

**DRAFT RED HERRING PROSPECTUS**

Dated March 31, 2024

Please read section 32 of the Companies Act, 2013

(This Draft Red Herring Prospectus will be updated upon filing with the RoC)

**100% Book Built Offer**

(Please scan this QR Code to view the DRHP)

**RAGHUVIR EXIM LIMITED****CORPORATE IDENTITY NUMBER: U51909GJ1992PLC018496**

REGISTERED OFFICE AND CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
1035/A, Near Ayodhya Township, Rancharda Road, Shilaj, Shilaj, Daskroi, Ahmedabad - 380059	Deepika Ladha, <i>Company Secretary &amp; Compliance Officer</i>	<b>Telephone:</b> +91 85305 58 745 <b>Email:</b> cs@raghuvirexim.com	www.raghuvirexim.com

**PROMOTERS OF OUR COMPANY: SUNIL AGARWAL, PAMITA AGARWAL, YASH AGARWAL AND HARDIK AGARWAL****DETAILS OF THE OFFER**

Type	Fresh Issue Size	Offer For Sale Size	Total Offer Size	Eligibility and Share Reservations QIBs, NIIs and RIIs
Fresh Issue and Offer for Sale	Fresh issue of up to 14,000,000 equity Shares of face value ₹10 each aggregating up to ₹ [●] Million	Offer for sale up to 4,500,000 equity Shares of face value ₹10 each aggregating up to ₹ [●] Million	Up to [●] equity shares of face value ₹10 each aggregating up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”). For details, see “ <i>Other Regulatory and Statutory Disclosures – Eligibility for the Offer</i> ” on page 381. For further details in relation to share reservation among QIBs, NIIs and RIIs, see “ <i>Offer Structure</i> ” on page 405

**DETAILS OF OFFER FOR SALE**

Name of Selling Shareholder	Type	Number of equity shares of face value ₹10 each offered/ amount (₹ in million)	Weighted average cost of acquisition per Equity Share (in ₹)*
Sunil Agarwal	Promoter Selling Shareholder	Up to 4,500,000 equity shares of face value ₹10 each aggregating up to ₹ [●] million	N.A.

\*As certified by M/s. G. K. Choksi &amp; Co., Statutory Auditors by way of their certificate dated March 29, 2024.

**RISKS IN RELATION TO THE FIRST OFFER**

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 each. The Floor Price, the Cap Price and the Offer Price (as determined by our Company, in consultation with the BRLM), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in “*Basis for Offer Price*” on page 118, should not be considered 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 or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “*Risk Factors*” on page 42.


**ISSUER’S AND THE PROMOTER SELLING SHAREHOLDER ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, the Promoter Selling Shareholder, accepts responsibility for only such statement specifically confirmed or specifically undertaken by the Promoter Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to them and/or their Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect.


**LISTING**

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”) and together with NSE, the “Stock Exchanges”). For the purposes of the Offer, [●] is the Designated Stock Exchange

**BOOK RUNNING LEAD MANAGER**

 <b>UNISTONE</b>	Name of the BRLM and Logo	Contact Person	Email and Telephone
	<b>Unistone Capital Private Limited</b>	Brijesh Parekh	<b>E-mail:</b> <a href="mailto:mb@unistonecapital.com">mb@unistonecapital.com</a> <b>Tel:</b> +91 2246046494

**REGISTRAR TO THE OFFER**

<b>Name and Logo of the Registrar</b>		<b>Contact Person</b>	<b>Email and Telephone</b>
	<b>Bigshare Services Private Limited</b>	Mr. Babu Rapheal C	<b>E-mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Telephone:</b> 022-62638200

**BID/ OFFER PROGRAMME**

<b>ANCHOR INVESTOR BIDDING DATE</b>	<b>[●]*</b>	<b>BID/ OFFER OPENS ON</b>	<b>[●]*</b>	<b>BID/ OFFER CLOSES ON</b>	<b>[●]#</b>
---	-------------	--------------------------------	-------------	---------------------------------	-------------

*\*Our Company, in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*

*# UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date*



**RAGHUVIR EXIM LIMITED**

Our Company was incorporated as a public limited company under Companies Act with the name 'Raghuvir Exim Limited' pursuant to a certificate of incorporation dated October 28, 1992. The Corporate Identity Number of our Company is U51909GJ1992PLC018496.. For details of change in name and registered and corporate office of our Company, see "History and Certain Corporate Matters" beginning on page 194.

**Corporate Identity Number:** U51909GJ1992PLC018496

**Registered Office and Corporate Office:** 1035/A, Near Ayodhya Township, Rancharda Road, Shilaj, Shilaj, Daskroi, Ahmedabad - 380059. **Telephone:** +91 85305 58745;

**Contact Person:** Deepika Ladha, Company Secretary and Compliance Officer; **E-mail:** cs@raghuvirexim.com; **Website:** www.raghuvirexim.com

**PROMOTERS OF THE COMPANY: SUNIL AGARWAL, PAMITA AGARWAL, YASH AGARWAL AND HARDIK AGARWAL**

**INITIAL PUBLIC OFFER OF UP TO 18,500,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF RAGHUVIR EXIM LIMITED ("COMPANY OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION COMPRISING A FRESH ISSUE OF UP TO 14,000,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 4,500,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SUNIL AGARWAL (THE "PROMOTER SELLING SHAREHOLDER") AND SUCH EQUITY SHARES OFFERED BY THE PROMOTER SELLING SHAREHOLDER (AS DEFINED HEREINAFTER) ("OFFER FOR SALE"). THE OFFER WOULD CONSTITUTE [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.**

**THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES, THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●], (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER), AND ALL EDITIONS OF [●] (A WIDELY CIRCULATED GUJARATI DAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").**

In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and Promoter Selling Shareholder, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank, as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process (as defined hereinafter) in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (the "QIB Category"), provided that our Company in consultation with the BRLM may allocate up to 60% of the QIB Category to Anchor Investors and the basis of such allocation will be on a discretionary basis, ("Anchor Investors") (the "Anchor Investor Category") in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds (defined hereinafter), subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("Anchor Investor Allocation Price"). In the event of under-subscription or non-allocation in the Anchor Investor Category, the balance Equity Shares shall be added to the QIB Category (other than the Anchor Investor Category) (the "Net QIB Category"). Further, 5% of the Net QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (the "Non-Institutional Category") of which one-third of the Non-Institutional Category shall be available for allocation to Non-Institutional Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Non-Institutional Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of the Non-Institutional Category may be allocated to Bidders in the other sub-category of the Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders (the "Retail Category"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("ASBA") process and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs") or pursuant to the UPI Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Category through the ASBA process. See "Offer Procedure" on page 410.

**RISKS IN RELATION TO THE FIRST OFFER**

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 per Equity Share. The Offer Price, Floor Price and Cap Price, as determined by our Company and the Promoter Selling Shareholder in consultation with the BRLM and on the basis of assessment of market demand for the Equity Shares by way of the book building process, in accordance with the SEBI ICDR Regulations and as stated under "Basis for Offer Price" on page 118, should not be considered 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 RISK**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 42.

**COMPANY'S AND THE SELLING SHAREHOLDER ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Promoter Selling Shareholder, severally and not jointly, accepts responsibility for and confirms that only the statements specifically made or confirmed by such Promoter Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to itself and/or its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. However, Promoter Selling Shareholder, assumes no responsibility for any other statement and undertakings, including without limitation, any and all of the statements and undertakings made by or relating to our Company or our Company's business.

**LISTING**

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE and NSE. For the purposes of the Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 482.

**BOOK RUNNING LEAD MANAGER**



**REGISTRAR TO THE OFFER**



**UNISTONE CAPITAL PRIVATE LIMITED**  
A/ 305, Dynasty Business Park, Andheri-Kurla Road, Andheri East, Mumbai – 400 059, India.  
**Telephone:** +912246046494  
**Email:** mb@unistonecapital.com  
**Investor grievance email:** compliance@unistonecapital.com  
**Contact Person:** Brijesh Parekh  
**Website:** www.unistonecapital.com  
**SEBI registration number:** INM000012449  
**CIN:** U65999MH2019PTC330850

**BIGSHARE SERVICES PRIVATE LIMITED**  
S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai –400 093, Maharashtra, India.  
**Telephone:** 022-62638200  
**Facsimile:** 022-63638280  
**Email:** ipo@bigshareonline.com;  
**Investor grievance email:** investor@bigshareonline.com  
**Contact Person:** Babu Rapheal C.  
**Website:** www.bigshareonline.com  
**SEBI Registration Number:** INR000001385  
**CIN:** U99999MH1994PTC076534U

**BID/ OFFER PROGRAMME**

<b>ANCHOR INVESTOR BID/ OFFER PERIOD</b>	[●]*	<b>BID/ OFFER OPENS ON</b>	[●]*	<b>BID/ OFFER CLOSES ON</b>	[●]#
--	------	----------------------------	------	-----------------------------	------

\* Our Company, in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Date shall be one Working Day prior to the Bid/Offer Opening Date.

\*\* UPI mandate end time and date shall be 5.00 p.m. on the Bid/Offer Closing Date.

*(This page is intentionally left blank)*



## TABLE OF CONTENTS

<b>SECTION I –GENERAL .....</b>	<b>1</b>
<b>DEFINITIONS AND ABBREVIATIONS.....</b>	<b>1</b>
<b>CURRENCY CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL     INFORMATION, INDUSTRY AND MARKET DATA .....</b>	<b>21</b>
<b>FORWARD LOOKING STATEMENTS .....</b>	<b>25</b>
<b>SUMMARY OF THE OFFER DOCUMENT.....</b>	<b>27</b>
<b>SECTION II – RISK FACTORS.....</b>	<b>42</b>
<b>SECTION III – INTRODUCTION .....</b>	<b>81</b>
<b>THE OFFER.....</b>	<b>81</b>
<b>SUMMARY OF FINANCIAL INFORMATION .....</b>	<b>84</b>
<b>GENERAL INFORMATION .....</b>	<b>89</b>
<b>CAPITAL STRUCTURE.....</b>	<b>89</b>
<b>OBJECTS OF THE OFFER.....</b>	<b>118</b>
<b>BASIS FOR OFFER PRICE.....</b>	<b>118</b>
<b>STATEMENT OF SPECIAL TAX BENEFITS.....</b>	<b>139</b>
<b>SECTION IV – ABOUT THE COMPANY.....</b>	<b>146</b>
<b>INDUSTRY OVERVIEW .....</b>	<b>146</b>
<b>OUR BUSINESS.....</b>	<b>170</b>
<b>KEY INDUSTRY REGULATIONS AND POLICIES .....</b>	<b>190</b>
<b>HISTORY AND CERTAIN CORPORATE MATTERS.....</b>	<b>194</b>
<b>OUR MANAGEMENT.....</b>	<b>200</b>
<b>OUR PROMOTER AND PROMOTER GROUP.....</b>	<b>222</b>
<b>OUR GROUP COMPANIES .....</b>	<b>229</b>
<b>DIVIDEND POLICY .....</b>	<b>235</b>
<b>SECTION V – FINANCIAL INFORMATION.....</b>	<b>236</b>
<b>RESTATED FINANCIAL STATEMENTS.....</b>	<b>236</b>
<b>OTHER FINANCIAL INFORMATION.....</b>	<b>340</b>
<b>CAPITALISATION STATEMENT .....</b>	<b>341</b>
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND     RESULTS OF OPERATIONS.....</b>	<b>342</b>
<b>FINANCIAL INDEBTEDNESS.....</b>	<b>369</b>
<b>SECTION VI – LEGAL AND OTHER INFORMATION.....</b>	<b>373</b>
<b>OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS.....</b>	<b>373</b>
<b>GOVERNMENT AND OTHER APPROVALS.....</b>	<b>378</b>
<b>OTHER REGULATORY AND STATUTORY DISCLOSURES .....</b>	<b>380</b>
<b>SECTION VII – OFFER RELATED INFORMATION .....</b>	<b>396</b>
<b>TERMS OF THE OFFER .....</b>	<b>396</b>
<b>OFFER STRUCTURE .....</b>	<b>405</b>
<b>OFFER PROCEDURE .....</b>	<b>410</b>
<b>RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....</b>	<b>432</b>
<b>SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION.....</b>	<b>434</b>
<b>SECTION IX – OTHER INFORMATION .....</b>	<b>482</b>
<b>MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....</b>	<b>482</b>
<b>DECLARATION.....</b>	<b>484</b>

## SECTION I –GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations framed thereunder. Notwithstanding the foregoing, the terms used in “Industry Overview”, “Key Regulations and Policies”, “Statement of Special Tax Benefits”, “Restated Financial Statements”, “Basis for Offer Price”, “Outstanding Litigation and Material Developments”, “Offer Procedure” and “Main Provisions of Articles of Association” beginning on pages 146, 190, 139, 236, 118, 373, 410 and 434 respectively shall have the meaning ascribed to them in the relevant section.*

#### General Terms

Term	Description
“our Company” or “the Company” or “the Issuer” or “REL”	Raghuvir Exim Limited, a public limited company incorporated under the Companies Act and having its registered office at 1035/A, Near Ayodhya Township, Rancharda Road, Shilaj, Shilaj, Daskroi, Ahmedabad- 380059
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company

#### Company Related Terms

Term	Description
“Articles of Association” or “AoA” or “Articles”	Articles of association of our Company, as amended
Audit Committee	Audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, the SEBI Listing Regulations and as described in “Our Management” on page 200
“Auditors” or “Statutory Auditors”	M/s. G. K. Choksi & Co. the statutory auditors of our Company
“Board” or “Board of Directors”	Board of directors of our Company, as constituted from time to time
“Managing Director” or “MD”	The Managing Director of our Company is Yash Agarwal. For further details, see “Our Management” on page 200.
Chief Financial Officer/ CFO	Chief financial officer of our Company, Hardik Agarwal. For further details, see “Our Management” on page 200.
Company Secretary and Compliance Officer	Company Secretary and compliance officer of our Company, Deepika Ladha. For further details, see “Our Management” on page 200.

