 0.17 | 0.57 | 0.49 | 0.53 |
| Net worth (A) (in lacs) | 528.84 | 520.81 | 361.73 | 142.85 |
| Restated profit attributable to shareholders (B) (in lacs) | 8.02 | 24.55 | 18.89 | 19.43 |
| Restated Return on net worth (%) (C=B/A) | 1.52% | 4.71% | 5.22% | 13.60% |
| Net Assets (₹) (A) | 5,28,83,736 | 5,20,81,470 | 3,61,73,337 | 1,42,85,308 |
| Number of equity shares outstanding at the end of the year (B) | 15,42,403 | 14,26,131 | 12,79,826 | 12,20,100 |
| Restated Net asset value per share (C=A/B) | 34.29 | 36.52 | 28.26 | 11.71 |
| Number of equity shares outstanding at the end of the year - post bonus shares (F) | 46,27,209 | 42,78,394 | 38,39,478 | 36,60,300 |
| Restated Net asset value per share - post bonus shares (G=A/F) | 11.43 | 12.17 | 9.42 | 3.90 |
| Restated profit for the year (A) (in lacs) | 8.02 | 24.55 | 18.89 | 19.44 |
| Restated profit for the year from discontinued operation (B) | - | - | - | - |
| Restated profit for the year from continuing operations (C=A-B) (in lacs) | 8.02 | 24.55 | 18.89 | 19.44 |
| Total tax expenses (D) (in lacs) | 2.00 | 7.00 | 3.75 | (1.87) |
| Exceptional items (E) (in lacs) | - | - | - | - |
| Finance costs (F) (in lacs) | 5.64 | 83.95 | 77.49 | 68.43 |
| Depreciation and amortization expense (G) (in lacs) | 1.70 | 20.39 | 20.25 | 19.91 |
| Other income (H) (in lacs) | 4.14 | 48.68 | 14.07 | 1.40 |
| EBITDA (I=C+D+E+F+G-H) (in lacs) | 13.22 | 87.21 | 106.31 | 104.51 |
| Share based payment expense (J) (in lacs) | - | - | - | - |
| Adjusted EBITDA (K=I+J) | 13.22 | 87.21 | 106.31 | 104.51 |

Notes:

a) **Net worth is derived as below**

| Particulars | As at 30 April 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------|------------------------|------------------------|------------------------|------------------------|
| Share capital (in lacs) | 154.24 | 154.24 | 142.01 | 122.01 |
| Reserves and Surplus (in lacs) | 374.60 | 366.57 | 219.72 | 20.84 |
| Retained Earnings (in lacs) | - | - | - | - |
| Net Worth | 528.84 | 520.81 | 361.73 | 142.85 |

b) **The ratios on the basis of Restated Financial Information have been computed as below**

| | | |
|----------------------------------|---|--|
| Basic Earnings per share (₹) | = | <u>Restated Net profit/(loss) after tax for the year / period attributable to equity shareholders of the Company</u> Weighted average number of Equity Shares outstanding during the year/period post sub-division/bonus |
| Diluted Earnings per share (₹) | = | <u>Restated Net profit/(loss) after tax for the year / period attributable to equity shareholders of the Company</u> Weighted average number of Equity Shares outstanding during the year/period adjusted for the effects of all dilutive potential Equity shares post sub-division/bonus |
| Return on Net Worth (%) | = | <u>Restated net profit/(loss) after tax for the year / period attributable to equity shareholders of the Company</u> Restated total equity attributable to equity holders |
| Net asset value per Equity Share | = | <u>Restated Total equity attributable to equity holders</u> Weighted Average Number of equity shares outstanding during the year/ period post sub-division/bonus |
| Net Assets | = | Total Assets less total liabilities |
| EBITDA | = | Restated profit/(loss) for the respective year/period + total tax expenses + exceptional items + finance costs + depreciation and amortisation - other income |

MAGENTA LIFECARE LIMITED

Annexure 7 - Statement of Capitalization (Amounts in INR Lakh, unless otherwise stated)

The following table sets forth our Company's capitalisation as at April 30, 2023, derived from our Restated Financial Statements, and as adjusted for the Offer.

| Particulars | Pre-offer as at 30 April 2023 | As adjusted for the proposed Offer* |
|---|----------------------------------|--|
| Borrowings | | |
| Non-current borrowings (including current maturity of long term debt) (I) | 112.55 | [●] |
| Total current borrowings (II) | 352.18 | [●] |
| Total Borrowings (I) + (II) = (A) | 464.73 | [●] |
| Equity | | |
| Equity Share Capital | 154.24 | [●] |
| Reserve and Surplus | 374.60 | [●] |
| Total Equity (B) | 528.84 | [●] |
| Capitalisation (A) + (B) | 993.57 | [●] |
| Non-current borrowings (including current maturity of long term debt)/Equity | 0.21 | [●] |
| Total borrowings/Equity | 0.88 | [●] |

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

You should read the following discussion of our financial position and results of operations together with our Restated Financial Statements which have been included in this Draft Prospectus. The following discussion and analysis of our financial position and results of operations is based on our Restated Financial Statements for the financial year March 31, 2023, for the financial year ended March 31, 2022, and for financial year ended March 31, 2021 and for the period ended on April 30, 2023 including the related notes and reports, included in this Draft Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial information. Our Financial Statements, as restated have been derived from our audited financial statements for the respective period and years. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader’s level of familiarity with Ind AS, Companies Act, SEBI Regulations and other relevant accounting practices in India. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“Fiscal Year”) are to the twelve-month period ended March 31 of that year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under “*Risk Factors*” and “*Forward Looking Statements*” beginning on pages 27 and 17 respectively, and elsewhere in this Draft Prospectus.

In this chapter, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Magenta Lifecare Limited and, our Company. Unless otherwise indicated, financial information included herein are based on our “*Restated Financial Statements*” for the Financial year ended March 31, 2023, for the Financial year ended March 31, 2022 and for the Financial Year 2021 and for the period ended April 30, 2023 beginning on page no. 162 of this Draft Prospectus.

BUSINESS OVERVIEW

We are manufacturer of foam-based product such as mattresses and pillows which is marketed under our brand “*Magenta*” in India. Our Product offerings include wide range of mattresses such as memory foam, latex based, bonded mattresses, pocketed spring etc. and pillows such as memory foam pillow, molded memory foam pillow, molded contour foam pillow etc. We believe that our success is attributable to the quality of products that we offer to our customers, spread across retail, hotels and institutions. Driven by innovation, we strive to introduce new and innovative products on a continuous basis with the help of our team. For instance, we have introduced green tea and bamboo charcoal based herbal mattress and pet bed mattresses in our range of products. Further, we are also supply processed raw foam and adjustable bed frame (hydraulic bed) which we import under our brand Magenta

For further details, please refer chapter titled “*Business Overview*” beginning on page 108 of this Draft Prospectus.

Key Performance Indicators of our Company

(₹ in lakhs except share data)

| Key Performance Indicator | For the period ended on April 30, 2023* | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--|---|----------------|----------------|----------------|
| Revenue from Operations ⁽¹⁾ | 65.19 | 906.61 | 924.40 | 964.74 |
| Growth in Revenue from Operations | -7.73% | -1.92% | -4.18% | NA |
| EBITDA ⁽²⁾ | 13.22 | 87.21 | 106.31 | 104.51 |
| EBITDA Margin ⁽³⁾ | 20.27% | 9.62% | 11.50% | 10.83% |
| Restated Profit After Tax for the Year | 8.02 | 24.55 | 18.89 | 19.44 |
| PAT Margin ⁽⁴⁾ | 12.31% | 2.71% | 2.04% | 2.02% |

| | | | | |
|---------------------------------|--------|--------|----------|----------|
| Net Worth ⁽⁵⁾ | 528.84 | 520.81 | 361.73 | 142.85 |
| Capital Employed ⁽⁶⁾ | 993.54 | 973.81 | 1,119.24 | 1,125.56 |
| ROCE% ⁽⁷⁾ | 1.58% | 11.86% | 8.95% | 7.64% |
| ROE% ⁽⁸⁾ | 1.75% | 5.56% | 7.49% | 14.60% |

**not annualized*

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

After the date of last financial year i.e., March 31, 2023, the following material events have occurred after the last audited period.

1. Our Company was converted into Public Limited Company vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on June 19, 2023 and a fresh certificate of incorporation dated July 05, 2023 issued by the Registrar of Companies, Ahmedabad.
2. The Board of Directors of our Company vide their meeting held on May 23, 2023 approved allotment of 80,909 Equity shares made via Rights Issue.
3. The Board of Directors of our Company vide their meeting held on June 20, 2023 approved allotment of 32,46,624 Equity shares made via Bonus Issue.
4. The Shareholders of our Company appointed Divyesh Modi as Managing Director at Annual General Meeting held on September 11, 2023.
5. The Board of Directors of our Company approved the Initial Public Offering of our Company in their meeting held on September 06, 2023.
6. The Shareholders of our Company approved the Initial Public Offering of our Company at the Annual General Meeting held on September 11, 2023.

SIGNIFICANT ACCOUNTING POLICIES

For more details kindly refer to chapter titled “*Restated Financial Statements*” beginning on page 162 of this Draft Prospectus.

DISCUSSION ON RESULTS OF OPERATIONS

The following table sets forth financial data from our restated financial statements of profit & loss for the Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022, and for the Financial Year ended March 31, 2021, and for the period ended April 30, 2023, the components of which are also expressed as a percentage of total revenue for such periods:

(₹ in Lakhs except share data)

| Particulars | For the period ended on April 30, 2023 | | Year ended 31-Mar-2023 | | Year ended 31-Mar-2022 | | Year ended 31-Mar-2021 | |
|--|--|---------------|------------------------|----------------|------------------------|----------------|------------------------|----------------|
| | ₹ in lakhs | %* | ₹ in lakhs | %* | ₹ in lakhs | %* | ₹ in lakhs | %* |
| <u>(A) REVENUE</u> | | | | | | | | |
| Revenue from Operations | 65.19 | 94.03% | 906.61 | 95.67% | 924.40 | 98.73% | 964.74 | 99.88% |
| Other Income | 4.14 | 5.97% | 48.68 | 4.33% | 14.07 | 1.27% | 1.40 | 0.12% |
| Total Revenue | 69.33 | 100% | 955.29 | 100.00% | 938.47 | 100.00% | 966.14 | 100.00% |
| <u>(B) EXPENDITURE</u> | | | | | | | | |
| Cost of Raw Material Consumed | 41.87 | 60.39% | 601.40 | 53.53% | 658.35 | 59.45% | 715.99 | 62.83% |
| Employee Benefit Expenses | 5.31 | 7.65% | 77.23 | 6.87% | 68.95 | 6.23% | 54.80 | 4.81% |
| Finance Costs | 5.64 | 8.13% | 83.95 | 7.47% | 77.49 | 7.00% | 68.43 | 6.01% |
| Depreciation and Amortization Expense | 1.70 | 2.45% | 20.39 | 1.82% | 20.25 | 1.83% | 19.91 | 1.75% |
| Other Expenses | 4.80 | 6.92% | 140.77 | 27.51% | 90.78 | 23.45% | 89.45 | 23.07% |
| Total Expenses | 59.31 | 85.54% | 923.74 | 97.19% | 915.83 | 97.96% | 948.57 | 98.46% |
| Profit Before Exceptional and Extraordinary Items and Tax | 10.02 | 14.46% | 31.55 | 2.81% | 22.64 | 2.04% | 17.57 | 1.54% |
| Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| Particulars | For the period ended on April 30, 2023 | | Year ended 31-Mar-2023 | | Year ended 31-Mar-2022 | | Year ended 31-Mar-2021 | |
|-------------------------------------|--|---------------|------------------------|--------------|------------------------|--------------|------------------------|----------------|
| | ₹ in lakhs | %* | ₹ in lakhs | %* | ₹ in lakhs | %* | ₹ in lakhs | %* |
| Profit Before Tax | 10.02 | 14.46% | 31.55 | 2.81% | 22.64 | 2.04% | 17.57 | 1.54% |
| Tax Expense: | | | | | | | | |
| (1) Current tax | 2.00 | 2.88% | 7.00 | 0.62% | 3.75 | 0.34% | 3.25 | 0.29% |
| (2) Deferred tax | | | - | - | - | - | (5.12) | (0.45%) |
| Total tax expense | 2.00 | 2.88% | 7.00 | 0.62% | 3.75 | 0.34% | (1.87) | (0.16%) |
| Profit/(Loss) for the period | 8.02 | 11.57% | 24.55 | 2.18% | 18.89 | 1.71% | 19.43 | 1.71% |

*(%) column represents percentage of total revenue.

Key Components of our Statement of Profit and Loss Based on our Restated Financial Statements

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations represents sale of our products. The Company is engaged in the business of Mattresses. For further details, please refer to chapter **“Business Overview”** on page 108 of this Prospectus.

Other Income

Other income includes Remission of Credit balance and freight and alteration.

Expenditure

Our total expenditure primarily consists of Cost of Material Consumed, Employee Benefit Expenses, Finance costs, Depreciation and Amortization and Other Expenses.

Employee Benefit Expenses

Employee benefit expenses comprises of salaries and wages, director’s remuneration, staff bonus, PF & ESI contributions and staff welfare expenses.

Depreciation & Amortization Cost

Depreciation expenses consist of depreciation on the tangible assets of our company i.e., depreciation on fixed assets.

Finance costs

Finance cost includes interest expenses on borrowings to banks and other finance costs.

Other Expenses

Other expenses includes Consumable Store & Spares, - Power & Fuel, - Job Work, factory expenses, - Repair & Maintenance, freight charges, factory rent brokerage & commission expenses, packing expenses, Legal & professional charges, Insurance premium expense, stamp duty, vehicle expense, freight outward, sales promotion expense and discount given on sales, freight & handling charges, rent, rates & taxes, travelling expense, insurance charges, repair & maintenance, auditors remuneration, charity & donation, postage & telephone expenses, printing & stationery, and other expenses.

FOR ONE MONTH PERIOD ENDED ON APRIL30, 2023

Income:

Total Revenue

Our Total Revenue amounted to ₹ 69.33 lakhs for one-month period ended April 30, 2023 which is on account of revenue from operations and other income as described below:

Revenue from Operations

Our revenue from operations for one-month period ended April 30,2023 was ₹ 65.19 Lakhs which is about 94.03% of the total revenue which comes from sale of products.

Other Income

Our other income for one-month period ended April 30, 2023 was ₹ 4.14 Lakhs which is about 5.97% of the total revenue.

Expenditure:

Cost of Raw Materials consumed

Our Cost of Raw Materials consumed for one-month period ended April 30, 2023 was ₹ 41.87 Lakhs, which is 60.39% of the total revenue.

Employee Benefits Expenses

The employee benefits expenses for one-month period ended April 30, 2023 is ₹ 5.31 Lakhs which is about 7.65% of the total revenue.

Finance Cost

Financial costs for one-month period ended April 30, 2023 is ₹ 5.64 Lakhs which is about 8.13% of the total revenue.

Depreciation and Amortization Expenses

Depreciation for one-month period ended April 30, 2023 is ₹ 1.70 Lakhs which is about 2.45% of the total revenue.

Other Expenses

Other Expenses for one-month period ended April 30, 2023 is ₹ 4.80 Lakhs which is about 6.92% of the total revenue

Tax expense

Our total tax expenses for one-month period ended April 30, 2023 was ₹ 2.00 Lakhs which comprised solely of current tax. Total taxes are about 2.88% of the total revenue.

Profit after Tax

Profit after tax for one-month period ended April 30, 2023 is ₹ 8.02 Lakhs which is about 11.57% of the total revenue.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2023 TO FINANCIAL YEAR ENDED MARCH 31, 2022

Income:

Total Revenue

Our total revenue increased by ₹ 16.24 Lakhs to ₹ 955.29 Lakhs for Fiscal 2023 from ₹ 938.47 Lakhs for Fiscal 2022. This was primarily attributable to increase in other income.

Revenue from Operations

Our revenue from operations decreased by ₹ 17.79 Lakhs to ₹906.61 Lakhs for Fiscal 2023 from ₹ 924.40 Lakhs for Fiscal 2022. This was primarily attributable to decrease in demand of our products.

Other Income

Our other income increased by ₹ 34.61 Lakhs to ₹ 48.68 Lakhs for Fiscal 2023 from ₹ 14.07 Lakhs for Fiscal 2022. This was primarily attributable to increase in creditors balance written off which was not payable due to various circumstances

Expenditure**Cost of materials consumed**

Our cost of material consumed was decreased by 8.65 % to ₹ 601.40 Lakhs for Fiscal 2023 from ₹ 658.35 Lakhs for Fiscal 2022. This was primarily attributable to reduction in purchases of material.

Employee Benefits Expenses

The employee benefits expense increased by 12% to ₹ 77.23 Lakhs for Fiscal 2023 from ₹ 68.95 Lakhs for Fiscal 2022. This was primarily attributable to increase in salaries and wages.

Finance Cost

The finance costs increased by 8.34 % to ₹ 83.95 Lakhs for Fiscal 2023 from ₹ 77.49 Lakhs for Fiscal 2022. The increase was primarily due to increase in interest expense on unsecured loan and cash credit.

Depreciation and amortization expense

Our depreciation and amortization expense marginally increased by ₹ 0.14 Lakhs to ₹ 20.39 Lakhs for Fiscal 2023 from ₹ 20.25 Lakhs for Fiscal 2022.

Other Expenses

Our other expenses increased by 55.06 % to ₹ 140.77 Lakhs for Fiscal 2023 from ₹ 90.78 Lakhs for Fiscal 2022.

Tax expenses

Our tax expenses increased by ₹ 3.25 Lakhs to ₹ 7 Lakhs for Fiscal 2023 from ₹ 3.75 Lakhs for Fiscal 2022, this was primarily attributable to increase in profits.

Profit after Tax (PAT)

For the reasons discussed above, our profit after tax increased by 29.96% Lakhs to ₹ 24.55 Lakhs for Fiscal 2023 from ₹ 18.89 Lakhs for Fiscal 2022.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 TO FINANCIAL YEAR ENDED MARCH 31, 2021

Income:

Total Revenue

Our total revenue decreased by ₹ 27.67 Lakhs to ₹ 938.47 Lakhs for Fiscal 2022 from ₹ 966.14 Lakhs for Fiscal 2021. This was primarily attributable to decrease in sales and other incomes attributable to business.

Revenue from Operations

Our total revenue decreased by ₹ 40.34 Lakhs to ₹ 924.40 Lakhs for Fiscal 2022 from ₹ 964.74 Lakhs for Fiscal 2021. This was primarily attributable to decrease in total demand for our products.

Other Income

Our other income increased by 901.48% to ₹ 14.07 Lakhs for Fiscal 2022 from ₹ 1.41 Lakhs for Fiscal 2021. This was primarily attributable to increase in creditors balance written off which was not payable due to various circumstances.

Expenditure

Cost of materials consumed

Our cost of material consumed was decreased by 8.05 % to ₹ 658.35 Lakhs for Fiscal 2022 from ₹ 715.99 Lakhs for Fiscal 2021. This was primarily attributable to reduction in purchases of material.

Employee Benefits Expenses

The employee benefits expense increased by 25.83 % to ₹ 68.95 Lakhs for Fiscal 2022 from ₹54.80Lakhs for Fiscal 2021. This was primarily attributable to increase in salaries and wages.

Finance Cost

The finance costs increased by 13.23% to ₹ 77.49 Lakhs for Fiscal 2022 from ₹ 68.43 Lakhs for Fiscal 2021.

Depreciation and amortization expense

Our depreciation and amortization expense marginally increased by ₹ 0.34 Lakhs to ₹ 20.25 Lakhs for Fiscal 2022 from ₹ 19.91 Lakhs for Fiscal 2021.

Other Expenses

Our other expenses increased by 1.49 % to ₹ 90.78 Lakhs for Fiscal 2022 from ₹ 89.45 Lakhs for Fiscal 2021.

Tax expenses

Our total tax expenses increased by ₹ 5.62 Lakhs to ₹ 3.75 Lakhs for Fiscal 2022 from ₹ (1.87) Lakhs for Fiscal 2021.

Profit after Tax (PAT)

For the reasons discussed above, our profit after tax decreased by ₹ 0.55 Lakhs to ₹ 18.89 Lakhs for Fiscal 2022 from ₹ 19.43 Lakhs for Fiscal 2021.

Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three (3) years.

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 chapter entitled "**Risk Factors**" beginning on page 27 of this Draft Prospectus. To our knowledge, except as we have described in this Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

3. Income and Sales on account of major product/main activities

Increase in the volume of our business and the introduction of any new products in the ordinary course of our business would be expected to contribute to increase our revenues.

4. Whether the company has followed any unorthodox procedure for recording sales and revenues

Our Company has not followed any unorthodox procedure for recording sales and revenues.

5. 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 Chapter titled "**Risk Factors**" beginning on page 27 of this Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

6. Extent to which material increases in net sales or revenue are due to increase in services

Increases in revenues are by and large linked to increases in volume of business.

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

The Company is engaged in the automobile business and the same has been included in the Chapter titled "**Industry Overview**" beginning on page 93 of this Draft Prospectus.

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

Our Company has not announced any new services or business segment.

9. The extent to which business is seasonal.

While we do not characterize our business as seasonal, our income and profits may vary from quarter to quarter depending on the factor

10. Any significant dependence on a single or few customers.

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of contribution of our Company's customers and supplier's vis a vis the revenue from operations and raw materials purchase respectively for the financial year ended March 31, 2023, financial year ended March 31, 2022 and financial year ended March 31, 2021 based on Restated Financial Statements are as follows:

| Particulars | Customers | | | |
|------------------------------|--|----------------------|----------------------|----------------------|
| | For the period ended on April 30, 2023 | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
| Top 10 customers (₹in Lakhs) | 45.34 | 368.64 | 387.41 | 358.55 |

| | | | | |
|------------------|--------|--------|--------|--------|
| % to total sales | 69.55% | 40.66% | 41.91% | 37.17% |
|------------------|--------|--------|--------|--------|

| Particulars | Supplier | | | |
|-----------------------------|--|----------------------|----------------------|----------------------|
| | For the period ended on April 30, 2023 | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
| Top 10 supplier (₹in Lakhs) | 56.18 | 599.78 | 650.69 | 633.4 |
| % to total purchased | 98.25% | 96.23% | 93.53% | 92.04% |

11. **Competitive conditions.**

Competitive conditions are as described under the Chapters titled “*Industry Overview*” and “*Business Overview*” beginning on pages 93 and 108, respectively of this Draft Prospectus.

Material developments subsequent to March 31, 2023

Except as disclosed in this Prospectus, there are no significant developments or circumstances that have arisen since March 31, 2023, the date of the last financial statements included in this Draft Prospectus:

Further, except as disclosed in this Draft Prospectus, there are no circumstances that have arisen since March 31, 2023, the date of the last financial statements included in this Draft Prospectus, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from various banks for conducting its business.

Set forth below is a brief summary of all the borrowings of our Company as on April 30, 2023 together with a brief description of certain significant terms of such financing arrangements.