<b>Term</b>	<b>Description</b>
CARE Report	The Industry Research Report titled “ <i>Cotton Yarn and Home Textiles Industry</i> ” dated March 2024 prepared and issued by CARE Analytics and Advisory Private Limited (CareEdge Research), which has been commissioned and paid for by our Company exclusively in connection with the Offer
Director(s)	Director(s) on our Board
Equity Shares	Equity shares of face value of ₹10/- each of our Company
Executive Director(s)	Executive director(s) of our Board
Group Companies	Our group companies as disclosed in “Our Group Companies” on page 229.
Independent Director(s)	An Independent director(s) appointed in accordance with the Companies Act and the SEBI Listing Regulations on our Board. For details of the Independent Directors, see “ <i>Our Management</i> ” on page 200.
“Joint Managing Director” or “JMD”	The Joint Managing Director of our Company is Sunil Agarwal. For further details, see “ <i>Our Management</i> ” on page 200
“Key Managerial Personnel” or “KMP”	Key managerial personnel of our Company shall have the meaning as set out under Regulation 2(1)(bb) of the SEBI ICDR Regulations and in terms of the section 2(51) of the Companies Act as described in “ <i>Our Management – Key Managerial Personnel</i> ” on page 219 of this Draft Red Herring Prospectus
KPI(s)	Key Performance Indicator(s)
Materiality Policy	The materiality policy adopted by our Board on December 09, 2023, for identification of (a) Group Companies; (b) material outstanding litigations; and (c) outstanding dues to material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus
“Memorandum of Association” or “MoA”	Memorandum of Association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, the SEBI Listing Regulations and as described in “ <i>Our Management</i> ” on page 200
Non-Executive Director	Non-Executive Director(s) on our Board appointed as per the Companies Act and the SEBI Listing Regulations as described in “ <i>Our Management</i> ” on page 200
Promoters	The promoters of our Company namely, Sunil Agarwal, Pamita Agarwal, Yash Agarwal and Hardik Agarwal. For details, see “ <i>Our Promoter and Promoter Group</i> ” on page 222
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Promoter and Promoter Group</i> ” on page 222
Proposed Facilities	The manufacturing facilities are proposed to be set up at: i. Survey No: 897 Moje Gam: Vansva, Taluka: Viramgam, Dist: Ahmedabad, Gujarat - 382150; and ii. Survey No: 916P Moje Gam: Vansva, Taluka: Viramgam, Dist: Ahmedabad, Gujarat - 382150
Registered Office	The registered office of our Company situated at 1035/A, Near Ayodhya Township, Rancharda Road, Shilaj, Ahmedabad-380058, Gujarat, India

<b>Term</b>	<b>Description</b>
“Registrar of Companies” or “RoC”	Registrar of Companies, Ahmedabad at Gujarat
Restated Financial Statements	The restated financial statements of our Company, as at and for the six months period ended September 30, 2023 and for the Fiscals 2023, 2022 and 2021, comprise of the restated statement of assets and liabilities as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows, the restated statement of changes in equity for the six months period ended September 30, 2023, and years ended March 31, 2023, March 31, 2022 and March 31, 2021, the statement of significant accounting policies and other explanatory notes thereon, derived from the audited Ind AS financial statements for the year ended March 31, 2023 and March 31, 2022; special purpose financial statements as at and for the year ended March 31, 2022, for the year ended March 31, 2021 and for the year ended March 31, 2020 and, together with the annexures and notes thereto prepared in accordance with Ind AS and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by the ICAI
Shareholders	Equity Shareholders of our Company from time to time
Senior Management Personnel/ SMP	Senior management personnel of our Company in terms of the SEBI ICDR Regulations and as disclosed in “ <i>Our Management – Senior Management</i> ” on page 219.
Stakeholders’ Relationship Committee	Stakeholders’ relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and the SEBI Listing Regulations and as described in “ <i>Our Management</i> ” on page 200.
“Unit I”	Our manufacturing facility situated at Survey No 80, Rirana Road, 270, Piplej, Ahmedabad, Gujarat, India.
“Unit II”	Our manufacturing facility situated at Block No 54, Opp Vinod Fabrics, Survey No 65 and 67, Laxmipura, Piplej, Ahmedabad, Gujarat, India.
“Units” or “Manufacturing Facilities”	Our manufacturing facilities situated at Unit I and Unit II.

### Offer Related Terms

<b>Term</b>	<b>Description</b>
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
“Allot” or “Allotment” or “Allotted”	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity shares to the successful applicants

<b>Term</b>	<b>Description</b>
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who had Bid for an amount of at least ₹100 Million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Promoters, in consultation with the Book Running Lead Manager during the Anchor Investor Bid/ Offer Period
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Offer Period or Anchor Investor Bidding Date	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price.  The Anchor Investor Offer Price will be decided by our Company in consultation with the Book Running Lead Manager
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company in consultation with the Book Running Lead Manager, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.  One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount or “ASBA”	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and includes applications made by RIBs using the UPI Mechanism where the Bid Amount was blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an RIB which was blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors

<b>Term</b>	<b>Description</b>
ASBA Form	An application form, whether physical or electronic, which shall be used by ASBA Bidders to submit Bids and shall be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, Escrow Collection Bank(s), Public Issue Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer as described in “ <i>Offer Procedure</i> ” beginning on page 410
Bid	An indication to make an offer during the Bid/ Offer Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be notified in all editions of [●], (a widely circulated English national daily newspaper), all editions of [●], (a widely circulated Hindi national daily newspaper), and all editions of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located). In case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank.</p> <p>Our Company, in consultation with the Book Running Lead Manager, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/ Offer Opening Date will be published, as required under the SEBI ICDR Regulations</p>
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, and all editions of [●], a Gujarati regional newspaper (Gujarati being the regional



<b>Term</b>	<b>Description</b>
	language of Gujarat), where our Registered Office is located, each with wide circulation
Bid/ Offer Period	<p>Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations, provided that such period shall be kept open for a minimum of three Working Days.</p> <p>Our Company in consultation with the Book Running Lead Manager, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations</p>
Bidder/ Applicant	Any investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries accepted the Bid cum Application Forms, i.e. Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
“Book Running Lead Manager” or “BRLM” or “Lead Manager”	The book running lead manager to the Offer namely, Unistone Capital Private Limited
Broker Centres	<p>The broker centres notified by the Stock Exchanges where Bidders could submit the ASBA Forms to a Registered Broker.</p> <p>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 (<a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a>)</p>
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who will be allocated the Equity Shares, on or after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and shall not be more than 120% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	Agreement dated [●] entered amongst our Company, the Book Running Lead Manager, the Banker(s) to the Offer and Registrar to the Offer for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	The client identification number maintained with one of the Depositories in relation to demat account
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent

<b>Term</b>	<b>Description</b>
	applicable) as per the list available on the websites of BSE and NSE, as updated from time to time
Collecting Registrar and Share Transfer Agents / CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and of the SEBI UPI Circulars
Cut-off Price	The Offer Price, finalised by our Company in consultation with the Book Running Lead Manager, which shall be any price within the Price Band.  Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut- off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/ husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which collected the ASBA Forms, a list of which was available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which funds from the Escrow Account(s) are transferred to the Public Offer Account(s) or the Refund Account(s), as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account(s) and/ or are unblocked, as applicable, in terms of the Red Herring Prospectus and Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares may be Allotted to successful Bidders in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, Registered Brokers, CDPs, SCSBs and RTAs.  In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders could submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time

<b>Term</b>	<b>Description</b>
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated March 31, 2024 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible FPI(s)	FPI(s) that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/ direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank	Bank(s) which are clearing member(s) and registered with SEBI as banker(s) to an Offer under the Securities and Exchange Board of India (Bankers to an Offer) Regulations, 1994 and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted
Fresh Issue	The issue of up to 14,000,000 Equity Shares aggregating up to ₹[●] million by our Company.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
“General Information Document” or “GID”	The General Information Document for investing in public Offer, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the SEBI circular no. SEBI / HO / CFD / DIL2 /CIR/P/ 2020/50 dated March 30, 2020, and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement dated [●], entered between our Company and the Monitoring Agency.
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be made available for allocation to Mutual Funds only, subject to valid Bids having been received at or above the Offer Price

<b>Term</b>	<b>Description</b>
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer related expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see " <i>Objects of the Offer</i> " beginning on page 118
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
"Non-Institutional Bidders" or "Non-Institutional Investors" or "NIBs" or "NIIs"	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000/- (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	Portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which will be made available for allocation on a proportionate basis to Non-Institutional Investors, of which one-third shall be available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds shall be available for allocation to Bidders with an application size of more than ₹1.00 million provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors, subject to valid Bids having been received at or above the Offer Price
"Non-Resident"/ "NR"	Person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs
Offer	The initial public offer of up to 18,500,000 Equity Shares for cash at a price of ₹[●] per Equity Share aggregating up to ₹[●] million comprising the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated March 31, 2024 entered into by and among our Company, the Promoter Selling Shareholder and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 4,500,000 Equity Shares aggregating up to ₹[●] million by the Promoter Selling Shareholder for a cash price of ₹[●] per Equity Share.
Offer Price	₹[●] per Equity Share, the final price (within the Price Band) at which Equity Shares will be Allotted to successful Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLM, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price.  The Offer Price will be decided by our Company, in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus.
Offer Proceeds	The Net Proceeds, and the proceeds of the Offer for Sale which shall be available to the Promoter Selling Shareholder. For further information about use of the Offer Proceeds, see " <i>Objects of the Offer</i> " beginning on page 118
Offered Shares	Up to 4,500,000 Equity Shares being offered for sale by the Promoter Selling Shareholder in the Offer for Sale

<b>Term</b>	<b>Description</b>
Price Band	<p>Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price.</p> <p>The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the Book Running Lead Manager, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of [●], the English national daily newspaper, all editions of [●], the Hindi national daily newspaper and all editions of [●], a Gujarati daily newspaper (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites</p>
Pricing Date	The date on which our Company in consultation with the Book Running Lead Manager, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, and the SEBI ICDR Regulations containing, inter alia, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	Bank account to be opened with the Public Offer Bank, under Section 40(3) of the Companies Act to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Offer Bank	A bank which is a clearing member and registered with SEBI as a banker to an Offer and with which the Public Offer Account will be opened, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer consisting of [●] Equity Shares which shall be available for allotment to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors)
“Qualified Institutional Buyers” or “QIBs” or “QIB Bidders”	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
“Red Herring Prospectus” or “RHP”	Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda and corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/ Offer Opening Date and will become the prospectus upon filing with the RoC after the Pricing Date
Refund Account	Account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank	Banker(s) to the Offer and with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI and the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible

<b>Term</b>	<b>Description</b>
	to procure Bids in terms of the SEBI circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated March 31, 2024 entered by and amongst our Company and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar pertaining to the Offer
“Registrar and Share Transfer Agents” or “RTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable), and the UPI Circulars, as per the lists available on the websites of BSE and NSE
“Registrar to the Offer” or “Registrar”	Bigshare Services Private Limited
“Retail Individual Bidder(s)” or “RIB(s)” or Retail Individual Investor(s) or RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹0.2 million in any of the bidding options in the Offer (including HUFs who applied through their Karta and Eligible NRIs)
Retail Portion	Portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids having been received at or above the Offer Price)
Revision Form	<p>Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.</p> <p>QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders could revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date</p>
Self-Certified Syndicate Bank(s) or SCSB(s)	<p>(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int mId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int mId=34</a> or <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int mId=35">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int mId=35</a> or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int mId=40">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int mId=40</a> or such other website as updated from time to time.</p> <p>Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on SEBI website. A list of SCSBs and mobile application, which, are live for applying in public Offer using UPI Mechanism is appearing in the “list of mobile applications for using UPI in Public Offer” displayed on SEBI website at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int mId=43">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int mId=43</a>. The said list shall be updated on SEBI website from time to time.</p>
SMS	Short Messaging Service



<b>Term</b>	<b>Description</b>
Specified Locations	Bidding Centres where the Syndicate could accept Bid cum Application Forms
Sponsor Bank	[●], being a Banker to the Offer, 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 RIBs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
Stock Exchanges	Together, BSE and NSE
Syndicate Agreement	Agreement dated [●] to be entered amongst our Company, the Book Running Lead Manager, the Registrar and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Member	Intermediary registered with the Board and who is permitted to accept bids, applications and place orders with respect to the Offer and carry on the activity as an underwriter; namely, [●]
Underwriter(s)	Being [●]
Underwriting Agreement	Agreement dated [●] to be entered amongst our Company, the Promoter Selling Shareholder and the Underwriters on or after the Pricing Date but prior to filing of the Red Herring Prospectus or the Prospectus with the RoC, as the case may be.
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Bidders	<p>Collectively, individual investors who applied as (i) Retail Individual Bidders in the Retail Category, and (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Category, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Member, Registered Brokers, Collecting Depository Participants and Collecting Registrar and Share Transfer Agents.</p> <p>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 Offer where the application amount is up to ₹ 500,000 are required to use the UPI Mechanism and are required to 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 Offer and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)</p>
UPI Circulars	SEBI circular number CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, 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/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, March 2021 Circular, June 2021 Circular, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI

Term	Description
	circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 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 or the Stock Exchanges in this regard.
UPI Investor	Collectively, individual investors applying as (i) Retail Individual Investors in the Retail Portion, and (ii) Non-Institutional Investors with an application size of up to ₹0.50 million 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 the April 5, 2022 Circular, all individual investors applying in public Offer where the application amount is up to ₹0.50 million 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 Offer and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI ID	Identity document created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	<p>A request (intimating the RIB by way of a notification on the UPI linked mobile application and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.</p> <p>In accordance with the 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, and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>) and (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>) respectively, as updated from time to time</p>
UPI Mechanism	The bidding mechanism that was used by RIBs in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter or Fraudulent Borrower	Wilful Defaulter or Fraudulent Borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai and Ahmedabad are open for business provided however, with reference to (a) announcement of Price Band and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai and Ahmedabad are open for business and (c) the time

<b>Term</b>	<b>Description</b>
	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 the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