(₹. in Lakhs)

| Nature of Borrowings | Amount |
|--|---------------|
| Secured borrowings | |
| • Term Loan | 40.59 |
| • OCC/OBBD | 352.18 |
| Unsecured borrowings | |
| • Loan and Advance from Directors and shareholders | 18.53 |
| • Loan and Advance from Inter Corporates | 7.38 |
| • Loan and Advance from Dealer Deposit | 46.05 |
| Total | 464.73 |

A. Secured Borrowings

(₹. in Lakhs)

| Sr. No | Name of Lender | Types on Loans | Date sanction of | Amount Sanctioned | Outstanding Amount as on April 30, 2023 | Rate of Interest Per Annum |
|--------|-----------------------|----------------|------------------|-------------------|---|----------------------------|
| 1. | Punjab National Bank | GECL | 06/10/2020 | 68.00 | 30.48 | 9.25% |
| 2. | Punjab National Bank | CC | 15/12/2015 | 340.00 | 343.28 | 14.45% |
| 3. | Punjab National Bank | Over Draft | 07/05/2020 | 15.71 | 8.90 | 9.50% |
| 4. | Axis Bank | Vehicle Loan | 08/03/2021 | 6.00 | 3.73 | 7.91% |
| 5. | Central bank of India | Vehicle Loan | 24/08/2020 | 9.98 | 6.39 | 7.25% |

⁽ⁱ⁾Terms and Condition of Sanction (Cash Credit Facility, overdraft facility and GECL)

(₹. in Lakhs)

| Details | | |
|---|---------------------|----------------------------|
| Security | | |
| Facility | Nature of Security | Nature of Charge |
| Cash Credit | Residential House | Divyesh Modi & Khyati Modi |
| Cash Credit | Commercial Property | Divyesh Modi & Khyati Modi |
| Cash Credit | Residential House | Vipinchandra Modi |
| <p>Hypothecation of inventories and book debts arises out of genuine trade transactions at present or in future and all other current assets of the firm.</p> <p>Fixed deposit and LIC policies amounting Rs. 35.50 lacs.</p> | | |
| Personal Guarantee | | |
| Guarantors Name | | |
| <p>1. Divyesh Modi 2. Khyati Modi 3. Dhruval Vyas</p> | | |

| Details | |
|---------|-------------------|
| 4. | Priyankumar Patel |
| 5. | Vipinchandra Modi |

(ii) Terms and Condition of Sanction (Vehicle Loan)

Central Bank of India

| Details | |
|---------|--|
| 1. | The tenure for the loan is for 84 months and the loan amount should be cleared within this period |
| 2. | The repayment date is on the 13 th of every month. |
| 3. | The rate of interest charged for this loan is 7.25% of the principle amount i.e. Rs. 9,98,000/- . |

Axis bank

| Details | |
|---------|--|
| 4. | The tenure for the loan is for 60 months and the loan amount should be cleared within this period |
| 5. | The repayment date is on the 10 th of every month. |
| 6. | The rate of interest charged for this loan is 7.91% of the principle amount i.e. Rs. 6,00,000/- . |

B. Unsecured Borrowings

The Company have also availed certain Unsecured Borrowings. Set forth below is a brief summary of Unsecured Borrowings as on April 30, 2023.

| | | <i>(₹. in Lakhs)</i> |
|--------|--|----------------------|
| Sr. No | Particulars | Amount |
| 1. | Loan and Advance from Directors and shareholders | 18.53 |
| 2. | Loan and Advance from Inter Corporates | 7.38 |
| 3. | Loan and Advance from Dealer Deposit | 46.05 |
| | Total | 71.96 |

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPEMENT

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or Stock Exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.

Our Board, in its meeting held on September 06, 2023, determined that outstanding legal proceedings involving the Company, its Directors and Promoter will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 5% of profit after tax of the Company, as per the last audited financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5.00% of the Company’s trade payables as per the last restated financial statements.

CONTINGENT LIABILITIES OF OUR COMPANY

As on March 31, 2023, our Company has no Contingent Liabilities:

I. LITIGATION INVOLVING OUR COMPANY

(A) Criminal Proceeding against the Company.

As on the date of this Draft Prospectus, there are no outstanding criminal proceedings initiated against the Company.

(B) Criminal proceedings Filed by the company.

Except mentioned below, there are no outstanding criminal proceedings initiated by the Company as on the date of this Draft Prospectus

| | |
|------------------------|---|
| Case No. | 10712 of 2021 |
| Case | Magenta Lifecare Private Limited V/s M/s Supreme Enterprise |
| Court/Authority | 3 rd Addl. Sr. Civil Judge and ACJM, Vadodara District Court, Gujarat |
| Case Details | The Accused is one of the dealers of the Complainant. The Complainant supplied various products to the accused from time to time. Complainant alleged that the total outstanding dues from the Accused was aggregating to Rs.1,00,000/-. For the said dues the Accused issued a cheque amounting to Rs.1,00,000/- on 30.10.2020. Subsequently the same was dishonored for insufficiency of funds. The Complainant served the accused with a statutory demand notice dated 27.01.2021 in terms of Section 138 of the Negotiable Instruments Act, alleging that the accused’s intention was to deprive the complainant of the rightful money due to them. Consequently, the Complainant filed this instant complaint before the authority of the 3 rd Addl. Sr. Civil Judge and ACJM, Vadodara District Court, Gujarat. The proceeding is pending before the Hon’ble Court. |
| Status | The matter is pending |

(C) Action by statutory and regulatory authorities against the company.

As the date of this Draft Prospectus, there is no outstanding actions by statutory or regulatory authorities initiated against the company.

(D) Claims related to Direct and Indirect Taxes.

(i) Direct Tax Liabilities:

| A. Y. | Section Code | Date of Demand | Amount | Particulars |
|---------|--------------|------------------------------|-----------------|---|
| 2019-20 | 143(1)A | 1 st May, 2020 | 1,06,490 | No Appeal has been Preferred against the Demand. The matter is Pending. |
| 2021-22 | 143(1)A | 28 th March, 2022 | 2,842 | No Appeal has been Preferred against the Demand. The matter is Pending. |
| | | TOTAL | 1,09,332 | |

(ii) Indirect Taxes Liabilities: NIL

(E) Other Pending Material litigation against the company

As on the date of this Draft Prospectus, there are no outstanding litigations initiated against the Company, which have been considered material by the Company in accordance with the Materiality Policy.

(F) Other pending litigations filed by the company

Except mentioned below, there are no outstanding litigations initiated by the Company as on date of this Draft Prospectus.

1) Legal Notice

| | |
|---------------------------|---|
| Type of Proceeding | Legal Notice |
| Party(ies) | By M/s. Delex Cargo India Private Limited to the Company and its Directors Mr. Divyesh Modi and Mr. Vipinchandra Modi. |
| Details | The Company in the past had availed some transportation serves from M/s. Delex Cargo India Private Limited. The service provider has issued a legal notice (through their Advocates), on the Company and its Directors Mr. Divyesh Modi and Mr. Vipinchandra Modi, on 04.01.2023. It has been alleged that inspite of raising various invoices from time to time the company has failed to clear the dues. Hence this legal notice demanding a payment aggregating to Rs.5,91,824/- along with an interest of 2% per annum. |
| Status | The matter is not settled as on the date of this Draft Prospectus. |

2) Legal Notice

| | |
|---------------------------|--------------|
| Type of Proceeding | Legal Notice |
|---------------------------|--------------|

| | |
|-------------------|--|
| Party(ies) | By M/s Royal Product Industries to the Company and its Director Mr. Divyesh Modi |
| Details | A legal notice has been issued by Mr. Pankul Jain, proprietor of M/s Royal Product Industries (through their Advocate), on the Company and its Director Mr. Divyesh Modi on 31.08.2023. It has been alleged that, M/s Royal Products Industries had supplied various products to the Company, but, the Company has failed to settle the outstanding amount aggregating to Rs.1,02,058/-. Hence this instant notice demanding a payment of Rs.1,02,058/- along with an interest of 24% per annum. |
| Status | The matter is not settled as on the date of this Draft Prospectus. |

II. LITIGATION INVOLVING OUR DIRECTORS & PROMOTERS

(A) Criminal Proceeding against the promoters & Directors of the company.

As on the date of this Draft Prospectus, there are no outstanding criminal proceedings initiated against the Promoters and Directors of the company.

(B) Criminal Proceeding filed by the promoters & Directors of the company.

As on the date of this Draft Prospectus, there are no outstanding criminal proceedings initiated by the Promoters and Directors of the company.

(C) Actions by Statutory and regulatory authorities against the promoters & Directors of the company.

As on the date of this Draft Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors.

(D) Claims related to Direct and Indirect taxes

1. Direct Tax:

1. DIVYESH VIPINCHANDRA MODI

| A. Y. | Section Code | Date of Demand | Amount | Particulars |
|--------------|---------------------|---------------------------------|---------------|---|
| 2017-18 | 143(1)A | 04 th December, 2017 | 56 | No Appeal has been preferred against the Demand. The matter is Pending. |

2. KHYATI MODI

| A. Y. | Section Code | Date of Demand | Amount | Particulars |
|--------------|---------------------|----------------------------------|---------------|---|
| 2009-10 | 143(1)A | 14 th May, 2010 | 374 | No Appeal has been preferred against the Demand. The matter is Pending. |
| 2017-18 | 143(1)A | 06 th September, 2018 | 1530 | No Appeal has been preferred against the Demand. The matter is Pending. |

| | | | | |
|--|--|--------------|-------------|--|
| | | TOTAL | 1904 | |
|--|--|--------------|-------------|--|

2. Indirect tax Liabilities: NIL

(E) Others pending material Litigation against the Promoters & Directors of the company.

As on the date of this Draft Prospectus, there are no outstanding litigations initiated against the Promoters and Directors, which have been considered material by the Company in accordance with the Materiality Policy.

(F) Others pending material Litigation by the promoters & Directors of the company.

As on the date of this Draft Prospectus, there are no outstanding litigations initiated by the Promoters and Directors, which have been considered material by the Company in accordance with the Materiality Policy.

LITIGATIONS INVOLVING THE GROUP COMPANIES WHICH CAN HAVE A MATERIAL IMPACT ON OUR COMPANY

As on date, our Group Companies does not have any pending litigation which can have a material impact on our Company.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

As per the Materiality Policy, a creditor of the Company, shall be considered material, if amounts due to such creditor is equal to or in excess of 5% of the trade payables of the Company as per the Restated Financial Statement. was ₹ 12.38 lakhs and accordingly, creditors to whom outstanding dues exceed ₹ 12.38 lakhs have been considered as material creditors for the purposes of disclosure in the Draft Prospectus

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at April 30, 2023, by our Company, are set out below:

Based on the above, there are 2 material creditor(s) of our Company as on April 30, 2023.

Details of outstanding dues owed as per the latest financials to MSMEs and other creditors are set out below.

(Rs. in Lakhs)

| Name | Number of Creditors | For the period from ended April 30, 2023 |
|--|---------------------|--|
| Total Outstanding dues to Material Creditors | 2 | 169.63 |
| Total Outstanding dues to Micro and Small & Medium Enterprises | 0 | 0.00 |
| Total Outstanding dues to Other Creditors | 117 | 72.93 |
| Total | 119 | 242.56 |

* As defined under the Micro, Small and Medium Enterprises Development Act, 2006

***As certified by SSRV and Associates, Chartered Accountants, pursuant to their certificate dated October 30, 2023

The details pertaining to Amounts due towards such creditors are available on the website of our Company at <https://www.magentamattresses.com>

It is clarified that such details available on our Company's website do not form a part of this Draft Prospectus. Anyone placing reliance on any other source of information including our Company's website would be doing so at their own risk.

Outstanding Litigations involving the Company or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

Except as described above, as on date of this Draft Prospectus, there are no outstanding litigations involving the Company, or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 years.

Pending proceedings initiated against our Company for economic offences.

There are no pending proceedings initiated against our Company for economic offences.

Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous Companies enactment in the last 5 years against our Company.

There are no inquiries, investigations etc. instituted under the Companies Act or any previous Companies enactment since incorporation against our Company.