#### **Technical/ Industry Related Terms or Abbreviations**

<b>Term</b>	<b>Description</b>
BIS	Bureau of Indian Standards
CS	Cotton Season
CMIE	Centre for Monitoring Indian Economy
CEPA	Comprehensive Economic Partnership Agreement
DG Set(s)	Diesel generator set(s)
ECTA	Economic Cooperation and Trade Agreement
FTAs	Free Trade Agreement
FOB	Freight On Board
ISO	International Organization for Standardization
IPDS	Integrated Processing Development Scheme
MTPA/MTA	Metric tonnes per annum
MOSPI	Ministry of Statistics and Programme Implementation
MMF	Man-made fibers
MSP	Minimum Support Price
Non-GAAP Measure(s)	Non-GAAP measures comprises EBIT, EBITDA, EBITDA Margin, Gross Margin, Other Operating Expenses, Capital Employed, Return on Capital Employed, Return on Equity, Debt to Equity, PAT Margin, CAGR and others
OTEXA	Office of Textile and Apparel
P&M	Plant and machinery
PM MITRA	PM Mega Integrated Textile Region and Apparel
PLI	Product Linked Incentive
PMGKAY	Pradhan Mantri Garib Kalyan Anna Yojna
R&D	Research and development
ROSCTL	Rebate of State and Central Taxes and Levies
RODTEP	Remission of Duties and Taxes on Export Products
SKU/SKUs	Stock keeping unit(s)
Sq.Ft./ sqft/ sq. ft.	Square feet
Sq.M/ sqm/ sq. mtr.	Square meters
SAMARTH	Scheme for Capacity Building in Textile Sector
TCDS	Textile Cluster Development Scheme
TUFS	Technology Upgradation Fund Scheme

## Conventional and General Terms or Abbreviations

Term	Description
₹/ Rs./ Rupees/ INR	Indian Rupees
A/c	Account
Adv. Est.	Advance Estimates
AIFs	Alternative Investments Funds
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AGM	Annual general meeting
AS/Accounting Standards	Accounting Standards issued by the ICAI
B2B	Business to business
B2C	Business to customer
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate (as a %): (End Year Value/ Base Year Value) ^ (1/No. of years between Base year and End year) –1 [^ denotes ‘raised to’]
Capital Employed	Capital employed is calculated as total assets less current liabilities
CARO	Companies Auditor's Report Order, 2020
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
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 2013 and Companies Act, 1956, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have an effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder.
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections by the Ministry of Corporate Affairs, Government of India as of the date of this Draft Red Herring Prospectus, along with the relevant rules made thereunder
Competition Act	Competition Act, 2002
COVID-19	Coronavirus disease 2019, a respiratory illness caused by the Novel Coronavirus and a public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020

<b>Term</b>	<b>Description</b>
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
CST	Central Sales Tax
CWIP	Capital work-in-progress
Debt to Equity	Debt to equity is calculated as borrowings under non-current liabilities plus current maturities of long- term debts plus borrowings under current liabilities, divided by total equity
Demat	Dematerialised
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
Dist./Dist	District
DP or Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion)
DRT	Debt Recovery Tribunal
EBIT	Earnings before interest and tax
EBITDA	EBITDA is calculated as restated profit for the year/ period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income
EBITDA Margin	EBITDA Margin is the percentage of EBITDA divided by revenue from operations
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ERP	Enterprise resource planning
Est.	Estimated
EU	European Union
Euro or €	Euro, the official currency of the Eurozone
FCNR	Foreign Currency Non-Resident
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the provisions of FEMA
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations there under
FEMA Non-debt Instruments Rules/ FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019

<b>Term</b>	<b>Description</b>
FEMA Regulations	The Foreign Exchange Management (Non Debt Instruments) Rules, 2019, the Foreign Exchange Management (Mode of Payment and Reporting of Non Debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
Financial Year/ Fiscal/Fiscal FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First information report
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
FZE	Free Zone Establishment
GAAR	General Anti-Avoidance Rules
Gazette	Gazette of India
“GBP” / “£” / “Pound”	British Pound
GDP	Gross domestic product
GFCF	Gross fixed capital formation
GoI or Government or Central Government	Government of India
GIDC/G.I.D.C.	Gujarat Industrial Development Corporation
Gross Margin	Gross Margin is calculated as revenue from operations less Material Cost
GST	Goods and services tax
GVA	Gross value added
HNI	High Net worth Individual
H.R./HR	Human Resources
HUF	Hindu undivided family
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ICAI Guidance Note	Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IIP	Index of Industrial Production
IMF	International Monetary Fund
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS 24	Indian Accounting Standard 24, “Related Party Disclosures”, notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015



<b>Term</b>	<b>Description</b>
Ind AS 37	Indian Accounting Standard 37, “Provisions, Contingent Liabilities and Contingent Assets”, notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015
Ind AS 110	Indian Accounting Standard 110, “Consolidated Financial Statements”, notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP/ IGAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
INR/Indian Rupees/Rupee/₹/Rs.	Indian Rupee, the official currency of the Republic of India
IPC	The Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act or Income Tax Act	The Income Tax Act, 1961
MCA	Ministry of Corporate Affairs
MICR	Magnetic Ink Character Recognition
Mn/ mn	Million
MSME	Micro, small or a medium enterprise.
m-o-m	Month on Month
MOSPI	The Ministry of Statistics and Programme Implementation
MT	Metric Tonne
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N/A/ N.A./ NA	Not applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Funds Transfer
No(s).	Number(s)
Non- GAAP Measure(s)	Non-GAAP measures comprises EBIT, EBITDA, EBITDA Margin, Gross Margin, Other Operating Expenses, Capital Employed, Return on Capital Employed, Return on Equity, Debt to Equity, PAT Margin, CAGR and others
Novel Coronavirus	Severe acute respiratory syndrome coronavirus 2, a strain of coronavirus that causes coronavirus disease 2019, a respiratory illness.
NPCI	National Payments Corporation of India
NRE Account	Non-resident external rupee account

<b>Term</b>	<b>Description</b>
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 or 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
OCB or Overseas Corporate Body	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 and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
Other Operating Expenses	Other operating expenses is calculated as other expenses less freight and forwarding charges and advertisement and sales promotion expenses.
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit after tax
PAT Margin	PAT Margin is calculated as restated profit for the year/ period divided by total income, represented as a percentage.
PhD	Doctor of Philosophy
P/E	Price/earnings
P/E Ratio	Price to Earnings ratio
PFCE	Private Final Consumption Expenditure
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RONW	Return on net worth
ROCE	Return on Capital Employed is calculated as EBIT divided by average Capital Employed
ROE	Return on equity is calculated as restated profit for the year/ period divided by average total equity
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SAP	Systems, Applications & Products in Data Processing
SCRA	Securities Contracts (Regulation) Act, 1956
SCR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulations	SEBI AIF Regulations, 2012

<b>Term</b>	<b>Description</b>
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
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 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 SBEBSE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
Stamp Act	The Indian Stamp Act, 1899
STT	Securities transaction tax
Total Borrowings	Total borrowings is calculated as borrowings under non-current liabilities, plus current maturities of long-term debts, plus borrowings under current liabilities
TAN	Tax deduction account number
U.K./UK	United Kingdom
U.A.E./ UAE	United Arab Emirates
U.S. Securities Act	U.S. Securities Act of 1933
U.S./USA/United States	United States of America
USD or US\$	United States Dollars
VaR	Value at risk
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Water Act	Water (Prevention and Control of Pollution) Act 1974
WPI	Wholesale Price Index
y-o-y	Year on Year

## **CURRENCY CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL INFORMATION, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

All references in this Draft Red Herring 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 Government of India, central or state, as applicable. All references to the “U.S.”, “US”, “U.S.A” or “United States” are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless the context requires otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

### **Financial Data**

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year.

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

The financial data in this Draft Red Herring Prospectus is derived from the restated statement of assets and liabilities as at September 30, 2023, , March 31, 2023, March 31, 2022 and March 31, 2021, the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows, the restated statement of changes in equity for the six months period ended September 30, 2023 and years ended March 31, 2023, March 31, 2022 and March 31, 2021, the statement of significant accounting policies and other explanatory notes thereon, derived from the audited Ind AS financial statements for the year ended March 31, 2023 and March 31, 2022; special purpose Ind AS financial statements for the year ended March 31, 2021 and special purpose interim Ind AS financial statements for the six months period ended September 30, 2023 , together with the annexures and notes thereto prepared in accordance with Ind AS (except that they do not contain comparative information and related disclosures and explanatory notes for the year ended March 31, 2021) and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by the ICAI as amended from time to time.

For further information, see “*Restated Financial Statements*”, “*Other Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 236, 340 and 342 respectively.

Our Company’s Financial Year commences on April 1st and ends on March 31st of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12 months period commencing on April 1<sup>st</sup> of the immediately preceding calendar year and ending on March 31st of that particular year.

## **Non-GAAP Measures**

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS, Indian GAAP and other accounting principles, see Risk Factor No. 49 *“Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.”* on page 72 of this Draft Red Herring Prospectus.

Unless the context requires otherwise, any percentage amounts (excluding certain operational metrics), as set forth in *“Risk Factors”*, *“Our Business”* and *“Management's Discussion and Analysis of Financial Condition and Results of Operations”* beginning on pages 42, 170 and 342 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements.

In this Draft Red Herring Prospectus, any discrepancies in any table 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. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

## **Currency and Units of Presentation**

All references to “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; “USD” or “US\$” are to United States Dollar, the official currency of the United States, “GBP” / “£” / “Pound” are the British Pound, the official currency of United Kingdom and “Euro” or “€” are to Euro, the official currency of the Eurozone. Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” units. In this regard, please note: (a) One million is equal to 1,000,000/10 lakhs; and (b) 10 million is equal to 10,000,000/100 lakhs/ one crore (c) 1 billion is equal to 1,000,000,000/ 100 crore. Our Company has presented certain numerical information in this Draft Red Herring Prospectus in absolute number where the numbers have been too small to present in million unless as stated, otherwise, as applicable.

However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than million, such figures appear in this Draft Red Herring Prospectus in such denominations as provided in the respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals, including percentage figures, have been rounded off to the second decimal.

## **Exchange Rates**

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

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

*(in ₹)*

Currency*	As at			
	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.06	82.22	75.81	73.51
1 GBP	101.67	101.87	99.55	100.95
1 Euro	87.94	89.61	84.66	86.10

\*Source: [www.rbi.org.in](http://www.rbi.org.in), [www.oanda.com](http://www.oanda.com) and [www.fbil.org.in](http://www.fbil.org.in)

*Note: Exchange rate is rounded off to two decimal points.*

In case 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 considered.

### **Industry and Market Data**

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as various industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

Certain information in the sections entitled “*Summary of the Offer Document*”, “*Industry Overview*” and “*Our Business*” on pages 27, 146 and 170, respectively of this Draft Red Herring Prospectus has been obtained from the CARE Report. The CARE Report is available on the website of our Company at <https://www.raghuvirexim.com> until the Bid / Offer Closing Date. The CARE Report has been exclusively commissioned and paid for by us in connection with the Offer. Further, CARE does not have any direct/indirect interest in or relationship with our Company or its Promoters, Directors, KMPs and SMPs.

The CARE Report is subject to the following disclaimer:

*“This report is prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure veracity and adequacy of the information while developing this report based on information available in CareEdge Research’s proprietary database, and other sources including the information in public domain, considered by CareEdge Research as reliable after exercise of reasonable care and diligence. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.”*

This report is prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure veracity and adequacy of the information while developing this report based on information available in CareEdge Research’s proprietary



database, and other sources including the information in public domain, considered by CareEdge Research as reliable after exercise of reasonable care and diligence. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research at the time of issuance of this report; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or CareEdge Research. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorized recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research. CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this report.

For further details in relation to risks involving the industry, see ***“Risk Factor No. 37 -Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.”*** on page 66 of this Draft Red Herring Prospectus.

The extent to which the market and industry data used in this Draft Red Herring 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.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors including those discussed in chapter titled ***“Risk Factors”*** on page 42 of this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

Certain data in relation to our Company used in this Draft Red Herring Prospectus has been obtained or derived from the CARE Report which may differ in certain respects from our Restated Financial Statements as a result of, inter alia, the methodologies used in compiling such data. Accordingly, investment decision should not be made based on such information.

In accordance with the SEBI ICDR Regulations, we have included in the chapter ***“Basis for Offer Price”*** on page 118, information pertaining to the peer company of our Company. Such information has been derived from publicly available data of the peer company. Accordingly, no investment decision should be made solely on the basis of such information. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this 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 disclosed in ***“Risk Factors”*** beginning on page 42 of this Draft Red Herring Prospectus.

## FORWARD LOOKING STATEMENTS

This Draft Red Herring 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”, “likely to”, “objective”, “plan”, “propose”, “project”, “will”, “seek to”, “strive to”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s 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 may vary, some or all of which could cause actual results to differ materially from those contemplated by the relevant forward- looking statement. All statements in this DRHP that are not statements of historical fact are ‘*forward – looking statements*’.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate 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 which have an impact on its business activities or investments, 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 and globally, changes in domestic laws, changes in the incidence of any natural calamities and/or violence, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our Company’s expectations and assumptions include, but are not limited to, the following:

1. We do not have long-term agreements with our suppliers and we may not be able to procure sufficient quantity or quality of raw materials from our suppliers in a timely manner and at an acceptable price and this may adversely affect the business, results of operations and financial conditions.
2. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.
3. Our Manufacturing Facilities which we have agreed to take on lease are situated on agricultural land and if the same does not get converted into non-agricultural land, we may be required to vacate the premises and relocate our manufacturing Units to some other location or may be required to pay penalties which may have an adverse impact on our reputation, financial condition and operations.
4. If there are delays in setting up the Proposed Facilities or if the costs of setting up and the possible time or cost overruns related to the Proposed Facilities or acquisition of equipment for the Proposed Facilities are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.
5. 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.
6. Major portion of our revenues are derived from exports to the United States of America, Canada and other overseas regions any adverse developments in these market or restrained economic or political relations of India with the United States of America or International community could adversely affect our business.

7. Our Company has extended corporate guarantee to secure the debt facilities availed by some of our Promoter Group entities. In the event any such corporate
8. We operate out of two Manufacturing Facilities which are located at Ahmedabad, Gujarat, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around Ahmedabad, Gujarat or any disruption in production at, or shutdown of, our manufacturing facilities could have material adverse effect on our business and financial condition.
9. Our Directors, Promoters and members of the Promoter Group members may enter into ventures that may lead to real or potential conflicts of interest with our business.
10. We are dependent on a few customers for a major part of our revenues. Further we do not enter into long-term arrangements with our customers and any failure to continue our existing arrangements could adversely affect our business and results of operations.