Material Fraud against our Company in the last five years

There has been no material fraud committed against our Company since incorporation.

Disclosures Pertaining to Wilful Defaulters

Neither our Company, nor our Promoters, nor Group Companies and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Disclosures Pertaining to Fraudulent Borrower

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

Fines imposed or compounding of offences for default

There are no fines imposed or compounding of offences for default or outstanding defaults.

Non-Payment of Statutory Dues

Except as disclosed in the chapter titled "*Financial Statements as Restated*" beginning on page 162 there are have been no defaults or outstanding defaults in the payment of statutory dues payable under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948.

Material Developments occurring After Last Balance Sheet Date

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 201 of this Draft Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations and permits issued by relevant Central and State regulatory authorities under various rules and regulations. For details, please refer to the chapter titled “**Key Industry Regulations and Policies**” beginning on page 127 of this Draft Prospectus.

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/regulatory authority, or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

I. Incorporation Details

1. Certificate of incorporation dated 4th August, 2015 issued to our Company, under the name “Magenta Lifecare Private Limited” by the ROC, Ahmedabad, Gujarat.
2. Certificate of incorporation dated 5th July 2023 issued to our Company, under the name “Magenta Lifecare Limited” by the ROC Ahmedabad, Gujarat.
3. The CIN of our Company is U74120GJ2015PLC084050.

II. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on September 06, 2023 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1) (c) of the Companies Act, 2013, by a special resolution passed in the Annual Ordinary General Meeting held on September 11, 2023 authorized the Issue.
3. Our Company has received an in-principle approval from the BSE Limited dated [●] for listing of Equity Shares issued pursuant to the Issue.
4. The ISIN of the Company is INE0QZ901011.

III. Material approvals obtained for our Manufacturing Facility and Warehouse

Our Company operates its business from a Place of situated at N P Patel State, A & T, Padamala, Vadodara-391350, Gujarat.

A. Business related approvals

| Sl. No | Name of Registration | Registration No | Applicable Law | Issuing Authority | Date of Issue | Validity |
|--------|--|---------------------|---|---|---------------|-----------|
| 1 | Registration under the Employee State Insurance# | 38000452000001019 | Employee State Insurance Act, 1948 | Employees' State Insurance Corporation | 31-05-2018 | Perpetual |
| 2 | Registration under Employees Provident Fund# | VDBRD1512126 | Employee Provident Fund Scheme 1952 | Employees Provident Fund organization | 28-08-2016 | Perpetual |
| 3 | Udyam Registration Certificate | UDYAM-GJ-24-0019987 | Micro, Small and Medium Enterprises Development Act, 2006 | Government of India Ministry of Micro, Small and Medium Enterprises | 22-03-2021 | Perpetual |
| 4 | Certificate of Importer-Exporter Code# | 3415003400 | Foreign Trade (Development and Regulation) Act, 1992 | Directorate General of Foreign Trade, Vadodara | 16-09-2015 | Perpetual |
| 5 | Shops & Establishment Registration Certificate* | B-26/34857 | Gujarat Shops and Establishments Act, 2019 | Vadodara Municipal Corporation | 01-12-2015 | Perpetual |

The Name change application i.e. from "Magenta Lifecare Private Limited" to "Magenta Lifecare Limited" has been filed with the respective authorities.

* The registrations are in the name of "Magenta Lifecare Private Limited".

B. Tax Related Approvals


| Sl. No | Name of Registration | Registration No | Applicable Law | Issuing Authority | Date of Issue | Validity |
|--------|-------------------------------------|-----------------|---|----------------------------------|---------------|-----------|
| 1 | Permanent Account Number [PAN] | AAJCM8694A | Income Tax Act, 1961 | Income Tax Department | 28-08-2015 | Perpetual |
| 2 | Tax Deduction Account Number [TAN]* | BRDM04995E | Income Tax Act, 1961 | Income Tax Department | 144-09-2015 | Perpetual |
| 3 | Goods and Services Tax | 24AAJCM8694A2ZA | Central Goods and Service Tax Act, 2017 | Goods and Service Tax Department | 18-08-2021 | Perpetual |
| 4 | Professional Tax* | PECO21013989 | The Gujarat Professions Tax Act, 1976 | Commercial Taxes Department | 27-11-2015 | Perpetual |

* The registrations are in the name of "Magenta Lifecare Private Limited".

C. Intellectual Property Related Approvals

We regard our intellectual property as one of the most important factors in contributing to our success, and our intellectual property rights include trademarks associated with our businesses and other rights arising from confidentiality agreements relating to our database, website content and technology.

Our company is using trademark logo which has been 'Registered' as on date of Draft Prospectus as below:

| Sr. No | Brand name/Logo/Trade Mark | Class | Owner | Application No./Registration Certificate No. | Date of Registration | Current Status |
|--------|---|-------|-----------------------------------|--|----------------------|----------------|
| 1. |  magenta | 99 | Magenta Lifecare Private Limited. | 3038423 | 29-03-2017 | Registered |

IV. Approvals or Licenses applied to be received:

Company had applied for a Factory License for its unit situated at N P Patel State, A & T, Padamala, Vadodara-391350, Gujarat on September 14, 2023, before The Industrial Safety and Health, Baroda, which is pending as on the date of this Draft Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on September 06, 2023 subject to the approval of shareholders of our Company through a special resolution to be passed, pursuant to Section 62(1) (c) of the Companies Act, 2013.

The members of our Company have approved this Issue by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Annual of our Company held on September 11, 2023.

Our Board has approved this Draft Prospectus through its resolution dated October 31, 2023.

Our Board has approved the Prospectus through its resolution dated [●], 2023.

We have received In-Principle Approval from BSE SME vide their letter dated [●] to use the name of BSE Limited in the Prospectus for listing of our Equity Shares on BSE SME. BSE Limited is the Designated Stock Exchange.

PROHIBITION BY SEBI

Our Company, Promoters, Promoter Group, Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

ASSOCIATION WITH SECURITIES MARKET

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

PROHIBITION BY RBI

Neither our Company, our Promoters, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as a wilful defaulter or a fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 212 of this Draft Prospectus.

COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, Promoters and members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 as amended (“**SBO Rules**”), to the extent applicable to each of them as on the date of this Draft Prospectus.

ELIGIBILITY FOR THE ISSUE

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations, 2018.

Our Company is eligible for the Issue in accordance with Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital is less than or equal to ten crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”), in this case being the SME Platform of BSE India. Our Company also complies with eligibility conditions laid by BSE SME India for listing of Equity Shares.

We confirm that:

- a. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, 2018, the Lead Manager shall ensure that the Issuer shall file copy of the Draft Prospectus / Prospectus with SEBI along with Due Diligence certificate including additional confirmations as required at the time of filing the Draft Prospectus / Prospectus to SEBI.
- b. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Issue has been one hundred (100) percent underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please see “**General Information**” on page 27 of this Draft Prospectus.
- c. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Applicants, in accordance with the SEBI ICDR Regulations and applicable law.
- d. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus
- e. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see “**General Information**” on page 53 of this Draft Prospectus.
- f. In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.
- g. In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoters or directors is a fugitive economic offender.
- h. In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to BSE (SME Platform of the BSE) is the Designated Stock Exchange.
- i. In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.
- j. In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid-up.
- k. In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the Promoters are already in dematerialised form.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Platform of BSE Limited which states as follows:

In terms of Regulation 229(3) and other provisions of Chapter IX of the SEBI (ICDR) Regulations of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for SME Platform of BSE, which are as under

1. The issuer should be a Company incorporated Under Companies Act, 1956/2013

Our Company was incorporated on August 04, 2015, under the Companies Act, 2013 with the Registrar of Companies, Ahmedabad. Hence, our Company is in existence for a period of 8 years on the date of filing the Draft Prospectus with BSE.

2. The post issue paid up capital of the Company (face value) shall not be more than ₹ 10.00 crores.

The present paid-up capital of our Company is ₹ 486.99 lakhs comprising 48,69,936 Equity Shares of ₹ 10/- each and we are proposing issue of upto 20,00,000 Equity Shares of ₹ 10/- each at Issue price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, aggregating to ₹ [●] Lakh. Hence, our post issue paid up capital will be ₹ [●] lakhs which is less than ₹ 10.00 crore.

3. Track Record

Our Company confirms that it has track record of more than 3 years.

4. The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.

(₹ in lakhs)

| Particulars | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|---|----------------------|----------------------|----------------------|
| Profit Before Tax as per Restated Financial Statements | 31.55 | 22.64 | 17.57 |
| Add – Depreciation | 20.39 | 20.25 | 19.91 |
| Add – Interest | 83.95 | 77.49 | 68.43 |
| Less - Other Income | (48.68) | (14.07) | (1.41) |
| Operating profit (earnings before interest, depreciation and tax) from operation | 87.21 | 106.31 | 107.32 |
| Net Worth as per Restated Financial Statements | 520.81 | 361.73 | 142.84 |
| Net Tangible | 520.79 | 361.71 | 142.82 |

5. Other Listing Condition:

- Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our Company and promoting companies.
- There is no winding up petition against the company, which has been admitted by NCLT/ Court of competent jurisdiction or a liquidator has not been appointed.
- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.

6. Company shall mandatorily have a website.

Our Company has a live and operational website <https://www.magentamattresses.com>.

7. Other Disclosures:

- There are no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter/promoting company(is), group companies, companies promoted by the promoter/promoting company(is) of our Company in the Draft Prospectus.
- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our company, promoter/promoting company(is), group companies, companies

promoted by the promoter/promoting company(ies) during the past three years except as mentioned in the Draft Prospectus.

- iii. We have disclosed the details of our company, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter *“Outstanding Litigations and Material Developments”* on page 212 of this Draft Prospectus.
- iv. We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter *“Outstanding Litigations and Material Developments”* on page 212 of this Draft Prospectus.

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

- a. The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the SME platform of BSE. BSE is the Designated Stock Exchange.
- b. Our Company has entered into an agreement dated September 05, 2023 with NSDL and agreement dated August 23,2023 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- c. The entire pre-Offer capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be offered pursuant to this IPO are fully paid-up.
- d. The entire Equity Shares held by the Promoter is in dematerialization form.
- e. The fund requirements set out for the Objects of the Offer are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Offer as required under the SEBI ICDR Regulations. For details, please refer the chapter *“Objects of the Issue”* on page 73 of this Draft Prospectus.

SEBI DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS / PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS / PROSPECTUS. THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS / PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS / PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 31, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT PROSPECTUS / PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE

RIGHT TO, TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS AND PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 32, 33(1) and 33(2) OF THE COMPANIES ACT, 2013.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of the above-mentioned entities and that anyone placing on any other source of information, including our website: <https://www.magentamattresses.com> and www.fedsec.in would be doing so at his or her own risk.

None amongst our Company is liable for any failure in (i) uploading the Applications due to faults in any software/hardware system or otherwise; or (ii) the blocking of Applications Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

DISCLAIMER IN RESPECT OF JURISDICTION

This issue is being made in India to persons resident in India including Indian Nationals Resident in India who are not companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Commercial Banks, Regional Rural Banks, Co-Operative Banks (subject to RBI permission), or Trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII Sub - Account registered with SEBI which is a Foreign Corporate or Foreign Individual, Permitted Insurance Companies and Pension Funds and to FIIs and Eligible NRIs. This Draft Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Vadodara, Gujarat, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Draft Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE ("BSE SME")

As required, a copy of this Draft Prospectus has been submitted to BSE SME. The Disclaimer Clause as intimated by the BSE SME to us, post scrutiny of this Draft Prospectus will be produced by our Company in the Prospectus.

DISCLAIMER CLAUSE OF THE U.S. SECURITIES ACT.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act).

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

LISTING

Our Company has obtained In-Principle Approval from BSE Limited vide letter dated [●] to use name of BSE in this offer document for listing of equity shares on BSE SME. In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is requirement of obtaining In-principle approval from BSE Limited. Application will be made to the BSE SME for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE SME, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within such time prescribed by SEBI or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE SME mentioned above are taken within Six Working Days from the Issue Closing Date.

CONSENTS

The written consents of Directors, Company Secretary, Compliance Officer & Chief Financial Officer, Statutory Auditor and Peer Reviewed Auditor, Legal Advisor to the Legal Sections, Chartered Engineer, Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Banker to Issue and Sponsor Bank to act in their respective capacities will be obtained and will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, Peer Review Auditors, of the Company have agreed to provide their written consent to include their report, restated financial statements and statutory auditor to provided their written consent to include their report statement of Tax Benefits dated October 27, 2023 respectively, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Fedex Securities Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Lead Manager at www.fedsec.in.

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED

TABLE 1

| Sr. No. | Issue Name | Issue Size (Cr) | Issue Price (₹) | Listing date | Opening price on listing date | +/- % change in closing price, (+/- % change in closing benchmark)- 30 th calendar days from listing | +/- % change in closing price, (+/- % change in closing benchmark) - 90 th calendar days from listing | +/- % change in closing price, (+/- % change in closing benchmark)- 180 th calendar days from listing |
|---------|--|-----------------|-----------------|--------------------|-------------------------------|---|--|--|
| 1. | Tapi Fruit Processing Limited | 5.21 | 48 | September 22, 2022 | 52.10 | 4.38% (-0.30%) | 41.67% (4.29%) | 201.04% (-3.64%) |
| 2. | Moxsh Overseas Educon Limited | 10.42 | 153 | December 30, 2022 | 131.00 | -29.74% (-3.22%) | -50.26% (-6.10%) | -24.84% (4.79%) |
| 3. | Lead Reclaim and Rubber Products Limited | 4.88 | 25 | February 21, 2023 | 27.50 | 27.80% (-3.79%) | 131.20% (2.74%) | 95.00% (8.79%) |
| 4. | Pattech Fitwell Tube Components Limited | 12 | 50 | April 21, 2023 | 55 | 52.00% 3.29% | 27.90% (12.53%) | 20.00% (12.41%) |
| 5. | Yasons Chemex Care Limited | 20.57 | 40 | August 03, 2023 | 32 | (8.00%) (0.28%) | (28.88%) (-1.56%) | Not Applicable |
| 6. | Pramara Promotions Limited | 15.27 | 63.00 | September 13, 2023 | 111.00 | 39.68% (1.38%) | Not Applicable | Not Applicable |
| 7. | Kundan Edifice Limited | 25.22 | 91.00 | September 26, 2023 | 75.00 | (23.13%) (2.76%) | Not Applicable | Not Applicable |
| 8. | Oneclick Logistics India | 9.90 | 99 | October 11, 2023 | 140.00 | Not Applicable | Not Applicable | Not Applicable |

| | | | | | | | | |
|-----|-----------------------------------|-------|----|------------------|-------|----------------|----------------|----------------|
| | Limited | | | | | | | |
| 9. | Sharp Chucks and Machines Limited | 16.84 | 58 | October 12, 2023 | 66.00 | Not Applicable | Not Applicable | Not Applicable |
| 10. | Committed Cargo Care Limited | 24.94 | 77 | October 18, 2023 | 82.00 | Not Applicable | Not Applicable | Not Applicable |

Sources: All share price data is from www.bseindia.com and www.nseindia.com

Note:

1. Opening price information as disclosed on the website of the Designated Stock Exchange.
2. Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
3. For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
4. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
5. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
6. This disclosure is restricted to last 10 issues handled by the Lead Manager.

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE

| Financial year | Total no. of IPO | Total funds Raised (₹ Cr) | Nos of IPOs trading at discount on 30 th Calendar Day from listing date | | | Nos of IPOs trading at premium on 30 th Calendar Day from listing date | | | Nos of IPOs trading at discount on 180 th Calendar Day from listing date | | | Nos of IPOs trading at premium on 180 th Calendar Day from listing date | | |
|----------------|------------------|---------------------------|--|----------------|---------------|---|----------------|---------------|---|----------------|---------------|--|----------------|---------------|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less Than 25% |
| 2020-21 | *2 | 49.64 | - | - | 1 | - | - | 1 | - | - | 1 | 1 | - | - |
| 2021-22 | **5 | 153.99 | 1 | - | 2 | 1 | - | 1 | 1 | 1 | - | - | 1 | 2 |
| 2022-23 | ***7 | 131.26 | - | 1 | 1 | 1 | 2 | 2 | | | 3 | 3 | | 1 |
| 2023.-24 | ****7 | 124.74 | - | - | 2 | 1 | 1 | - | - | - | - | - | - | 1 |

*The script of Atam Valves Limited and Rangoli Tradecomm Limited were listed on October 06, 2020 and March 22, 2021 respectively.

** The script of Rajeshwari Cans Limited, Kuberan Global Edu Solutions Limited, Aashka Hospitals Limited, Euro Panel Products Limited and Wherrelz IT Solutions Limited were listed on April 15, 2021, May 05, 2021, September 01, 2021, December 24, 2021 and December 29, 2021 respectively.

*** The scripts of Sunrise Efficient Marketing Limited, Le Merite Exports Limited, Kesar India Limited, Virtuoso Optoelectronics Limited, Tapi Fruit Processing Limited, Moxsh Overseas Educon Limited and Lead Reclaim and Rubber Products Limited were listed on April 12, 2022, May 09, 2022, July 12, 2022, September 15, 2022, September 22, 2022, December 30, 2022 and February 21, 2023 respectively.

**** The script of Yasons Chemex Care Limited were listed August 03, 2023, and have not completed 180 calendar days. The scripts of Pramara Promotions Limited and Kundan Edifice Limited were listed on September 13, 2023 and September 26, 2023, have not completed 90 calendar days respectively. The script of Oneclick Logistics India Limited, Sharp Chucks and Machines Limited and Committed Cargo Care Limited have not completed 30 calendar days respectively

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided. Track Record of past issues handled by Fedex Securities Private Limited.

Track Record of past issues handled by Fedex Securities Private Limited

For details regarding track record of the Lead Manager to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: www.fedsec.in.

EXPERT OPINION

Except for

- (a) Peer Review Auditors' reports dated October 23, 2023 on the Restated Financial Statements by S S R V & Associates, Chartered Accountants;
- (b) Statement of Tax Benefits dated October 27, 2023 by S S R V & Associates, Chartered Accountants; and
- (c) Chartered Engineer Certificate dated October 20, 2023 by Ramesh Vaghela, Chartered Engineer; we have not obtained any other expert opinions.

PREVIOUS PUBLIC OR RIGHTS ISSUE

Except as stated in the chapter titled "*Capital Structure*" beginning on page 62 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last Five (5) years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations.

COMMISSION OR BROKERAGE

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

CAPITAL ISSUE DURING THE PREVIOUS THREE (3) YEARS BY ISSUER, LISTED GROUP COMPANIES AND SUBSIDIARIES OF OUR COMPANY

Except as disclosed in chapter titled "*Capital Structure*" on page 62 and below, our Company has not made any capital issue during the previous three (3) years. Further, our Company do not have any listed group Companies/ Subsidiaries / Associates.

PERFORMANCE VIS-À-VIS objects;

Except as stated in the chapter titled "*Capital Structure*" beginning on page 62 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

None of our Group Companies have their equity shares listed on any stock exchange.

STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the

applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

SEBI, by way of its circular dated March 16, 2021 as amended by its circulars dated June 2, 2021 and April 20, 2022, has identified the need to put in place measures, in order to streamline the processing of ASBA applications through the UPI Mechanism and redressal of investor grievances arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Applicants for blocking of funds due to systemic issues faced by Designated Intermediaries / SCSBs and failure to unblock funds in cases of partial allotment / non allotment within prescribed timelines and procedures. Pursuant to the circular dated March 16, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks / unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid / Batch; and (v) mandating SCSBs to ensure that the unblock process for non-allotted / partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalization of the Basis of Allotment.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid / Issue Closing Date, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid / Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Applicant whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. The following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues, for which the relevant SCSBs shall be liable to compensate the investor:

| Scenario | Compensation amount | Compensation period |
|--|---|--|
| Delayed unblock for cancelled / withdrawn / deleted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock |
| Blocking of multiple amounts for the same Bid made through the UPI Mechanism | 1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher | From the date on which multiple amounts were blocked till the date of actual unblock |
| Blocking more amount than the Bid Amount | 1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher | From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock |
| Delayed unblock for non | ₹100 per day or 15% per annum of the | From the Working Day subsequent to |

| | | |
|--|---------------------------------|--|
| – Allotted / partially Allotted applications | Bid Amount, whichever is higher | the finalization of the Basis of Allotment till the date of actual unblock |
|--|---------------------------------|--|

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Lead Manager shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The processing fees for applications made by UPI Applicants using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Our Company, the LMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company will obtain authentication on the SCORES in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI Circular (CIR/OIAE/1/2014) dated December 18, 2014, and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be ten (10 working days) from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on September 11, 2023 comprising of Nandish Jani as the Chairman, Chinu Kalal and Khyati Modi as members. For further details, please refer the chapter titled **“Our Management”** on page 140 of Draft Prospectus.

Our Company has also appointed Anita Kumawat the Company Secretary and Compliance Officer of our Company, for this Issue she may be contacted in case of any pre-issue or post-issue related problems at the following address:

MAGENTA LIFECARE LIMITED

N P Patel Estate, A & T Padamla,

Vadodara, Gujarat-391350, India.

Tel No: +917573022234

Email: info@magentalifecare.com

Website: <https://www.magentamattresses.com>

STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Exemptions from complying with any provision of securities laws, if any, granted by SEBI

Our Company has not been applied for an exemption from complying with any provisions of securities laws by SEBI.

SECTION VIII – ISSUE INFORMATION

TERMS OF ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, our Memorandum and Articles of Association, SEBI Listing Regulation, the terms of this Draft Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circular”) in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UP Phase II”). Further SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application for Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Authority for the Issue

The present Public Issue of upto 20,00,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on September 06, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-ordinary General Meeting held on September 11, 2023 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued and transferred in the issue shall be subject to the provisions of the Companies Act 2013 and our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the chapter titled “*Main Provisions of the Articles of Association*” beginning on page 274 of this Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to chapter titled “*Dividend Policy*” and “*Main Provisions of Articles of Association*” beginning on pages 161 and 274 respectively of this Draft Prospectus.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10.00/- each and the Issue Price is ₹ [●]/- per Equity Share (including premium of ₹ [●]/- per Equity Share).

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled “**Basis for Issue Price**” beginning on page 82 of this Draft Prospectus.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy in accordance with the provisions of the Companies Act, 2013;
- Right to receive offer/ issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the chapter titled “**Main Provisions of Articles of Association**” beginning on page 274 of this Draft Prospectus.

Minimum Application Value; Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by BSE SME from time to time by giving prior notice to investors at large.