For details regarding factors that could cause the actual results to differ from the expectations, please refer to the chapter titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 42, 170 and 342 respectively of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not 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 we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Our Company, our Directors, BRLM or any of their respective affiliates or advisors do not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI ICDR Regulations, our Company and the BRLM will ensure that investors in India are informed of material developments from the date of the Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Offer.

## SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including “Risk Factors”, “Objects of the Offer”, “Our Business”, “Industry Overview”, “Financial Information”, “Outstanding Litigation and Material Developments”, “Main Provisions of Articles of Association” and “Offer Procedure” beginning on pages 42, 118, 170, 146, 236, 373, 434 and 410, respectively.

### Summary of our business

Our Company is engaged in the business of processing semi-finished fabrics into finished fabrics. Our Company has been in existence for over three decades and manufacture home furnishing products such as bedsheets, pillowcase, duvet cover, comforter, quilts, curtains, which are further sold to our customers in the form of pack sets. We are also involved in trading of grey cloth and finished fabrics. Our product portfolio comprises of wide range of fabrics such as polyester, cotton, Chief Value Cotton as cotton/polyester blended, cotton modal, cotton tencel, and poly cotton.

Major portion of our revenues are derived from exports. Our Company has been recognised as a “Star Export House” by the Directorate General of Foreign Trade, Ministry of Commerce and Industry in the year 2011 and “Two Star Export House” in the year 2021. In Fiscals 2021, 2022, 2023 and for the six-month period ended September 30, 2023, our revenue from exports accounted for 94.89%, 97.38%, 81.07% and 96.97%, respectively of total revenue from operations. In each of the last three fiscals, our Company has exported to more than 25 countries with majority of the export sales being sourced from United States of America, Canada, United Kingdom, Israel and Australia. We sell our products through a network of distributors and direct sales to our customers.

### Summary of the Industry in which our Company operates

Home textiles have always been a crucial part of home decor, regardless of the space they are in, from the living room to the bedroom to the kitchen and bathroom. Home textiles are typically made by the techniques of knitting, crocheting, non-weaving, knotting, or pressing fibers together. Carpets, rugs, floor coverings, curtains, cushion covers, napkins, towels and toweling fabric, bedspreads, furnishing fabric and upholstery, table linen, bed linen, sheets and pillowcases, blankets, shower curtains, aprons, and wallpapers are just a few examples of the many items that fall under the category of home textiles.

### Promoters of our Company

The Promoters of our Company are Sunil Agarwal, Pamita Agarwal, Yash Agarwal and Hardik Agarwal.

### Offer Size

Offer <sup>(1)(2)</sup>	Up to 18,500,000 Equity Shares aggregating up to ₹ [●] million
<i>Of which</i>	
Fresh Issue	Up to 14,000,000 Equity Shares aggregating up to ₹ [●] million
Offer for Sale <sup>(2)(3)</sup>	Up to 4,500,000 Equity Shares aggregating up to ₹ [●] million

<sup>(1)</sup> The Offer has been authorized by resolution of our Board passed at its meeting held on March 11, 2024 and has been authorized by a special resolution of our Shareholders at the extra-ordinary general meeting held on March 12, 2024.

<sup>(2)</sup> Our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to its resolution dated March 11, 2024. For details on the consent and authorisations of the Promoter Selling Shareholder in relation to the Offer for Sale, see “The Offer” beginning on pages 81.

<sup>(3)</sup> Promoter Selling Shareholder has, severally and not jointly, specifically confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with Regulation 8 of the SEBI ICDR Regulations.

For further details of the Offer, see “The Offer” and “Offer Structure” on pages 81 and 405, respectively.

## Objects of the Offer

The proceeds of the Offer are to be utilized for financing the following objects:

(₹ in million)

Particulars	Total Estimated Cost
Funding capital expenditure requirements of our Company towards setting up of two Stitching Units situated at Village Vansva, Taluka Viramgam, Ahmedabad, Gujarat (“Proposed Facilities”)	1,128.68 <sup>(1)</sup>
General Corporate Purposes <sup>(2)</sup>	[•]
<b>Total</b>	<b>[•]</b>

<sup>(1)</sup>To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

For details, see “Objects of the Offer” beginning on page 118.

## Aggregate pre-offer shareholding of the Promoters and Promoter Group members

Category	Number of Equity Shares held	Percentage of pre-Offer paid up capital (%)
<b>Promoters</b>		
Sunil Agarwal	39,228,000	74.72
Pamita Agarwal	63,00,000	12.00
Yash Agarwal	3,485,937	6.64
Hardik Agarwal	3,486,000	6.64
<b>Total (A)</b>	<b>52,499,937</b>	<b>100.00</b>
<b>Promoter Group</b>		
Aditi Yash Agarwal	21	0.00
<b>Total (B)</b>	<b>21</b>	<b>0.00</b>
<b>Total (A+B)</b>	<b>52,499,958</b>	<b>100.00</b>

## Summary of Selected Financial Information

(₹ in Million)

Particulars	As at and for the Six months ended	As at and for the year ended March 31,		
	September 30, 2023	2023	2022	2021
Share Capital	525.00	25.00	25.00	25.00
Net Worth	965.09	845.15	651.92	580.95
Total Income	1,552.52	2,507.89	2,722.79	2,133.82
Restated Profit/ (loss) after tax	119.63	192.38	70.46	89.18
Basic EPS (in ₹)*	2.28	3.66	1.34	1.70

Particulars	As at and for the Six months ended	As at and for the year ended March 31,		
	September 30, 2023	2023	2022	2021
Diluted EPS (in ₹)*	2.28	3.66	1.34	1.70
Net asset value per Equity Share (in ₹)*	18.38	16.10	12.42	11.06
Total borrowings	1,183.58	855.27	950.81	804.92

\* Adjusted for bonus issue

The Restated Financial Statements for the six month period ended September 30, 2023 and for Fiscals 2023, 2022 and 2021 referred to above are presented under “Financial Information” on page 236 of this Draft Red Herring Prospectus.

### Auditor Qualifications which have not been given effect to in the Restated Financial Statements

There are no audit qualifications in the auditors’ reports on our financial statements for the interim financial statements for the six-month period ended September 30, 2023 and financial statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 which have not been given effect to in the Restated Summary Statements

### Outstanding Litigations

A summary of outstanding legal proceedings involving our Company, Directors and Promoters as on the date of this Draft Red Herring Prospectus is provided below:

Name of the Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoter	Material civil litigations	Aggregate amount involved (INR in Million)
<b>Company</b>						
By the Company	-	-	-	-	-	-
Against the Company	-	5	1	-	-	14.00
<b>Directors</b>						
By the Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
<b>Promoter</b>						
By the Promoter	-	-	-	-	-	-
Against the Promoter	-	7	1	-	-	28.23
<b>Group Companies</b>						
Outstanding litigation which may have a material impact on our Company	-	-	1	-	-	0.004

^To the extent quantifiable

\* It includes labour case amounting to ₹2.25 million, the order for which is yet to be passed by Hon'ble Court and thus it does not form part of contingent liability as disclosed in the "Note 35 – Contingent Liabilities" under the chapter "Restated Financial Statements" on page 295 of this Draft Red Herring Prospectus.

The amounts mentioned above may be subject to additional interest/ penalties being levied by the concerned authorities which have not been included above as not being ascertainable as on date of this Draft Red Herring Prospectus. For further details regarding these legal proceedings, please refer to chapter titled "Outstanding Litigations and Material Developments" on page 373 of this Draft Red Herring Prospectus.

## Risk Factors

Specific attention of Investors is invited to the section "Risk Factors" on page 42. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

## Contingent Liabilities

The following is a summary table of our contingent liabilities as per Ind AS 37, as of the date indicated, derived from our Restated Summary Statements:

Particulars	Contingent liabilities as at September 30, 2023 (₹ in million)
Compensation <sup>(1)</sup>	2.94
Corporate Guarantee to banks against credit facilities extended to related party <sup>(2)</sup>	3,950.00
Capital commitments	440.00

<sup>(1)</sup> One of the customers has filed a civil suit against the Company before Hon'ble City Civil Court, Ahmedabad, claiming Rs. 2.94 million (inclusive of interest) as compensation for inferior quality of material supplied by the Company. Pursuant to the order of Hon'ble City Civil Court, Ahmedabad, company has deposited a sum of Rs 2.5 million against the aforesaid claim. The Company has not accepted the claim and thus not provided for in the books but considered as contingent liability.

<sup>(2)</sup> The Company has extended Corporate Guarantee in respect of credit facilities availed by its related party (Entity over which Key Management Personnel individually / jointly gaining control or exercise significant influence) from banks having aggregate sanction limits to the extent of ₹ 3,950.00 million.

For further details, please see the "Note 35 – Contingent Liabilities" under the chapter "Restated Financial Statements" on page 295 of this Draft Red Herring Prospectus.

## Related Party Transactions

A summary of related party transactions as per the requirements under Ind AS 24 –Related Party Disclosures read with the SEBI ICDR Regulations entered into by our Company with related parties as at and for the six months period ended September 30, 2023, and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 derived from our Restated Financial Statements is as follows:

Nature of Relationship / Transaction	Relationship	As at and for the period/ year ended			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021

<b>Managerial Remuneration</b>					
Hardik Agarwal	Key Management Personnel (“KMP”)	18.25	36.5	36.5	35.64
Yash Agarwal	Key Management Personnel (“KMP”)	18.25	36.5	36.5	35.64
Deepika Ladha	Key Management Personnel (“KMP”)	0.24	-	-	-
<b>Sale of Materials and Services</b>					
Raghuvir Synthetics Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	14.08	196.94	24.84	76.15
White Water Exim Private Ltd	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.59	-	-	-
Dreamsoft Bedsheets Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	2.21	0.44	-	-
Raghukaushal Textile Private Limited	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	-	0.05	0.01	1.47
RSL Dyecot Private Ltd	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	-	16.4	-	-
HYS Industries Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	-	48.94	32.43	-
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	-	2.17	-	0.49
Raghuvir Lifestyle Private Limited	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	-	-	-	1.33
<b>Reimbursement of Expenses</b>					
Hardik Agarwal	Key Management Personnel (“KMP”)	0.4	-	-	-



HYS Lifecare LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.11	-	-	-
Pamita Agarwal	Relative of Key Management Personnel	0.02	-	-	-
Sunil Agarwal	Individual gaining control and Key Management Personnel (“KMP”)	0.6	-	-	-
White Water Exim Private Ltd	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.05	-	-	-
<b>Purchase of Material and Services</b>					
Raghuvir Synthetics Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	885.47	526.91	1,439.87	1392.3
Raghuvir Lifestyle Private Limited	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	0.36	0.43	-	-
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	99.21	185.74	-	0.06
Raghukaushal Textile Private Limited	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	-	0.47	-	-
RSL Dyecot Private Limited	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	-	16.71	0.3	0.27
HYS Industries Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	-	56.33	-	-
<b>Payment of Rent</b>					
Sunil Agarwal	Individual gaining control and Key Management Personnel (“KMP”)	2.16	7.37	11.16	10.68
Pamita Agarwal	Relative of Key Management Personnel	3.56	8.4	8.4	8.4

Yash Agarwal	Key Management Personnel (“KMP”)	4.97	10.2	9.6	9.6
Hardik Agarwal	Key Management Personnel (“KMP”)	4.32	2.16	-	-
<b>Receipt of Rent</b>					
Raghuvir Synthetics Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.1	0.2	0.2	0.2
The Sagar Textiles Mills Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.05	0.05	0.01
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.04	0.03	0.03	0.03
Dreamsoft Bedsheets Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.05	0.02	-
H.Dev Chemicals Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.05	0.04	-
HYS Industries Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.15	0.31	0.31	0.08
HYS Lifecare LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.05	0.1	-
White Water Exim Private Ltd	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.1	0.2	0.17	-
<b>Interest on Unsecured Loan</b>					
Sunil Agrawal	Individual gaining control and Key Management Personnel (“KMP”)	0.58	1.84	0.79	0.78
Hardik Agarwal	Key Management Personnel (“KMP”)	0.49	-	0.09	0.31
Yash Agarwal	Key Management Personnel (“KMP”)	-	-	0.31	0.26
<b>Interest on Loan &amp; Advances</b>					

Yash Agarwal	Key Management Personnel (“KMP”)	0.92	2.35	1.85	1.11
Hardik Agarwal	Key Management Personnel (“KMP”)	0.17	2.96	2.54	1.39
<b>Unsecured Loan taken during the year</b>					
Sunil Agrawal	Individual gaining control and Key Management Personnel (“KMP”)	37.16	216.21	103.45	108.02
Aditi Agarwal	Relative of Key Management Personnel	-	0.05	-	-
Pamita Agarwal	Relative of Key Management Personnel	-	0.05	-	-
Shubhi Agarwal	Relative of Key Management Personnel	-	0.05	-	-
Hardik Agarwal	Key Management Personnel (“KMP”)	-	236.47	7.85	11.88
Yash Agarwal	Key Management Personnel (“KMP”)	-	123.75	10.48	9.88
<b>Unsecured Loan Repaid during the year</b>					
Sunil Agrawal	Individual gaining control and Key Management Personnel (“KMP”)	26.36	219.25	119.01	117.52
Aditi Agarwal	Relative of Key Management Personnel	-	0.05	-	-
Pamita Agarwal	Relative of Key Management Personnel	-	0.05	-	-
Shubhi Agarwal	Relative of Key Management Personnel	-	0.05	-	-
Hardik Agarwal	Key Management Personnel (“KMP”)	-	236.47	13.15	7.03
Yash Agarwal	Key Management Personnel (“KMP”)	-	123.75	15.47	5.4
<b>Loan Given during the year</b>					
Hardik Agarwal	Key Management Personnel (“KMP”)	203.44	73.66	169.2	58.11
Yash Agarwal	Key Management Personnel (“KMP”)	232	73.02	154.34	45.16
<b>Loan received back during the year</b>					
Hardik Agarwal	Individual gaining control and Key Management Personnel (“KMP”)	218.38	71	172.78	94.21
Yash Agarwal	Key Management Personnel (“KMP”)	114.48	70.91	153.3	71.33
<b>Job Charges (Paid)</b>					