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

In accordance with Regulation 267(2) of the SEBI (ICDR) Regulations 2018 the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

In accordance with Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be fifty (50) shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs shall be unblocked as per applicable laws. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Vadodara, Gujrat, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (“Securities Act”) and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

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

Joint Holders

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

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first applicant, along with other joint applicant, may nominate any one (1) person in whom, in the event of the death of sole applicant or in case of Joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

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

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

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

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

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect

Period of Operation of Subscription List of Public Issue

| | |
|--|-------|
| ISSUE OPENS ON | [●] |
| ISSUE CLOSES ON | [●] |
| FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE | [●] |
| INITIATION OF REFUNDS / UNBLOCKING OF FUNDS FROM ASBA ACCOUNT* | [●] |
| CREDIT OF EQUITY SHARES TO DEMAT ACCOUNTS OF ALLOTTEES | [●] |
| COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE | [●] |

**UPI mandate end time and date shall be at 5:00 p.m. on Issuing Closing Date*

- *In terms of Regulation 265 of ICDR Regulations, the issue shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.*
- *In terms of Regulation 266 (3) of ICDR Regulations, in case of force majeure, banking strike or similar circumstances or for reason considered necessary by our Company, our Company may, for reasons to be*

recorded in writing, extend the Issue Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs, or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may, be would be rejected

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant will be compensated at a uniform rate of Rs.100 per day or 15% per annum of the application amount, whichever is higher, from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges platform up to the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant will be compensated at a uniform rate Rs.100 per day or 15% per annum of the total cumulative blocked amount, except the original application amount, whichever is higher from the date on which such multiple amounts were blocked up to the date of actual unblock; (iii) any blocking of amounts more than the application amount, the Applicant will be compensated at a uniform rate of Rs.100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked up to the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant will be compensated at a uniform rate of Rs.100 per day or 15% per annum of the application amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date, by the SCSB responsible for causing such delay in unblocking. The Lead Manager will be liable to compensate the Applicant at a uniform rate of Rs.100 per day or 15% per annum of the application amount, whichever is higher from the date of receipt of the Investor grievance up to the date on which the blocked amounts are unblocked. The Applicant will be compensated in the manner specified in the SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which for the avoidance of doubt, will be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The processing fees for applications made by a UPI Applicant for an amount of more than ₹2,00,000 and up to ₹5,00,000, using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable, other than the Issue Closing Date, is indicative and does not constitute any obligation on our Company or the Lead Manager.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on BSE SME taken within six (6) Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from SME Platform of BSE Limited. The Commencement of trading of the Equity Shares will be entirely at the discretion of BSE India and in accordance with the applicable laws.

SEBI is in the process of streamlining and reducing the post offer timeline for IPOs. Any circular or notification from SEBI after the date of this Draft Prospectus may result in changes to the abovementioned timelines. Further, the issue procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Application Forms:

| | |
|---|--|
| Issue period (except the Issue Closing Date) | |
| Submission and Revision of Application Form | Only between 10.00 a.m. to 5.00 p.m. IST |
| Issue Closing Date | |
| Submission and Revision of Application Form* | Only between 10.00 a.m. to 3.00 p.m. IST |

*UPI mandate end time and date shall be at 5.00 pm on Issue/Offer Closing Date

On the Issue Closing Date, the Applications shall be uploaded until:

1. Until 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and
2. Until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by LM to the Stock Exchange.

Due to limitation of time available for uploading the application forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in the Prospectus are Indian Standard Time (IST). Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

The Designated Intermediaries are given until 5:00 pm on the Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. Investors may please note that as per letter no. List/SMD/SM/2006 dated Jul 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Applications and any revision in Applications shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA applicants shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. None among our Company or Lead Manager is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

The above timetable is indicative and does not constitute any obligation or liability on our Company, our Promoter or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within Six (6) Working Days from the Issue Closing Date or such period as may be prescribed, with reasonable support and co-operation of the Promoter, as may be required in respect of its respective portion of the Offered Shares, the timetable may change due to various factors, such as extension of the Issue Period by our Board, as applicable, in consultation with the Lead Manager. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoter confirms that it shall extend such reasonable support and co-operation in relation to its respective portion of the Offered Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within Six Working Days from the Issue Closing Date or such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Issue, the Lead Manager will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding Four (4) Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Prospectus/prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change basis any revised SEBI circulars to this effect.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount,

whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any further notification from the SEBI after filing of this Draft Prospectus may result in changes in the timelines.

It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received BSE SME may be taken as the final data for the purpose of Allotment.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten as per Regulation 260(1) of SEBI ICDR Regulation.

Section 39 of the Companies Act states that if the "stated minimum amount" has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of the Prospectus, the application amount must be returned within such period as may be prescribed.

If the issuer does not receive the subscription of hundred per cent (100%) of the Issue through Prospectus on the date of closure of the issue including devolvement of underwriters, if any, or if the subscription level falls below hundred per cent (100%) after the closure of issue on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchange for the securities so Issued under the Prospectus, the issuer shall forthwith refund the entire subscription amount received. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked as per applicable law.

Arrangements for Disposal of Odd Lots

The trading of the equity shares will happen in the minimum contract size of [●] Equity shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the BSE SME.

Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one (1) working day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the Public Issue Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is registered with the ROC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue, our Company shall file a fresh Draft Prospectus.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the Pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter titled "**Capital Structure**" beginning on page 62 of this Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details, please refer to the chapter titled "**Main Provisions of Articles of Association**" beginning on page 274 of this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

New Financial Instruments

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

Application by Eligible NRIs, FPIs or VCFs registered with SEBI

Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs / FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public issue without prior RBI approval, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIFP (Foreign Investment Facilitation Portal) or the RBI, provided (i) the activities of the investee company are under the automatic route under the foreign direct investment ("**FDI**") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI / Rebirthed Allotment of Equity Shares to Non-Residents will be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents

shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Allotment of Equity Shares Only in Dematerialized Form

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be Allotted only in dematerialized form.

As per the existing SEBI ICDR Regulations, 2018 the trading of the Equity Shares shall only be in dematerialized form for all investors.

In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Prospectus:

- Tripartite agreement dated August 23, 2023 among CDSL, our Company and the Registrar to the Issue;
- Tripartite agreement dated September 05, 2023 among NSDL, our Company and the Registrar to the Issue.

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

MIGRATION TO MAIN BOARD

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board of BSE Limited from the SME Platform of BSE Limited on a later date subject to the following:

1. If the paid-up capital of the Company is likely to increase above ₹ 25 crores by virtue of any further offer of capital by way of rights, preferential offer, bonus offer etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE Ltd for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
2. If the paid-up capital of the Company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The shares offered through this issue is proposed to be listed on the BSE SME, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform of BSE Limited for a minimum period of three (3) years from the date of listing of shares offered through this Prospectus. For further details of the market making arrangement please refer the chapter titled “**General Information**” beginning on page 53 of this Draft Prospectus.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue Face value capital is less than or equal to ₹ 10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE Limited). For further details regarding the salient features and terms of such an issue please refer to the chapters titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on pages 232 and 242 respectively of this Draft Prospectus.

Fresh issue of Upto 20,00,000 equity shares of face value of ₹ 10.00/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the “issue price”) aggregating to maximum ₹ [●] Lakhs. (“the issue”) by our company.

The Issue comprises a reservation of [●] Equity Shares of face value of ₹10/- each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of [●] Equity Shares of face value of ₹ [●] each (“the Net Issue”). The Issue and the Net Issue will constitute [●]% and [●] %, respectively of the post issue paid-up equity share capital of the Company. The Issue is being made through the Fixed Price Process.

| Particulars | Net Issue to Public | Market Maker Reservation Portion |
|---|--|---|
| Number of Equity Shares | Upto [●]*equity shares | Upto [●] equity share |
| Percentage of Issue Size available for allocation | [●] % of the issue size | [●] |
| Basis of Allotment/Allocation if respective category is oversubscribed | Proportionate subject to minimum allotment of [●] Equity Shares and Further allotment in multiples of [●] Equity Shares each. | Firm Allotment |
| Mode of Application | Retail Individual Investor may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI ID) shall apply through ASBA process only. | Through ASBA mode Only. |
| Minimum Application Size | For QIB and NII: Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2,00,000 For Retail Individuals: Such number of equity shares where application size is of at least [●] Equity Shares. | [●] Equity Shares |
| Maximum Bid | For QIB and NII: Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed the Net Issue. For Retail Individuals: Such number of equity Shares so that the Application Value does not exceed ₹ 2,00,000/- | [●] Equity Shares |
| Mode of Allotment | Compulsorily in dematerialized mode | Compulsorily in dematerialized mode |
| Trading Lot | [●] Equity Shares | [●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. |

| Particulars | Net Issue to Public | Market Maker Reservation Portion |
|-------------------------|--|----------------------------------|
| Terms of payment | In case of ASBA, the entire application amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant. | |

* 50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹ 2,00,000 and the balance 50 % of the shares are available for applications whose value is above ₹ 2,00,000.

Note:

1. *In case of joint application, the Application Form should contain only the name of First Applicant whose name should also appear as the first holder of beneficiary account held in joint names. The signature of only such First Applicant would be Required in the Application Form and such First Applicant would be deemed to have signed on behalf of joint holders.*
2. *Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
3. *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details please refer chapter titled “**Issue Procedure**” beginning on page 242 of this Draft Prospectus.*

ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular SEBI/HO/CFD/DIL2/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “General Information Document”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the LM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Applications by Retail Individual Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Issue size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with the applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified though its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (**collectively the “UPI Circulars”**) has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanisms for RIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 days. The same was applicable until June 30, 2019 (**“UPI Phase I”**).

With effect from July 1, 2019, with respect to Bids by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public Issue, whichever is later (**“UPI Phase II”**). Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Subsequently, the final reduced timeline will be made effective using the UPI mechanism for applications by RIIs (**“UPI Phase III”**), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public issues and redressing investor grievances. This circular shall come into force for initial public issues opening on/or after May 01, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no.

SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public issues and redressing investor grievances. This circular shall come into force for initial public issues opening on or after May 1, 2021, except as amended pursuant to SEBI circular dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offering (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Subsequently, pursuant to the May 30, 2022 Circular, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In terms of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and Lead Manager shall continue to coordinate with intermediaries involved in the said process.

Our Company and the Syndicate are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.

The revisions of the circular dated June 02, 2021 are elaborated as under: -

- SCSB's shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc. shall be included in SMS for Public Issue opening on/after January 01, 2022.
- The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Issue opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.
- In the interim, for the Public Issue opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB's etc., the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Public Issue process.
- The Stock Exchanges and Lead Manager shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Issue.
- The Registrar to the Issue shall provide the allotment/ revoke files to the Sponsor Bank by 8:00 PM on T+3 i.e., the day when the Basis of Allotment (BOA) has to be finalized.
- The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending applications for unblock, if any, to the Registrar to the Issue, not later than 5:00 PM on BOA+1.
- Subsequent to the receipt of the pending applications for unblock from the Sponsor Bank, the Registrar to the Issue shall submit the bank-wise pending UPI applications for unblock to the SCSBs, not later than 6:30 PM on BOA+1 and ensure that the unblocking is completed on T+4.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding Four (4) Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Applications money to four days. Applicant are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.

Further the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in> For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by Stock Exchange to act as intermediaries for submitting Application Forms are provided on the website of the Stock Exchange. For details on their designated branches for submitting Application Forms, please refer the above-mentioned Stock Exchange website.

Phased implementation of Unified Payments Interface

SEBI has issued a **UPI Circulars** in relation to streamlining the process of public Issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public Issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

Phase I:

This phase was applicable from January 1, 2019, until March 31, 2019, or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RII also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

Phase II:

This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RII through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, extended the timeline for implementation of UPI Phase II till further notice.

Phase III:

The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Issue Opening Date.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (the “UPI Streamlining Circular”), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal

officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Issue LM will be required to compensate the concerned investor.

SEBI has issued circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, introduced a framework for reduction in timelines for listing of shares in public issues from six Working Days from public issue closure to three Working Days from public issue closure. The circular is voluntarily applicable for public issues opening on or after September 1, 2023 and mandatorily applicable for public issues opening on or after December 1, 2023. The provisions of the circular will be suitably incorporated in the Prospectus depending upon the timelines for Issue Period.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the LM.

Further, pursuant to SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all Retail Individual Bidders applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- (i) a syndicate member;
- (ii) a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
- (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);
- (iv) a registrar to an issue and shares transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process. Wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other

category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.

Investors should note that Equity Shares will be allotted to successful Applicants in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.

ELECTRONIC REGISTRATION OF APPLICATIONS

The Designated Intermediary may register the Application using the online facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Fixed Process on a regular basis before the closure of the Issuer.