Raghuvir Synthetics Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	7.1	27.19	17.1	7.67
RSL Dyecot Private Limited	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	-	-	-	0.00(*)
(*) Amount less than Rs 10000/-					
<b>As a salary</b>					
Aditi Agarwal	Relative of Key Management Personnel	0.78	1.33	1.2	0.97
Subhi Agarwal	Relative of Key Management Personnel	0.78	1.33	1.2	0.99
<b>Donation made during the year</b>					
Raghuvir Research Foundation Trust	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.5	2.05	3.5	3.5
<b>Advance given for purchase</b>					
HYS Industries Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	-	14	-	-
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	-	-	100	-
<b>Advance received back</b>					
- HYS Industries Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	-	14	-	-
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	-	-	100	-
<b>Sale of Land</b>					
HYS Industries Private Limited	Entities over which Key Management Personnel individually / jointly	-	86.9	-	-

	gaining control or exercise significant influence				
<b>Investment in Preference Share</b>					
HYS Industries Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	20	230	-	-
<b>Advance granted for expense</b>					
Yash Agarwal	Key Management Personnel (“KMP”)	-	0.15	-	-
<b>Corporate Guarantee</b>					
HYS Industries Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	3950.00(*)	-	-	-
* Sanction Limits					
<b>Due by company As Creditors</b>					
Sunil Agrawal	Individual gaining control and Key Management Personnel (“KMP”)	0.39	0.39	0.17	0.98
Yash Agarwal	Key Management Personnel (“KMP”)	0.78	0.86	0.72	0.74
Pamita Agrawal	Relative of Key Management Personnel		0.32	0.63	0.65
Hardik Agarwal	Key Management Personnel (“KMP”)	0.78	0.78		
RSL Dyecot Private Limited	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	-	0.04	-	0.03
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	93.37	-	-	-
Raghuvir Synthetics Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.54	-	-	-
<b>As Remuneration</b>					
Hardik Agarwal	Key Management Personnel (“KMP”)	1.96	21.8	0.58	0.94

Yash Agarwal	Key Management Personnel (“KMP”)	1.96	21.8	1.54	1.99
<b>As Unsecured Loan</b>					
Sunil Agrawal	Individual gaining control and Key Management Personnel (“KMP”)	12.98	1.66	3.05	17.88
Hardik Agarwal	Key Management Personnel (“KMP”)	12.57	-	-	5.22
Yash Agarwal	Key Management Personnel (“KMP”)	-	-	-	4.72
<b>As a salary payable</b>					
Aditi Agarwal	Relative of Key Management Personnel	-	0.07	0.06	0.04
Subhi Agarwal	Relative of Key Management Personnel	-	0.08	0.09	0.06
<b>As Advance Received</b>					
Raghuvir Synthetics Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	-	-	-	0.00(*)
(*)Amount less than Rs 10,000/-					
<b>Due to company</b>					
<b>As Debtors Recoverable</b>					
Raghuvir Lifestyle Private Limited	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	-	-	-	1.28
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	-	-	-	0.53
Raghukaushal Textiles Private Limited	Entities over which Relative of Key Management Personnel exercise significant influence by controlling interest	-	-	-	1.54
HYS Industries Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	-	-	34.68	0.1
Raghuvir Synthetics Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	-	22.46	0.95	-

Dreamsoft Bedsheets Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	2.47	0.5	-	-
<b>As Rent</b>					
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.04	-	0.00(*)	0.06
(*) Amount less than Rs 10000/-					
Raghuvir Synthetics Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.02	0.01	0.02	0.04
HYS Industries Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.16	0.03	0.1
The Sagar Textiles Mills Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.02	0.04	0.02
HYS Lifecare LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.02	0.12	-
Dreamsoft Bedsheets Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.01	0.02	-
Whitewater Exim Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.02	0.02	0.18	-
H.Dev Chemicals Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.06	0.03	0.05	-
Sunil Agarwal	Individual gaining control and Key Management Personnel (“KMP”)	-	-	0.17	-
<b>As an Advance</b>					
Yash Agarwal	Key Management Personnel (“KMP”)	120.55	2.11	-	1.03
Hardik Agarwal	Key Management Personnel (“KMP”)	-	2.66	-	1.29

<b>Advance against Job Work/Pack Set</b>					
Raghuvir Synthetics Limited (Pack Sets)	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	345.46	281.16	196.29	109.61
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	93.37	101.2	-	-
<b>Advance given for expenses</b>					
Yash Agarwal	Key Management Personnel (“KMP”)	-	0.15	-	-
<b>Reimbursement</b>					
Sunil Agarwal	Individual gaining control and Key Management Personnel (“KMP”)	0.07	-	-	-

For details of related party transactions of our Company, as per the requirements under Ind AS 24 ‘Related Party Disclosures’ for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023, please see “*Note 37 – Related Party Transactions*” under the chapter “*Restated Financial Statements*” on page 300 of this Draft Red Herring Prospectus.

### **Financing Arrangements**

There have been no financing arrangements whereby the Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Red Herring Prospectus.

### **Weighted Average Price**

The weighted average price at which Equity Shares were acquired by our Promoters in the last one year is set forth in the table below:

<b>Name of Promoters</b>	<b>No. of Equity Shares acquired in last one year from the date of this DRHP</b>	<b>Weighted Average Price (in ₹)*</b>
Sunil Agarwal	37,360,000	Nil
Pamita Agarwal	6,000,000	Nil
Yash Agarwal	3,319,940	Nil
Hardik Agarwal	3,320,000	Nil

*\*As certified by M/s. G. K. Choksi & Co., Statutory Auditors by way of their certificate dated March 29, 2024.*

### **Weighted average cost of all Equity Shares transacted in the three years, eighteen months and one year preceding the date of this Draft Red Herring Prospectus**

Weighted average cost of acquisition of all Equity Shares transacted in the three years, eighteen months and one year immediately preceding the date of this Draft Red Herring Prospectus:



Particulars	Weighted Average Cost of Acquisition (in ₹)*	Range of acquisition price: Lowest Price - Highest Price (in ₹)	Cap Price ([●]) is 'x' times the Weighted Average Cost of Acquisition#
Last one year preceding the date of this Draft Red Herring Prospectus	Nil	[●]	[●]
Last 18 months preceding the date of this Draft Red Herring Prospectus	Nil	[●]	[●]
Last three year preceding the date of this Draft Red Herring Prospectus	Nil	[●]	[●]

\*As certified by M/s. G. K. Choksi & Co., Statutory Auditors by way of their certificate dated March 29, 2024.

### Average Cost of Acquisition

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

Name of Promoters	No. of Equity Shares held	Average cost of acquisition (in ₹)*
Sunil Agarwal	39,228,000	1.51
Pamita Agarwal	63,00,000	Nil
Yash Agarwal	3,485,937	Nil
Hardik Agarwal	3,486,000	Nil

\*As certified by M/s. G. K. Choksi & Co., Statutory Auditors by way of their certificate dated March 29, 2024.

As on the date of this Draft Red Herring Prospectus, there are no Shareholders holding any special rights in our Company, including the right to nominate Director(s) on our Board.

The details of the price at which Equity Shares were acquired in the three years preceding the filing of this Draft Red Herring Prospectus, by each of the Promoters and members of the Promoter group are as follows:

Name of Acquirer	Date of Acquisition of Equity Shares	No. of Equity shares acquired	Acquisition price per Equity Share (₹)	Nature of Acquisition
<b>Promoters</b>				
Sunil Agarwal	July 31, 2023	37,360,000	-	Bonus Issue of equity shares in the ratio of 20:1
Pamita Agarwal	July 31, 2023	6,000,000	-	Bonus Issue of equity shares in the ratio of 20:1
Hardik Agarwal	July 31, 2023	3,320,000	-	Bonus Issue of equity shares in the ratio of 20:1
Yash Agarwal	July 31, 2023	3,319,940	-	Bonus Issue of equity shares in the ratio of 20:1

<b>Promoter Group Member</b>				
Aditi Agarwal	July 31, 2023	20	-	Bonus Issue of equity shares in the ratio of 20:1

*As certified by M/s. G. K. Choksi & Co., Statutory Auditors by way of their certificate dated March 29, 2024.*

### **Pre- IPO Placement**

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares

### **Issue of Equity Shares for consideration other than cash in the last one year**

Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 89 of this Draft Red Herring Prospectus, our Company has not issued Equity Shares for consideration other than cash during the last one year immediately preceding the date of filing the Draft Red Herring Prospectus.

### **Split/ consolidation of Equity Shares in the last one year**

Our Company has not split/ consolidated equity shares during the last one year immediately preceding the date of filing the Draft Red Herring Prospectus.

### **Exemption from complying with any provisions of securities laws**

As on the date of this Draft Red Herring Prospectus, our Company has not obtained any exemptions from complying with any provisions of securities laws from SEBI.

## SECTION II – RISK FACTORS

*An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. To obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Restated Financial Statements” beginning on pages 170, 146, 342 and 236, respectively, of this Draft Red Herring Prospectus, as well as the other financial and statistical and other information contained in this Draft Red Herring Prospectus.*

*In making an investment decision, prospective investors must rely on their own examination of our Company and our business and the terms of the Offer including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described 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 Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see “Forward-Looking Statements” on page 25 of this Draft Red Herring Prospectus.*

*Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements included in this Draft Red Herring Prospectus. For further information, see “Restated Financial Statements” beginning on page 236 of this Draft Red Herring Prospectus. Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, “our Company”, or “the Company” refers to Raghuvir Exim Limited.*

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, “Cotton Yarn and Home Textiles Industry” released in March, 2024 (“CARE Report”) prepared by CARE Analytics and Advisory Private Limited, appointed by our Company pursuant to an engagement letter dated November, 2024 and such CARE Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

- 1. We do not have long-term agreements with our suppliers and we may not be able to procure sufficient quantity or quality of raw materials from our suppliers in a timely manner and at an acceptable price and this may adversely affect the business, results of operations and financial conditions.***

We source all of our raw materials from third party suppliers and our group companies. As of September 30, 2023, we had a network of about 80 suppliers for procurement of raw materials. If our existing suppliers are, temporarily or permanently, unable to provide us with the products as per our requirements, or at all, it may adversely affect our business operations. For our purchases from top five and top ten suppliers of our total purchases, are as follows:

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in million)	Percentage of Total Expenses (%)	Amount (₹ in million)	Percentage of Total Expenses (%)	Amount (₹ in million)	Percentage of Total Expenses (%)	Amount (₹ in million)	Percentage of Total Expenses (%)
Top 5 suppliers	1,105.65	90.61	1,191.84	66.71	1,980.62	88.99	1,774.42	94.24
Top 10 suppliers	1,164.97	95.47	1,410.82	78.97	2,052.58	92.23	1,818.68	96.59

Further we are related to some of our suppliers as disclosed in the “*Note 37 – Related Party Transactions*” in the chapter titled “*Restated Financial Statements*” on page 300 of this Draft Red Herring Prospectus. Further, we plan inventories of our products based on estimated customer demand. In the event of disruptions in the supplies of products from our suppliers, we may not be able to meet inventory requirements or be able to sell appropriate quantity of products, thereby leading to reduced sales and impaired results of operations. Our inventories and sales predictions are based on our ability to receive supply of goods in a timely manner. In the event of termination of our arrangement with our suppliers, there can be no assurance that we would be able to renew our arrangements in a timely manner or at commercially acceptable terms or be able to find alternate suppliers, who would be able to meet our qualitative and quantitative requirements.

The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass on these costs onto our customers, which may result in lower sales or reduce our profit margins. We face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on commercially acceptable terms, may adversely affect our business, financial condition and results of operations.

Although there have not been any material instances in the past of delays or failure in receipt of goods from our suppliers, an inability to obtain products of the requisite quality from our suppliers may adversely affect our sales and reputation of our brand. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins and adversely affect our results of operations.

***2. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties, which include purchases, sales, loans, advances and guarantees given by our Company. For further details, please see “*Note 37 – Related Party Transactions*” in the chapter titled “*Restated Financial Statements*” on page 300 of this Draft Red Herring Prospectus. Below table describes the related party transactions as percentage of revenue of operations

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in million)	Percentage of Total revenues (%)	Amount (₹ in million)	Percentage of Total revenues (%)	Amount (₹ in million)	Percentage of Total revenues (%)	Amount (₹ in million)	Percentage of Total revenues (%)
Related Party Transactions	5,868.50	378.00	2,982.49	118.92	2,748.14	100.93	2,117.87	99.25

We cannot assure you that we will receive similar terms in our related party transactions in the future. While we believe that all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Any further transactions with our related parties could involve conflicts of interest. Further, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. The related party transactions of our Company in the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and as at and for the six months period ended September 30, 2023 have been conducted and shall be conducted on an arm's length basis and are in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable law. Our Company has granted loans to certain Directors. In connection with such loans, there may be defaults and we cannot assure you that we will be able to recover the dues from such related parties, which shall adversely impact Company's financial condition and results of operations. We cannot assure you that in the future related party transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects, including as a result of potential conflicts of interest or otherwise.

***3. Our Manufacturing Facilities which we have agreed to take on lease are situated on agricultural land and if the same does not get converted into non-agricultural land, we may be required to vacate the premises and relocate our manufacturing Units to some other location or may be required to pay penalties which may have an adverse impact on our reputation, financial condition and operations.***

Both of our Manufacturing Facilities situated at (i) Survey No 80, Rirana Road, Piplej, Ahmedabad, Gujarat; and (ii) Block No 54, Opp Vinod Fabrics, Survey No 65 and 67, Laxmipura, Piplej, Ahmedabad are operating on the agricultural land agreed to be taken on leasehold basis from our Promoter, Sunil Agarwal. As per law, agricultural land should not be used for any commercial / industrial purposes without change in usage of such land into non-agricultural land. While no actions have been taken in relation to such violations, we may, in the future, be subjected to regulatory actions for the same including closure of our Manufacturing Facilities in which event we may be required to vacate the above premises and identify alternative premises, imposition of penalties and other penal actions against our Company, its Directors and KMPs, which may have an adverse impact on our reputation, business, results of operations and cash flows.