On the Application/Issuer Closing Date, the Designated Intermediaries may upload the Applications till such time as may be permitted by the Stock Exchange and as disclosed in the Prospectus.

Only Applications that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 p.m. IST on the next Working Day following the Application/Issuer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Application/Issuer Period after which the Stock Exchange send the information to the Registrar to the Issue for further processing.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

AVAILABILITY OF DRAFT PROSPECTUS, PROSPECTUS AND APPLICATION FORMS

Copies of the Application Form and the Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Prospectus / Prospectus. All the Applicants (other than Anchor Investor and Retail Individual Investor using UPI Payment Mechanism) shall mandatorily participate in the Issue only through the ASBA process for application. ASBA applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

All Applicants must compulsorily use the ASBA process to participate in the Issue, which shall include the UPI Mechanism in the case of UPI Bidders.

ASBA Applicants must provide either (i) the bank account details and authorization by the ASBA account holder to block funds in their respective ASBA Accounts, or (ii) the UPI ID (in case of UPI Bidders using UPI Mechanism), as applicable, in the relevant space provided in the Application Form and the Application Form that does not contain such details are liable to be rejected

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centers only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

Since the Issue is made under Phase II, ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIIs (not using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Banks, as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. For all the initial public offerings opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder. The circular is applicable for all categories of investors viz. Retail Individual Investors, QIBs and Non-Institutional Investors and also for all modes through which the applications are processed.

The prescribed colour of the Application Form for various categories is as follows:

| Category | Colour of Application Form |
|--|----------------------------|
| Resident Indians / Eligible NRIs applying on a non-repatriation basis (ASBA) | [●]* |
| Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA) | [●]* |

*Excluding electronic Application Form.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) to the respective SCSB, where

the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with the Exchange Circulars, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date (“Cut-Off Time”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid/Issue Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Banks, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the LM for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Participation by Promoters, Promoter Group, the LM, associates and affiliates of the LM and the Syndicate Members and the persons related to Promoters, Promoter Group, LM and the Syndicate Members

The LM and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Issue, except in accordance with the applicable law.

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws.

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

For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. In accordance with BSE Circular No: 20220803-40 and NSE Circular No 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Issue Closing Date (“Cut-Off Time”). Accordingly, UPI Applicants should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Applications shall be allowed in parallel during the Issue Period until the Cut-Off Time.

For Retail Individual Applicants

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹ 2,00,000.

For Other than Retail Individual Investors (Non-Institutional Investors and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Investor cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Bid Amount upon submission of Bid.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Participation by associates/affiliates of Lead Manager

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Option to Subscribe to the Issue

Our Company shall allot the specified securities in dematerialised form only.

The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

Application By HUF

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs will be considered at par with Bids from individuals.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

Application made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one (1) scheme of the mutual fund will not be treated as multiple Applications, provided, that the Applications clearly indicate the scheme concerned for which the Application has been made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors (other than minor having valid depository accounts as per demographic details provided by the depository), Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

Application by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External Accounts ("NRE Account"), or Foreign Currency Non-Resident Accounts ("FCNR Account"), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA regulations. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/NRO accounts.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of restrictions on investment by NRIs, please refer to the chapter titled “*Restrictions on Foreign Ownership of Indian Securities*” on 272 of the Draft Prospectus.

Application 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 investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Issue Equity Share capital on a fully diluted basis. In case the total holding of an FPI, or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI, or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with LM, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalization of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

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 is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- (a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (c) such offshore derivative instruments are issued after compliance with the ‘know your client’ norms as specified by SEBI; and
- (d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

FPIs which utilise the multi-investment manager structure;

Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;

Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;

FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager.

Multiple branches in different jurisdictions of foreign bank registered as FPIs;

Government and Government related investors registered as Category 1 FPIs; and

Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

Participation of FPIs in the Issue shall be subject to the FEMA Rules.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the "SEBI AIF Regulations") prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the LM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Application by limited liability partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

Application by Banking Companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company in consultation with LM, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "Banking Regulation Act"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Application by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company in consultation with LM, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDA Investment Regulations"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time

Application by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) circulars dated September 13, 2012, and January 2, 2013, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Application by Systemically Important Non-Banking Financial Companies

In case of Application made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Application under Power of Attorney

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the

army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹ 2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their Application in whole or in part, in either case, without assigning any reasons thereof.

Our Company in consultation with the LM, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the LM, may deem fit.

Application by OCBs

In accordance with RBI regulations, OCBs cannot participate in this Issue.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with LM reserve the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus, when filed. Applicants are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Prospectus, when filed.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

APPLICATION FORM SHALL BEAR THE STAMP OF THE SYNDICATE MEMBER/SCSBS/REGISTRAR AND SHARE TRANSFER AGENTS/DEPOSITORY PARTICIPANTS/STOCK BROKERS AND IF NOT, THE SAME SHALL BE REJECTED.

Information for Applicants

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the LM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Who can apply?

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

Terms of payment

The entire Issue price of ₹ [●]/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment Mechanism

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the bid Amount (Issue price) in the bank account specified in the Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)

In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to streamline the process of public Issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.

Who can apply through UPI Mode:

Only Retail Individual Investors are allowed to use UPI for the payment in public Issue. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

Process

Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: www.sebi.gov.in.

Blocking of Funds:

Investors shall create UPI ID

Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form

Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange

Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission

Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds

Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

UNBLOCKING OF FUNDS:

After the Issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.

Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public Issue escrow account and unblocking of excess funds

Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the Issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.

REJECTION GROUNDS UNDER UPI PAYMENT MECHANISM

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public Issue. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

LIST OF BANKS PROVIDING UPI FACILITY

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public Issue using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >>Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018).

ELECTRONIC REGISTRATION OF APPLICATIONS

The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.

The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.

In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange.

The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.

The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:

1. Name of the Applicant;
2. IPO Name;
3. Application Form number;
4. Investor Category;
5. PAN (of First Applicant, if more than one Applicant);
6. DP ID of the demat account of the Applicant;
7. Client Identification Number of the demat account of the Applicant;
8. UPI ID (RIIs applying through UPI Mechanism)
9. Numbers of Equity Shares Applied for;

10. Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
11. Bank account number
12. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
13. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
14. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
15. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
16. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
17. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

WITHDRAWAL OF APPLICATIONS

RIIs can withdraw their applications until Issue Closing Date. In case a RII wishes to withdraw the applications during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

SIGNING OF UNDERWRITING AGREEMENT

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this Issue document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013. For further details please refer to the chapter titled "**General Information**" on page 53 of this Draft Prospectus.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is

an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, please refer to the chapter titled “**General Information - Underwriting**” on page 53 of this Draft Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

FILING OF THE DRAFT PROSPECTUS

For filing details, please refer to the chapter titled “**General Information**” beginning on page 53 of this Draft Prospectus.

PRE- ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing the Prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where registered office of the Company is situated.

PRICE DISCOVERY AND ALLOCATION OF EQUITY SHARES

The Issue is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.

Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

In terms of SEBI Regulations, Non-Retail Investors shall not be allowed to either withdraw or lower the size of their applications at any stage.

Allotment status details shall be available on the website of the Registrar to the Issue.

ISSUANCE OF ALLOTMENT ADVICE

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.

The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.

Issuer will ensure that: (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicant’s Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

ISSUANCE OF CONFIRMATION ALLOCATION NOTE (“CAN”)

A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.

In the event that the Issue Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.

In the event the Issue Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

DESIGNATED DATE

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

GENERAL INSTRUCTIONS

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise or withdraw their Bid(s) until the Bid/ Issue Closing Date.

Do's:

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines, and approvals;
2. Ensure that you have Bid as per price mentioned in the form;
3. Ensure that you have mentioned the correct ASBA Account number (for all Bidder other than UPI Bidders Bidding using the UPI Mechanism) in the Application Form and such ASBA account belongs to you and no one else. UPI Bidders using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID;
4. UPI Bidders Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
5. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
7. Ensure that the details about the PAN, DP ID, Client ID, and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIIs using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;
9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;
10. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

11. Ensure that they have correctly signed the authorization/undertaking box in the Bid cum Application Form or have otherwise provided an authorization to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
12. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
13. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
14. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
15. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
16. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the I.T. Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
18. Ensure that the Demographic Details are updated, true and correct in all respects;
19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
20. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
22. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
23. UPI Bidders using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Banks to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
24. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
25. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure, and such Bids have been made with different beneficiary account numbers, Client IDs, and DP IDs.

26. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs, and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
27. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
28. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Banks, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
29. UPI Bidders using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the UPI Bidders Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
30. UPI Bidders Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;
31. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;
32. Retail Individual Investors who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIIs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the LM.
34. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 p.m. on the Bid/ Issue Closing Date.
35. Further, investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes (CBDT) on February 13, 2020, and press release dated June 25, 2021.
36. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
37. Ensure that PAN is linked with Aadhaar and you are in compliance with Central Board of Direct Taxes notification date February 13, 2020 and the press release dated June 25, 2021

Don'ts:

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

4. Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
5. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
6. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the LM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
7. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
8. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
9. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
10. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account and as in the case of Retail Individual Investors using the UPI Mechanism shall ensure that funds equivalent to the entire application amount are available in the UPI linked bank account where funds for making the bids are available.
13. Do not fill up the Application Form such that the Equity Shares Bid for exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Prospectus;
14. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
15. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
16. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
17. Do not submit your Bid after 3.00 pm on the Issue/Issue Closing Date;
18. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
19. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
20. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
21. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
22. If you are a UPI Bidder and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID
23. Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
24. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
25. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centers; and

26. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
27. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
28. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism)
29. Do not submit a Bid using UPI ID, if you are not a RIB
30. Do not Bid for Equity Shares more than what is specified by respective Stock Exchange for each category
31. Do not submit an Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by RIB Bidder using the UPI Mechanism) Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
32. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
33. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism
34. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise
35. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIB shall scan revise or withdraw their Bids on or before the Issue Closing Date
36. If you are an RIIs which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID
37. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism
38. Do not submit the Application Forms to any non-SCSB bank; and
39. Do not Bid if you are an OCB

For helpline details of the Lead Manager pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, please refer to the chapter titled “**General Information**” on page 53 of this Draft Prospectus.

Instructions for completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public Issue using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchange.

Applicant’s Depository Account and Bank Details

Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant's bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

GROUND FOR TECHNICAL REJECTIONS

1. Applicants are requested to note that Application may be rejected on the following additional technical grounds.
2. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
4. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
5. PAN not mentioned in the Application Form;
6. GIR number furnished instead of PAN;
7. Applications for lower number of Equity Shares than specified for that category of investors;
8. Applications at a price other than the Fixed Price of the Issue;
9. Applications for number of Equity Shares which are not in multiples as stated in the chapter titled "Issue Structure";
10. Category not ticked;
11. Multiple Applications as defined in the Prospectus;
12. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
13. Applications accompanied by Stock invest/ money order/ postal order/ cash;
14. Signature of the First Applicant or sole Applicant is missing;
15. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
16. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
17. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
18. Applications by OCBs;
19. Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
20. Applications not duly signed;

21. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
22. Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
23. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
24. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
25. Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
26. Applications not containing the details of Bank Account and/or Depositories Account.\
27. Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application
28. Application submitted without instruction to the SCSBs to block the entire Application Amount;
29. Form at the time of blocking such Application Amount in the bank account;
30. Where no confirmation is received from SCSB for blocking of funds; Applications by Applicants not submitted through ASBA process;
31. Applications not uploaded on the terminals of the Stock Exchanges;
32. Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
33. ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form
34. Submission of Application Form(s) using third party ASBA Bank Account
35. Submission of more than one Application Form per UPI ID by RIIs applying through Designated Intermediaries
36. In case of Applications by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Application Form is linked to a third-party bank account;
37. The UPI Mandate is not approved by Retail Individual Investor; and

The original Application is made using the UPI mechanism and revision(s) to the Application is made using ASBA either physically or online through the SCSB, and vice versa

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL AND CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

Tripartite agreement dated August 23, 2023 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue

Tripartite agreement dated September 05, 2023 amongst our Company, National Securities Depository Limited and Registrar to the Issue.