**4. If there are delays in setting up the Proposed Facilities or if the costs of setting up and the possible time or cost overruns related to the Proposed Facilities or acquisition of equipment for the Proposed Facilities are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.**

We are in the process of setting up two new manufacturing facilities to be located (i) at Survey No: 897 Moje Gam: Vansva, Taluka: Viramgam, Dist: Ahmedabad, Gujarat admeasuring about 22,557 sq. mtrs.; and (ii) Survey No: 916P Moje Gam: Vansva, Taluka: Viramgam, Dist: Ahmedabad, Gujarat admeasuring about 10,320 sq. mtrs. (collectively, the “**Proposed Facilities**”). Out of the Net Proceeds, ₹ 1,128.68 million is proposed to be utilized towards funding of capital expenditure requirements at Proposed Facilities. For further information in relation to the Proposed Facilities, please see “*Objects of the Offer*” on page 118, respectively of this Draft Red Herring Prospectus. The Proposed Facilities are expected to commence by March 2025. The completion of the setting up of the Proposed Facilities is dependent on our ability to arrange finance through Net Proceeds or otherwise, the performance of external agencies which are responsible for inter alia construction of buildings, installation and commissioning of plant and machinery and supply and testing of equipment. We cannot assure you that we will be able to arrange for such finance on time. Further, we cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. We may not be able to identify suitable replacement external agencies in a timely manner. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns. However, if we decide to raise additional funds through the issuance of equity or equity-linked instruments, the interests of our shareholders may be diluted. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business prospects could be adversely affected.

The estimated costs for setting up the Proposed Facilities are based on the certificates dated March 28, 2024 given by Sambhubhai Karkar, Independent Chartered Engineer, our management’s estimates and current conditions which are subject to change, owing to prospective changes in external circumstances, costs and other financial conditions. There could be delays in setting up the Proposed Facilities as a result of, amongst other things, requirement of obtaining approvals from statutory or regulatory authorities, contractors’ or external agencies’ failure to perform, exchange rate fluctuations, unforeseen engineering problems, disputes with workers, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, interest and finance charges, cost escalation and/ or force majeure events (including the continuing impact of the COVID-19 pandemic, geopolitical tensions, etc.), any of which could give rise to cost overruns and delays in our implementation schedules.

If the actual capital expenditures on setting up the Proposed Facilities significantly exceed our budgets, we may not be able to achieve the intended economic benefits of the Proposed Facilities, as applicable, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned commissioning of Proposed Facilities in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

The Proposed Facilities will require us to obtain various approvals, which are routine in nature including approvals such as consent to establish, consent for operations, fire-no objection certificate under applicable law in relation to the manufacturing facilities. There can however be no assurance that we will be able to obtain these registrations, licenses and approvals including approvals in relations to power and water procurement in a timely manner or at all, which could result in an adverse effect on our business, prospects and results of operations.

**5. 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.**

Our success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. Our ability to maintain our profitability depends on our ability to optimize the product mix, hence, the level of our capacity utilization can impact our operating results.

Our overall capacity utilization for manufacturing pack sets at Unit I and Unit II are as follows:

Units	Fiscal 2023			Fiscal 2022			Fiscal 2021		
	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization
Unit I	1,800,000	953,426	52.97%	1,800,000	1,500,624	83.37%	1,800,000	1,291,486	71.75%
Unit II	1,200,000	552,285	46.02%	1,200,000	875,416	72.95%	1,200,000	735,992	61.33%

*As certified by M/s. Ameer Engineer, Chartered Engineers, by way of their Certificate dated January 19, 2024*

For further information, see “*Our Business - Capacity and Capacity Utilization*” on page of this Draft Red Herring Prospectus.

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at our manufacturing facilities, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by, our distributors. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of water, 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 facilities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. Our proposed expansion plans are based on demand forecasts that are subject to various assumptions including product trends in the industry and management estimates that are based on prevailing economic conditions. Adequate utilization of our expanded capacities is therefore subject to various factors beyond our control and in case of oversupply in the industry or lack of demand, we may not be able to utilise our expanded capacities efficiently. The success of any capacity expansion and expected return on investment on capital invested is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise and utilize the expanded capacities as anticipated. Please also see “Risk Factor no. 4 - *If there are delays in setting up the Proposed Facilities or if the costs of setting up and the possible time or cost overruns related to the Proposed Facilities or acquisition of equipment for the Proposed Facilities are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.*” On page 45 of this Draft Red Herring Prospectus.

**6. Major portion of our revenues are derived from exports to the United States of America, Canada and other overseas regions any adverse developments in these market or restrained economic or political relations of India with the United States of America or International community could adversely affect our business.**

We have historically derived a significant portion of our revenues from exports to the United States of America, Canada and other overseas regions. The details of the contribution of the exports to our revenue from operations are as under:

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹)	(%)	(₹)	(%)	(₹)	(%)	(₹)	(%)
Domestic market	45.81	3.03	468.70	18.93	69.79	2.62	106.72	5.11
International market	1,467.88	96.97	2,006.91	81.07	2,598.42	97.38	1,983.24	94.89
<b>Total</b>	<b>1,513.69</b>	<b>100.00</b>	<b>2,475.61</b>	<b>100.00</b>	<b>2,668.21</b>	<b>100.00</b>	<b>2,089.96</b>	<b>100.00</b>

The details of country-wise bifurcation of our revenue from operations are as under:

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹)	%	(₹)	%	(₹)	%	(₹)	%
United States of America	626.67	41.40	806.68	32.59	1,331.53	49.90	897.90	42.96
Canada	258.22	17.06	81.19	3.28	346.34	12.98	293.95	14.06
United Kingdom	128.97	8.52	89.62	3.62	101.13	3.79	57.38	2.75
Israel	115.33	7.62	127.63	5.16	95.05	3.56	118.50	5.67
Australia	92.96	6.14	475.82	19.22	180.60	6.77	104.15	4.98
Italy	40.25	2.66	11.20	0.45	3.32	0.12	7.36	0.35
Germany	19.40	1.28	20.09	0.81	60.81	2.28	85.32	4.08
Others <sup>(1)</sup>	46.58	3.08	214.72	8.67	255.36	9.57	229.98	11.00
<b>Total</b>	<b>1,467.87</b>	<b>96.97</b>	<b>2,006.88</b>	<b>81.07</b>	<b>2,598.42</b>	<b>97.38</b>	<b>1,983.24</b>	<b>94.89</b>

<sup>(1)</sup> Others includes New Zealand, El-Salvador, Spain, Switzerland, Finland, Guatemala, Chile, Colombia, Poland, Netherland, Venezuela, Peru, Romania, Belgium, Slovak Republic, Columbus, Czech Republic, Sweden and Hungary.

Accordingly, any materially adverse social, political or economic development, natural calamities, civil disruptions, regulatory developments or changes in the policies of the government in the USA or other foreign countries could adversely affect our manufacturing and distribution activities, result in modification of our business strategy or require us to incur significant capital expenditure, which will in turn have a material adverse effect on our business, financial condition, results of operations and cash flows. Our failure to comply with and adapt to changing international regulations and/or trends may result in us failing to maintain and/or expand our international sales operations, which could adversely affect our business, financial condition and results of operations. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

**7. Our Company has extended corporate guarantee to secure the debt facilities availed by some of our Promoter Group entities. In the event any such corporate**

Our Company has given security and corporate guarantee for securing the borrowings availed by some of our Promoter Group entities, details whereof are as follows:

(Amount ₹ in Million)



Name of Promoter Group entity	Lender	Nature of facility	Amount Sanctioned	Amount covered under guarantee/ security
White Water Exim Pvt.Ltd.	HDFC Bank	Letter of Credit, SB LC for BC, PSR, TL for Gift City	300.00	300.00
HYS Developers LLP	HDFC Bank	Term Loan, Cash Credit	205.00	205.00
HYS Industries Pvt Ltd	State Bank of India	Term Loan, Cash Credit	2,250.00	2,250.00
HYS Industries Pvt Ltd	Bank of Baroda	Term Loan, Cash Credit, Sub-limit BG and LC	600.00	600.00
HYS Industries Pvt Ltd	HDFC Bank	Term Loan, Letter of Credit, Sub-limit Cash Credit	1,100.00	1,100.00
		<b>Total</b>	<b>4,455.00</b>	<b>4,405.00</b>

In the event any of default under any of the aforesaid facilities, there is a risk that the relevant lender for such facilities may require to invoke our Company's guarantee(s) or require additional guarantees or collateral or may enforce its rights against our Company. In addition, we may be required to liquidate our investments and other assets to settle the claims of the lenders which in turn may have an adverse impact on our business, the financial condition, results of operations, cash flows and prospects.

**8. We operate out of two Manufacturing Facilities which are located at Ahmedabad, Gujarat, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around Ahmedabad, Gujarat or any disruption in production at, or shutdown of, our manufacturing facilities could have material adverse effect on our business and financial condition.**

We currently operate out of two manufacturing facilities are located in Ahmedabad, Gujarat which have been agreed to be taken on leasehold basis. Further, the Proposed Facilities by our Company are also intended to be set up in Ahmedabad, Gujarat. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the state government or state or local governments in this region could adversely affect manufacturing operations, and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Our business is dependent upon our ability to manage our manufacturing activities, which are subject to various operating risks, including political instability, productivity of our workforce, compliance with applicable laws, difficulties with production costs and yields, product quality and those beyond our control, such as the breakdown and failure of equipment or industrial accidents, disruption in electrical power or water resources, severe weather conditions, natural disasters and an outbreak of pandemic such as COVID-19. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Moreover, some of our products are permitted to be manufactured only at such facility which has received specific approvals, and any shutdown of such facility will result in us being unable to manufacture a product for the duration of such shutdown. Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could lead to delays in the entire production cycle and an inability to comply with our customers' requirements and lead to loss of revenue to us and our customers.

We cannot assure you that we will not experience disruptions in work in the future due to disputes or other problems with our work force. Any labor unrest directed against us, could directly or indirectly

prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations, which in turn could adversely affect our business, results of operations, financial condition and cash flows.

**9. Our Directors, Promoters and members of the Promoter Group members may enter into ventures that may lead to real or potential conflicts of interest with our business.**

The interests of our Directors, Promoters and members of the Promoter Group may conflict with the interests of our other Shareholders due to their involvement in other ventures that may compete with our business or may benefit from preferential treatments when doing business with our Company. Our Directors or Promoters or members of Promoter Group, as applicable, may due to their involvement in other ventures as aforesaid, have conflict of interest, real or potential, with our business 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. Certain entities controlled by our members of the Promoter Group deals in similar line of business. For instance, our Promoter Group entities namely, Raghuvir Synthetic Limited, Raghuvir Lifestyle Private Limited, Raghukaushal Textile Private Limited, Dreamsoft Bedsheets Private Limited, HYS Industries Private Limited, RSL Dyecot Private Limited and The Sagar Textile Mills Limited are authorized by their respective constitutional documents to engage in business similar to that of our Company. Although, as on date of this Draft Red Herring Prospectus, the aforesaid Promoter Group entities are not engaged in the same business segment as our Company, conflicts of interests may arise in allocating business opportunities among our Company and the aforesaid Promoter Group entities in circumstances where our respective interests diverge. There can be no assurance that our Directors, Promoters or any company/ firm controlled by our Promoters, members of the promoter group, will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations, cash flows and financial condition. For further details of our Group Companies, see "Our Group Companies" beginning on page 229.

**10. We are dependent on a few customers for a major part of our revenues. Further we do not enter into long-term arrangements with our customers and any failure to continue our existing arrangements could adversely affect our business and results of operations.**

We are engaged in the business of processing semi-finished fabrics into finished fabrics. Our Company has been in existence for over three decades and manufactures home textile products such as bedsheets, pillowcase, duvet cover, comforter, quilts, curtains, which are sold to our customers in the form of pack sets. While the customer may vary annually, we are dependent on the contribution of our top 10 customers every year. Consequently, our business and financial condition in any given financial year is reliant on our top 10 customers. Our revenue from operations from our top 10 customers for the period ended September 30, 2023 and during Fiscal 2023, Fiscal 2022, and Fiscal 2021 is set out below:

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in million)	Percentage of Total Expenses (%)	Amount (₹ in million)	Percentage of Total Expenses (%)	Amount (₹ in million)	Percentage of Total Expenses (%)	Amount (₹ in million)	Percentage of Total Expenses (%)
Customer 1	132.41	8.75	350.73	14.17	315.15	11.81	233.08	11.15
Customer 2	109.27	7.22	214.88	8.68	190.01	7.12	154.36	7.39
Customer 3	104.34	6.89	196.42	7.93	180.11	6.75	138.14	6.61
Customer 4	86.21	5.70	144.75	5.85	164.87	6.18	97.23	4.65
Customer 5	80.39	5.31	125.07	5.05	140.62	5.27	92.74	4.44

Customer 6	75.36	4.98	114.49	4.62	109.29	4.10	79.75	3.82
Customer 7	67.06	4.43	95.85	3.87	102.73	3.85	76.75	3.67
Customer 8	66.49	4.39	89.50	3.62	80.41	3.01	69.17	3.31
Customer 9	61.27	4.05	72.51	2.93	66.64	2.50	62.36	2.98
Customer 10	52.90	3.49	71.39	2.88	63.51	2.38	56.17	2.69
<b>Total</b>	<b>835.71</b>	<b>55.21</b>	<b>1,475.57</b>	<b>59.60</b>	<b>1413.34</b>	<b>52.97</b>	<b>1059.73</b>	<b>50.71</b>

Since our business is concentrated among relatively few significant customers, we could experience a reduction in our results of operations, cash flows and liquidity if we lose one or more of these customers or the amount of business we obtain from them is reduced for any reason, including but not limited on account of any dispute or disqualification. We presently do not have any long-term or exclusive arrangements with any of our customers. We cannot assure you that we will be able to sell the quantities we have historically supplied to such customers. In the event our competitors' products offer better margins to such customers or otherwise incentivize them, there can be no assurance that our customers will continue to place orders with us. Most of our transactions with our customers are typically on a purchase order basis without any commitment for a fixed volume of business. There can also be no assurance that our customers will place their orders with us on current or similar terms. Further, our customers could change their business practices or seek to modify the terms that we have customarily followed with them, including in relation to their payment terms. In addition, our customers may also cancel purchase orders at short notice or without notice, which could have an impact on our inventory management. In the event of frequent cancellations of purchase orders, the same could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Although our Company maintains long-term relationship with our customers, there can be no assurance that we will continue to maintain such relationship with our customers in the future. Further, in the event our customers experience any delays in placing orders with us, or if they prefer to buy the products of our competitors, it could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows. Our inability to maintain our existing customer network could have a negative impact on our revenue, business growth prospects, result in slowdown of operation, financial conditions and cash flows. Further, the performance of our customers, their sales network and their ability to expand their businesses are crucial to the future growth of our business and directly affect our sales volume and profitability. If any of our customer fails to sell our products to the end customers, or if our relationships with our customers are affected, our profitability could be affected.

***11. We intend to utilise a portion of the Net Proceeds for acquiring land and funding our capital expenditure requirements. We are yet to execute definite agreements for acquisition of land and place orders for such capital expenditure machinery.***

We intend to utilise a portion of the Net Proceeds for funding two new manufacturing facilities located at Survey No: 897 Moje Gam: Vansva, Taluka: Viramgam, Dist: Ahmedabad, Gujarat admeasuring about 22,557 sq. mtrs. and Survey No: 916p Moje Gam: Vansva, Taluka: Viramgam, Dist: Ahmedabad, Gujarat admeasuring about 10,320 sq. mtrs. ("**Proposed Facilities**"). Out of the Net Proceeds, we intend to utilize ₹ 427.40 million towards acquisition of land for setting up the Proposed Facilities which constitutes 37.87% of our Net Proceeds. We have entered into Memorandum of Understanding (MoU) dated March 29, 2024 with the existing landowners for acquiring the said parcels of land but are yet to execute definite agreements in relation to such acquisition. Further, orders worth ₹ 128.28 million, which constitute 100% of the total estimated costs of the stitching equipment in relation to setting up the Proposed Facilities are yet to be placed. There can be no assurance that we will be able to place orders for such stitching equipment, in a timely manner or at all. We have not entered into any definitive agreements to utilize the Net Proceeds for these objects of the Offer and have relied on the quotations received from third parties for estimation of the cost. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors.

Additionally, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. For further details, please see “*Objects of the Offer – Estimated Cost*” on page 120 of this Draft Red Herring Prospectus.

The objects of the Offer have not been appraised by any bank or financial institution, and our funding requirement is based on current conditions, internal estimates, estimates received from the third party agencies and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Such internal estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. 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, and may have an adverse impact on our business, results of operations, financial condition and cash flows. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds. Further, pursuant to Section 27 of the Companies Act, 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, at such price and in such manner in accordance with applicable law.

Our Company, in accordance with the applicable law and to attain the objects set out above, will have the flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds within one or more scheduled commercial banks included in the Second Schedule of RBI Act as may be approved by our Board. We will appoint a monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

***12. Our Promoters have extended personal guarantees in connection with the debt facilities availed by our Company and some of our Promoter Group entities. There can be no assurance that such personal guarantee will be continued to be provided by our Promoters in future or can the same be invoked at any time, affecting our financial arrangements.***

As on the date of Draft Red herring Prospectus, our Promoters, Sunil Agarwal, Yash Agarwal and Hardik Agarwal have provided personal guarantees to secure our borrowings which are continuing as on date and details whereof have been provided below:

(₹ in million)

Name of the Lender	Nature of facility	Amount Sanctioned	Amount guaranteed	Date	Amount outstanding as on February 29, 2023
HDFC Bank Limited	Bank Guarantee, Letter of Credit, Pre-Shipment Credit, Post-Shipment Credit, Cash	1,846.90	1,846.90	December 06, 2023	1,134.39

	Credit, WC Term Loan, Foreign Bill Discounting, Capex LC				
--	--	--	--	--	--

Further, our Promoters have also provided guarantees for securing the borrowings of our promoter group entities, details whereof are as follows:

(Amount ₹ in million)

Name of Borrower	Lender	Nature of facility	Amount Sanctioned	Amount guaranteed
Raghuvir Synthetics Ltd	HDFC Bank	Bank Guarantee, Derivative, WC Term Loan, Capex LC	700.40	700.40
White Water Exim Pvt Ltd	HDFC Bank	Letter of Credit, SB LC for BC, PSR, TL for Gift City	300.00	300.00
HYS Developers LLP	HDFC Bank	Term Loan, Cash Credit	205.00	205.00
HYS Industries Pvt Ltd	State Bank of India	Term Loan, Cash Credit	2,250.00	2,250.00
HYS Industries Pvt Ltd	Bank of Baroda	Term Loan, Cash Credit	600.00	600.00
HYS Industries Pvt Ltd	HDFC Bank	Term Loan, Cash Credit	1,100.00	1,100.00
<b>Total</b>			<b>5,155.40</b>	<b>5,155.40</b>

In the event any of default under any of the aforesaid facilities, there is a risk that the relevant lender for such facilities may require invoke our Promoters' guarantee(s) or require additional guarantees or collateral or may enforce its rights against our Promoters. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. In addition, our Promoters may be required to liquidate their respective shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. Accordingly, our business, the financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters in connection with our Company's borrowings.

***13. There have been some instances of incorrect filings with the Registrar of Companies and other non-compliances under the Companies Act in the past which may attract penalties.***

In the past, our Company has undertaken business activities which were beyond the scope of the object clause provided in our Memorandum, as applicable at the relevant time. Originally, our Company was incorporated with the object of inter alia undertaking activities related to trading and merchandise of various kinds of goods. From the year 2004 onwards, our Company ventured into the field of manufacturing of semi-finished fabrics into finished fabrics without being duly authorized in that regard by our Memorandum. As per law, acts that are ultra vires a company's memorandum of association will not be binding on the company and the directors would be personally liable for such acts. Pursuant to the special resolution passed by the members of our Company on May 27, 2023, the Memorandum of our Company has been altered so as to include manufacturing / processing of semi-finished fabrics into finished fabrics. While our Company has not suffered any liability or action in relation to such acts, we cannot assure you that no such liabilities will be incurred, or no actions will

be taken against our Company or our Directors in relation to the ultra vires acts which in turn could have an adverse impact on our reputation, business, financial condition and results of operations.

Further, there have been certain discrepancies in relation to statutory filings required to be made by us with the RoC under applicable laws, as well as certain other non-compliances incurred by us under the Companies Act, details whereof are provided below:

- Our Company has filed adjudication application before the office of the Registrar of Companies, Gujarat at Ahmedabad for certain factual errors/ incomplete information which was provided inadvertently in the Annual Returns the financial years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12.
- The Directors Reports of our Company for the period Financial Year 2007-08 till Financial Year 2016-17 have not been signed in the manner as prescribed by law being signed by a single director who was not the Chairman of our Company.
- Our Company has filed Forms 23/Form MGT-14 with RoC with delay in respect of various resolutions passed at the meetings of our members and Board.
- During the financial year 2021-22, our Company has taken loans in excess of the limits approved by our members under their resolution passed under section 180 of the Companies Act, 2013.
- Our Company has in the past granted loans to our Managing Directors in excess of the limits approved by the members of our Company.
- Our Company has on two occasions in the past created dual charge in respect of the same borrowing availed by our Company by filing multiple Form CHG-1.
- Our Company has not complied with the provisions of section 185 of the Companies Act, 2013 with respect to the loan given to our directors Promoters for the vehicle purchased by them.
- Certain forms filed by our Company have been filed in delay.

Although, no regulatory action, fine or penalty has been taken/ levied on our Company for the abovementioned purported default / non-compliance, however, it cannot be assured that no such regulatory action, fine or penalty will be taken/ levied in the future. Further, we cannot assure you that such non-compliances will not occur in the future. Therefore, if the concerned authorities impose monetary penalties on us or take certain punitive actions against our Company or its directors/ officers in relation to the same, our business and financial condition could be adversely affected.

***14. We have been unable to locate certain of our historical corporate records.***

Our Company was incorporated in 1992 and certain corporate records and documents and documents filed by us with the RoC are not traceable. The secretarial records such as certain past allotments of Equity Shares made by our Company, share transfer forms, could not be traced. While we have conducted searches of our records at our Company's registered office and on the MCA portal maintained by the Ministry of Corporate Affairs, we have not been able to trace the aforementioned corporate records. In this regard, we have also relied on the search report dated November 19, 2023 prepared by Premnarayan Ramanand Tripathi of M/s. PRT & Associates, Companies Secretaries an Independent Practicing Company Secretary, which was prepared basis their physical search of the documents available with the Registrar of Companies and search of the information and records available on the portal of the Ministry of Corporate Affairs. Accordingly, we have included the details of the build-up of the share capital of the Company and the build-up of the Promoters' shareholding in our Company in this DRHP, by placing reliance on other corporate records such the annual reports filed by corporate entities who were the erstwhile shareholders of our Company and the documents such as Annual Return filed by our Company with the Registrar of Companies. As the relevant information was not available in the records maintained by our Company, at the MCA Portal maintained by the Ministry of Corporate Affairs or at the physical office records maintained by the RoC, a complaint with regard to the missing documents was lodged by us with the Bopal Police Station, Ahmedabad on

October 17, 2023, wherein we have reported that our Company is unable to find any and all corporate records from our incorporation till the year 2014.

We cannot assure you that the filings were made in a timely manner or at all. We cannot assure you that, in future, we will not be subjected to any liability on account of non-availability of such records. Although no legal proceedings or regulatory actions have been initiated or pending against us in relation to such untraceable secretarial and other corporate records and documents, if we are subject to any such liability, it may have a material adverse effect on our reputation, financial condition, cash flows 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.

**15. There may be outstanding litigations and regulatory proceedings by and against our Company, Directors and Promoters. Any adverse outcome from such legal proceedings may impact our reputation, business, cash flows, financial condition, and results of operations.**

There are outstanding litigations involving our Directors and Promoters which are pending at various levels before various courts, tribunals and other regulatory authorities. As on the date of this Draft Red Herring Prospectus, we do not have any group companies. These outstanding litigations may use up management's attention and time and consume financial resources for defence and prosecution. The amounts claimed in these proceedings, jointly and severally, have been disclosed to the extent that such amounts are ascertainable and quantifiable, as applicable. Any unfavourable decision in connection with such proceedings could adversely affect our reputation, business, financial condition and results of operations. The summary of such outstanding legal and regulatory proceedings as on the date of this Draft Red Herring Prospectus is set out below:

Name of the Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoter	Material civil litigations	Aggregate amount involved (INR in Million)
<b>Company</b>						
By the Company	-	-	-	-	-	-
Against the Company	-	5	1	-	-	14.00
<b>Directors</b>						
By the Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
<b>Promoter</b>						
By the Promoter	-	-	-	-	-	-
Against the Promoter	-	7	1	-	-	28.23
<b>Group Companies</b>						
Outstanding litigation which may have a material impact on our Company	-	-	1	-	-	0.004

<sup>^</sup> To the extent quantifiable.

\* It includes labour case amounting to ₹2.25 million, the order for which is yet to be passed by Hon'ble Court and thus it does not form part of contingent liability as disclosed in the "Note 35 –

*Contingent Liabilities*” under the chapter “*Restated Financial Statements*” on page 295 of this Draft Red Herring Prospectus.

We will not be able to assure that any of these on-going matters will be settled in favour of our Directors or Promoters, as the case may be, or that no additional liability will arise out of these proceedings. The amounts and claims involved in these pending litigations are not ascertainable or quantifiable. Further, we will not be able to assure that there will be no new legal and regulatory proceedings involving our Company, Directors or Promoters in the future. Any adverse effects arising from the legal proceedings may have an impact on the business, financial conditions and results of operations. For further details, see “*Outstanding Litigation and Other Material Developments*” on page 373.

**16. We have experienced negative cash flows in relation to our investing and financing activities in the last three fiscals. Any negative cash flows in the future would adversely affect our results of operations and financial condition.**

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

Particulars	For the period ended September 30, 2023	₹ in million		
		Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash used/ generated from operating activities	(221.11)	326.04	16.31	19.34
Net cash used/ generated from investing activities	(115.22)	(175.74)	(14.47)	(30.32)
Net cash used/ generated from financing activities	291.52	(168.35)	79.57	1.07

The reason for negative cash flows from operating activities during the period ended on September 30, 2023 is due to increase in trade receivables and the loans given by our Company during the said period. There can be no assurance that our net cash flows shall be positive in the future. Any negative cash flows in the future over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 236 and 342, respectively.

**17. Our Promoter and Joint Managing Director, Sunil Agarwal is unable to trace his degree certificate and we have relied on affidavits furnished by him for such details of his profile.**

There are certain missing documents in relation to the educational qualifications of our Promoter, and Joint Managing Director, Sunil Agarwal. Sunil Agarwal has graduated from H.A. College of Commerce, Ahmedabad, Gujarat. However, he is unable to trace his degrees certificate. Accordingly, the BRLM has relied on the affidavit submitted by Sunil Agarwal have incorporated the relevant information in this Draft Red Herring Prospectus and have not been able to independently verify such information due to the non-availability of records. We cannot assure you that we will not be subject to risks arising from the unavailability of such record.



**18. Any delay, interruption, or reduction in the supply of key raw materials such as grey fabrics, cotton yarn, finished fabrics and packing material required to manufacture our products may adversely affect our business, results of operations, cash flows and financial condition.**

Our operations are dependent on us having an uninterrupted and sufficient supply of key raw materials such as grey fabrics, cotton yarn, finished fabrics and packing material, amongst others. This is affected by factors beyond our control, such as shortages in supply of raw materials, interruptions affecting suppliers, operational and industrial relations, transportation difficulties, accidents and natural disasters affecting suppliers, and introduction of new laws and regulations that may make access to these raw materials more expensive.