The Company's shares bear an ISIN No: INEQZ901011

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

Investors can contact the Company Secretary and Compliance Officer (Anita Kumawat) or the Registrar to the Issue in case of any Pre- Issue or Post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

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| <p>MAGENTA LIFECARE LIMITED N P Patel Estate, A & T Padamla, Vadodara – 391350, Gujarat, India. Tel No: +917573022234 Email: info@magentalifecare.com Website: magentamattress.com Contact Person: Anita Kumawat</p> | <p>CAMEO CORPORATE SERVICES LIMITED No. 1, Club house Road, Mount Road, Chennai – 600002, India. Tel No: 044 4002 0700 / 2846 0390 E-mail Id: ipo@cameoindia.com Website: www.cameoindia.com Contact Person: K. Sreepriya Investor Grievance Email: investor@cameoindia.com SEBI Registration No: INR000003753</p> |
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BASIS OF ALLOTMENT

Allotment will be made in consultation with the Stock Exchange. In the event of over subscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).

The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).

For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:

Each successful applicant shall be allotted [●] equity shares; and

The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.

If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of [●] equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Prospectus.

Since present Issue is a fixed price Issue, the allocation in the net Issue to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

A minimum of 50% of the net Issue of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.

The balance net Issue of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.

The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

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

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this chapter titled “*Terms of Issue*” on page no 232 of this Draft Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

AT PAR FACILITY

Letters of Allotment or refund orders or instructions to Self-Certified Syndicate Banks in Application Supported by Blocked Amount process. The issuer shall ensure that “at par” facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

In case of any pre-issue or post issue related issues regarding demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see “*General Information*” on page 53 of this Draft Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended by SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds

GROUND FOR REFUND

Non-Receipt of Listing Permission

An Issuer makes an Application to the Stock Exchange for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchange from where such permission is sought are disclosed in this Draft Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permission to deal in and official quotation of the Equity Shares are not granted by Stock Exchange, the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of this Draft Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank / Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within time as specified in the Act after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of days as specified in the Act, be liable to repay the money, with interest at such rate, as prescribed under the Companies Act, and as disclosed in this Draft Prospectus.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period as applicable laws.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled "**General Information** - Underwriting" on page 53 of this Draft Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application

Minimum Number of Allottees

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than fifty (50), failing which the entire application monies may be refunded forthwith.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Issue through the issue document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange.

The allotment of Equity Shares to the Retail Individual Investors and Non-Institutional Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum lot size application size as determined and disclosed. The Allotment of Equity Shares to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot size, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board., that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Applicants at the rate prescribed under applicable law for the delayed period;

COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within the prescribed time period specifies under applicable law.

UNDERTAKING BY OUR COMPANY

Our Company undertakes the following:

- 1) the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 2) that if the allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Applicants at the rate prescribed under applicable law for the delayed period;
- 3) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within three Working Days of the Issue Closing Date or such other time as may be prescribed;
- 4) if Allotment is not made within six Working Days, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- 5) that funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- 6) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 7) that if our Company does not proceed with the Issue after the Issue Closing Date but prior to allotment, the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 8) that if our Company, in consultation with the LM, withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh draft Issue document with the stock exchange, in the event our Company subsequently decides to proceed with the Issue thereafter;
- 9) Promoter's contribution, if any, shall be brought in advance before the Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- 10) that adequate arrangements shall be made to collect all Application Forms submitted by Applicants
- 11) no further issue of Equity Shares shall be made until the Equity Shares Issued through the Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Utilization of Issue Proceeds

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
2. Details of all monies utilised out of the proceeds from the Issue shall be disclosed, and continue to be disclosed till all the time any part of the proceeds from the Issue remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised, or the form in which such unutilized monies have been invested;

3. Details of all unutilized monies out of the Issue, 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.
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Fresh Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchange where listing is sought has been received
6. The complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

Impersonation

Attention of the Applicant is specifically drawn to the provisions of Sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

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

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50.00 lakhs or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The Government of India has from time to time made policy pronouncements on Foreign Direct Investments (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (“DPIIT”) issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2) / 2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the “**FDI Policy**”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

Under the current applicable sectoral cap, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present our Company is in the business of IT services organization in the segment of Blockchain and Artificial Intelligence based solutions. As per the FDI policy, FDI in companies engaged in the IT sector, which is the sector in which our Company operates, is permitted up to 100% foreign direct investment through the automatic route, subject to applicable laws / regulations, security and other conditionalities. For further details please see the chapter titled “**Key Industry Regulations and Policies**” beginning on page 127 of this Draft Prospectus.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non- Debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction / purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non- Debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve Bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions / restrictions for overseas entities

i. Investment by FPIs under Portfolio Investment Scheme (PIS):

FPIs are permitted to subscribe to Equity Shares of an Indian Company in a public issue without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. SEBI registered FPIs have been permitted to purchase shares of an Indian company through Issue, subject to total FPI investment being within the individual FPI investment limit of below 10% of the total paid-up equity capital of the Indian Company on a fully diluted basis and subject to the aggregate limit of all FPIs put together being 24% of the total paid-up equity capital of the Indian company on a fully diluted basis. However, this aggregate limit of 24% may be increased up to sectoral cap / statutory ceiling, as applicable, by the Indian company

concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body, respectively before March 31, 2020. With effect from April 01, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as laid out in subparagraph (b) of paragraph 3 of Schedule I of the FDI Policy, 2020, with respect to its paid-up equity capital on a fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants. The aggregate limit as provided above may be decreased by the Indian company concerned to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively before March 31, 2020. The Indian company which has decreased its aggregate limit to 24% or 49% or 74%, may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling respectively as deemed fit, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively; however, once the aggregate limit has been increased to a higher threshold, the Indian company cannot reduce the same to a lower threshold.

ii. Investment by NRI or OCI on repatriation basis:

As per Schedule 3 of the Foreign Exchange Management (Non- Debt Instruments) Rules, 2019, an NRI or OCI may purchase or sell shares of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions that NRIs or OCIs may purchase and sell shares through a branch designated by an authorised dealer for the purpose; and the total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. 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 company.

iii. Investment by NRI or OCI on non-repatriation basis

As per Schedule 4 of the Foreign Exchange Management (Non- Debt Instruments) Rules, 2019, purchase by an NRI / OCI, including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs / OCIs, on non-repatriation basis of shares and convertible debentures or warrants issued by a company without any limit either on the stock exchange or outside, it will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. However, NRI / OCI, including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs / OCIs, is prohibited from making any investment, under Schedule 4, in capital instruments or units of a Nidhi company or a company engaged in agricultural / plantation activities or real estate business or construction of farm houses or dealing in transfer of development rights.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws of the United States.

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

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION IX- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013 [COMPANY LIMITED BY SHARES] ARTICLES OF ASSOCIATION*

OF

MAGENTA LIFECARE LIMITED

1. In these regulations—
 - a. “the Act” means the Companies Act, 2013,
 - b. “the seal” means the common seal of the company.
2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

Share Capital and Variation of rights

1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,— one certificate for all his shares without payment of any charges; or several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3. (i). If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, anew certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii). The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i). The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii). The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii). The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii). To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

9. (i) The company shall have a first and paramount lien --

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made --

- (a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

16. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

17. The Board --

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of shares

18. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

19. The Board may, subject to the right of appeal conferred by section 58 decline to register --

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

20. The Board may decline to recognise any instrument of transfer unless --

(a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

21. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

22. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares

- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
23. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either --
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
24. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
25. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

26. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
27. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and,
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

28. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
29. i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
30. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
31. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
32. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

33. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
34. Subject to the provisions of section 61, the company may, by ordinary resolution, --
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

35. Where shares are converted into stock, --

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

36. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, --

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

Capitalization of profits

37. (i) The company in general meeting may, upon the recommendation of the Board, resolve --

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards --

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

38. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall --

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power --

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

39. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

40. All general meetings other than annual general meeting shall be called extraordinary general meeting.

41. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

- 42. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
 - 1. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
 - 2. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
- 43. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of meeting

- 44. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so, directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting

Voting rights

- 45. Subject to any rights or restrictions for the time being attached to any class or classes of shares-
 - (a) On a show of hands, every member present in person shall have one vote; and
 - (b) On a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- 46. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 47. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

48. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
49. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
50. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
51. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

52. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
53. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
54. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

55. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
1. Divyesh Vipinchandra Modi
 2. Khyati Divyesh Modi
 3. Priyang Haribhai Patel
 4. Dhruval Pankaj Kumar Vyas
56. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
- in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
 - in connection with the business of the company.

57. The Board may pay all expenses incurred in getting up and registering the company.
58. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
59. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
60. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
61. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Proceedings of the Board

62. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
63. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
64. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
65. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii). If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

66. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
67. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
68. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
69. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of anyone or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
70. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
71. In case of a One Person Company—
- (i) where the company is having only one director, all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118;
- (ii) such minute's book shall be signed and dated by the director;
- (iii) the resolution shall become effective from the date of signing such minutes by the director.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

72. (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
73. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer

The Seal

74. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

75. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
76. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
77. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
78. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
79. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
80. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint

holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

81. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
82. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
83. No dividend shall bear interest against the company.

Accounts

84. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding up

85. Subject to the provisions of Chapter XX of the Act and rules made thereunder --

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

86. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION X- OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into 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 Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be filed with the RoC for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at N P Patel Estate, A & T Padamla, Vadodara - 391350, Gujarat, India, on all Working Days from the date of the Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A) Material contracts for the Issue

1. Issue Agreement dated September 30, 2023 between our Company and the Lead Manager.
2. Registrar Agreement dated July 06, 2023 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated [●], 2023 amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated [●], 2023 amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated [●], 2023 amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement dated August 23, 2023 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue
7. Tripartite agreement dated September 05, 2023 amongst our Company, National Securities Depository Limited and Registrar to the Issue.

B) Material documents for the Issue

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated September 06, 2023 in relation to the Issue and other related matters.
3. Shareholders' resolution dated September 11, 2023 in relation to the Issue and other related matters.
4. Consents of our Promoter, Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory and Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Underwriter to the Issue, Bankers to our Company, Market Maker and Banker to the Issue to include their names in this Draft Prospectus and to act in their respective capacities.
5. Peer Review Auditors Report dated October 23, 2023 on Restated Financial Statements of our Company for the financial years ended March 31, 2023, financial years ended 2022 and financial years ended 2021 and for the period ended on April 30, 2023.
6. The Report dated October 27, 2023 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Prospectus.
7. Copy of approval from BSE Limited vide letter dated [●] to use the name of BSE Limited in this offer document for listing of Equity Shares on BSE SME.
8. Due diligence certificate shall be submitted to SEBI by Lead Manager to the Issue.
9. Board Resolution dated October 31, 2023 for the approval of this Draft Prospectus.

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

DECLARATION

We hereby certify and 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 Prospectus 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 there under, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

| NAME OF DIRECTOR AND DIN | DESIGNATION | SIGNATURE |
|---------------------------|------------------------------------|-----------|
| Divyesh Vipinchandra Modi | Managing Director | SD/- |
| Khyati Modi | Non - Executive Director | SD/- |
| Vipinchandra Somalal Modi | Non-Executive Director | SD/- |
| Nandish Shaileshbhai Jani | Non-Executive Independent Director | SD/- |
| Chinu Kalal | Non-Executive Independent Director | SD/- |

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

| | |
|--------------|------|
| Malvik Mehta | SD/- |
|--------------|------|

Date: October 31, 2023

Place: Gujrat