The table below provides our cost of materials consumed as a percentage of our total expenses in relevant periods:

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in million)	Percentage of Total Expenses (%)	Amount (₹ in million)	Percentage of Total Expenses (%)	Amount (₹ in million)	Percentage of Total Expenses (%)	Amount (₹ in million)	Percentage of Total Expenses (%)
Cost of materials consumed	1,011.75	73.29	1,202.66	53.47	1,772.74	67.39	1,025.98	50.87

A significant part of our raw materials used in the manufacture of our products, including grey fabrics and semi-finished fabrics which are the primary raw material used in our pack sets. We also import some portion of our raw materials from suppliers located in Hong-Kong, Italy and China. Break up of raw materials sourced from domestic and overseas market is provided below:

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹)	(%)	(₹)	(%)	(₹)	(%)	(₹)	(%)
Domestic purchases	1,013.47	99.97	1,783.49	99.83	2,225.38	99.99	1,882.65	99.99
International purchases	0.26	0.03	3.12	0.17	0.17	0.01	0.20	0.01
<b>Total</b>	<b>1,013.72</b>	<b>100.00</b>	<b>1,786.61</b>	<b>100.00</b>	<b>2,225.55</b>	<b>100.00</b>	<b>1,882.85</b>	<b>100.00</b>

Any restrictions, either from the GoI or any state or provincial government or governmental authority, or from restrictions imposed by any other applicable authorized bilateral or multilateral organizations, on such imports from jurisdictions in which our principal suppliers are located, may adversely affect our business, results of operations and prospects. While we have not experienced the aforesaid restrictions with respect to import of leather from Europe in the last three Fiscals, other than due to the restrictions on account of COVID-19, we cannot assure that such instance will not arise in the future.

In addition, we do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from such third-party suppliers on purchase order basis. Pricing is typically negotiated for each purchase order. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs on to our customers, which may impact our results of operations. Any interruption to our

access to raw materials necessary for our operations could affect our profitability and ability to price our products and services at a competitive price.

Further, if we cannot fully offset an increase in the prices of our products, we will experience lower margins. The occurrence of any such event may adversely affect our business, results of operations, cash flows and financial conditions. While in the past there have been no instances of payment delays payable to our suppliers. We cannot assure you that there will be no defaults or failures in paying our suppliers in the future. If there are any defaults or failures in making any payments due to our suppliers, this could cause our suppliers to terminate their relationship with us, or resort to litigation to recover any amounts due. In such a situation, we cannot assure you that we will be able to obtain alternative suppliers on similar terms or on terms acceptable to us, and our business, financial condition and results of operations may be adversely affected. The financial instability of suppliers, labour problems experienced by suppliers, disruption in the transportation of the raw materials by suppliers, including as a result of labour slowdowns, transport availability and cost, transport security, inflation and other operational factors relating to suppliers are beyond our control. We cannot assure you that we will be able to continue to obtain adequate supplies of raw materials, in a timely manner, in the future.

***19. Majority of our Independent Directors do not have prior experience of directorship in any of companies listed on recognized stock exchanges, therefore, they will be able to provide only a limited guidance in relation to the affairs of our Company post listing.***

Except for Sweta Panchal, our Independent Director, our remaining Independent Directors do not have prior experience as directors of companies listed on recognized stock exchanges. While our Executive Directors have experience in the textile industry, directors of listed companies have a wide range of responsibilities, including, among others, ensuring compliance with continuing listing obligations, monitoring and overseeing management, operations, financial condition and trajectory of the company. We cannot assure you that our Directors will be able to adequately manage our Company after we become a listed company, due to their lack of prior experience as directors of companies listed on recognized stock exchanges. Accordingly, we will get limited guidance from them and accordingly, may fail to maintain and improve the effectiveness of our disclosure controls, procedures and internal control as required for a listed entity under the applicable law. For further details, please see chapter titled “*Our Management*” on page no. 200 of this Draft Red Herring Prospectus.

***20. If we are unable to maintain an optimal level of inventory, our business, results of operations and financial condition may be adversely affected.***

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in our forecast could result in either surplus stock, which we may be unable to maintain an optimal level of inventory, our inventory may become obsolete and we may be subject to pricing pressure to sell our inventory and provide our services at a discount which could have an adverse effect on our business, results of operations and prospects. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a full range of products at our Units. The table below sets forth details of certain parameters as of the dates indicated:

<b>Particulars</b>	<b>As at September 30, 2023</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Inventory as a percentage of	23.83	25.61	28.79	33.21

Total Current Assets (%)				
Inventory as a percentage of Revenue from operations (%)	22.83	11.29	12.98	14.96
Total Payables	23.39	27.96	77.34	38.74
Total Payables (%)	1.55	1.13	2.90	1.85

For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 342.

While we aim to avoid under-stocking and over-stocking through use of our information technology system, our estimates and forecasts may not always be accurate. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we under-stock inventory, our ability to meet customer demand may be impaired. If we over-stock inventory, our capital requirements may increase and we may incur additional financing and storage costs. Any unsold inventory may have to be sold at cost price or lower than cost price or discarded, potentially leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition.

***21. We require several approvals, licenses, registrations and permits for our business and are required to comply with certain rules, regulations and conditions to operate our business and failure to obtain, retain or renew such approvals and licences in a timely manner or to comply with the requisite rules, regulations and conditions may adversely affect our operations.***

Our operations are subject to government and statutory regulations, and we are required to obtain and maintain several permits, consents and regulations and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business. For details of approvals relating to our business and operations, see “*Government and Other Approvals*” on page 296. Several of these approvals are granted for a limited duration. While we have obtained the necessary and material approvals, licenses, registrations and permits from the relevant authorities, there could be instances where we may not have applied, obtained or applied with a delay for certain requisite approvals applicable to us. For instance, we do not have the necessary the registration certificate required under the under Gujarat Legal Metrology (Enforcement) Rules, 2011 in respect of our Manufacturing Facilities for the period March 2004 till date (for Unit I) and for the period June 2014 till date (for Unit II). Further, we did not have the Registration as Principal Employer for our Manufacturing Facilities under the provisions of Contract Labour (Regulation and Abolition) Act, 1970 for the period March 2004 till February 2024 (for Unit I) and for the period June 2014 till February 2024 (for Unit II). Furthermore, we did not hold certificate of registration under Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019 till January 2024 in respect of our registered office.

While no further actions have been taken in relation to such violations mentioned above, we may, in the future, be subjected to regulatory actions for any violations including closure of our unit, imposition of penalties and other penal actions against our Company and key personnel, which may have a negative impact on our business, reputation, results of operations and cash flows. We also need to apply for renewal, from time to time, of some such approvals, licenses, registrations and permits, which expire or seek fresh approvals, as and when required, in the ordinary course of our business. While we generally apply for the renewal of approvals in a timely manner, we cannot assure that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are

not able to renew the approvals in a timely manner, our business and operations may be adversely affected. There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could adversely affect our related operations. Further, under such circumstances, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/ penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects.

**22. We have delayed in payments of certain statutory dues and have also paid interest and fees towards such delayed payments in the past.**

For the last three Fiscals, our Company has delayed at various instances in making payments of statutory dues for Tax Collected at Source, Tax Deducted at Source, Professional Tax, Provident Fund, Employee State Insurance Scheme, Goods and Service Tax. The range of delays in payment of statutory dues are as follows:

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	<b>Range delayed Lowest - Highest (in days)</b>			
Tax Collected at Source	-	-	-	0-5
Tax Deducted at Source	9-140	8-151	5-172	3-290
Professional Tax	0-2	-	-	0-10
Provident Fund	-	-	3-182	0-13
Employee State Insurance Scheme	-	-	0-1	0-13
Goods and Service Tax	-	-	-	3-34

There can be no assurance that delays or default with respect to payment of statutory dues will not occur in the future or that our audit reports for any future fiscal years will not contain any qualifications, matters of emphasis or other observations on account of such delay/default which in turn may affect our reputation and financial results.

**23. We engage contract labourers at our Units and any failure by the vendors from whom such contract labourers are engaged to pay wages or dues on time could subject us to financial liability, in turn adversely impacting our profitability and results of operations.**

For undertaking our manufacturing operations, we engage certain contract labourers at our Units. The average number of contract labourers hired by us in the last fiscal was about 350 per month.

Under the applicable laws, we are recognised as the principal employer for such contractual labour engaged at our Units and we maintain necessary licenses under the Contract Labour (Regulation and Abolition) Act, 1970. While we do not have any outstanding notices from regulatory authorities for non-payment of wages to contract labourers, there is no assurance that we would not be subject to liabilities in future. Any such future liabilities may adversely impact our profitability and require us to make unscheduled or unanticipated payments to contract labourers, thereby adversely impacting our results of operations and financial conditions.

**24. Our Manufacturing Facilities are held by us on leasehold basis. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition, cash flows and prospects may be adversely affected.**

Our Manufacturing Facilities out of which we operate are agreed to be taken by us on leasehold basis, details whereof are as under:

Particulars	Term	Lessor	Relationship with Lessor
<b>Unit I:</b> Block No 54 Paiki Survey No. 65 and 67 admeasuring 43,705 Sq. Meters, Laximpura, Tulka Dascroi, Dist. Ahmedabad	11 months and 29 days	Sunil Agarwal	Promoter
<b>Unit II:</b> Survey No. 80 Paiki-2 Admeasuring 5 Acres, 24,079 Sq. Meters, Piplej, Taluka Ahmedabad	11 months and 29 days	Sunil Agarwal	Promoter

Such lease arrangement are subject to several conditions, some of which could be onerous and failure to adhere to or comply with such conditions which may lead to termination, revocation or suspension of the relevant lease. We cannot assure you that we will not default with the terms and conditions of the lease arrangement. We cannot assure you that we shall continue to be able to operate out of our existing premises or renew our existing licenses at favourable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. Further, we may also face the risk of being evicted in the event that our lessor allege a breach on our part of any terms under these license agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations. Moreover, we may face significant increases in the license / rental rates. We cannot assure you that we may be able to do so in a timely manner. If we lose our rights on leased properties or are required to negotiate terms or to relocate our business operations or shut down our manufacturing facilities, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

**25. While our Company will receive proceeds from the Fresh Issue, it will not receive any proceeds from the Offer for Sale portion, and the Promoter Selling Shareholder, including certain members of our Promoter Group, shall be entitled to the Offer Proceeds to the extent of the Equity Shares offered by them in the Offer for Sale.**

In addition to the Fresh Issue component from which our Company will receive proceeds, the Offer includes an Offer for Sale by the Promoter Selling Shareholder. The Promoter Selling Shareholder will receive the entire proceeds from the Offer for Sale (after deducting the applicable Offer Expenses) and our Company will not receive any part of such proceeds from the Offer for Sale. The proceeds from the transfer of the Offered Shares, shall be paid to the Promoter Selling Shareholder, in proportion to their respective portions of the Offered Shares. For more information, see “Objects of the Offer” on page 108.

***26. We have incurred indebtedness and are required to comply with certain covenants based on documentation entered into with the lenders. Our inability to meet our obligations, including financial and other covenants, under our financing arrangements could adversely affect our business, results of operations, financial condition and cash flows. Further, the terms of our financing arrangements contain various covenants that may limit our business activities.***

The terms of our financing arrangements contain, and our future financing arrangements with lenders may contain, various restrictive covenants that limit our management's discretion in operating our business. In particular, these agreements include, or may include, inter alia, covenants relating to limitations on amendment of memorandum of association or articles of association, change to the ownership, control, composition of the board, constitution or the management structure, including resignation of a director or key managerial personnel or senior managerial personnel, changes in capital structure, controlling interest and/or any dilution of the shareholding of principal shareholders, changes in the remuneration payable to the board of directors of the Company. In addition, our financing arrangements require us to comply with certain financial covenants as well as information covenants. Such restrictions could limit our ability to respond to market conditions, to provide for unanticipated capital investments or to take advantage of business or acquisition opportunities. Compliance with these covenants may prevent us from pursuing opportunities that we believe would benefit our business, including opportunities that we might pursue as part of our plans to expand our store base, our product offerings, and sales channels. Some of our financing agreements also contain cross-default clauses, which are triggered in the event of default of one or more terms of the respective financing agreements by our Company under the respective financing agreements. As on February 29, 2024, our total outstanding borrowings stood at ₹1,150.29 million.

***27. Pricing pressure from our competitors may affect our ability to maintain or increase our product prices and, in turn, our revenue from product sale, gross margin and profitability, which may materially and adversely affect our business, cash flows, results of operations and financial condition.***

In the recent past many companies in the textile industry have ramped up their capacities to encash opportunities arising from favourable regulatory changes such as incentives under the textile policies in India, under mega integrated textile parks, textile clusters developers scheme etc. Additional capacities coming up are expected to increase competition amongst players in the textile industry and we may face pressures on pricing, product quality, turnaround time, order size etc., which may put strain on our profit margins. We arrive at a pricing for each of our products a detailed mechanism that takes into consideration, a range of factors, including costs incurred in connection with procurement, exclusive availability of the product and other ancillary expenses. We strive to ensure that our products remain in line with current market trends yet affordable for our customers. We manage and regulate the prices at which our products are sold. Competitive pricing by our competitors may manifest in various forms, including, among others, through our competitors lowering their prices for similar products. This may lead to a decrease in our revenues and profits. We may seek to reduce the price of our raw materials and production through negotiations with our suppliers, respectively, and streamline product designs to offset the impact of pricing pressure.

For further details, see "Risk Factors- *Our failure to compete effectively in the highly competitive industry could have an adverse effect on our business, results of operations, financial condition and future prospects.*" On page 63. We cannot assure you that we will be able to avoid future pricing pressure from our competitors or offset the impact of any price reductions through continued technological improvements, improved operational efficiencies, cost-effective sourcing alternatives, new manufacturing processes, or other cost reductions through other productivity initiatives. If we were to face competitive pricing from our competitors, and the aforementioned measures or other steps we take fail to maintain or increase our margins and revenues from product sales, our business, results of operations and financial condition may be adversely affected.

**28. We have high working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.**

Our business requires substantial amount of working capital. In many cases, significant amounts of working capital are required to finance the purchase of materials, expenses towards operations of our Units, inventory, payments to vendors and trade receivables before payments are received from customers. As on February 29, 2024, we have been sanctioned fund based working capital limits of ₹1453.40 million from our existing lenders. Since the textile industry is working capital intensive, we have a lot of fixed expenditures for operation of Units and maintenance of optimum inventory levels. Our expansion plans require significant expenditure and if we are unable to obtain necessary funds for expansion, our business may be adversely affected. Due to various factors, including certain extraneous factors such as changes in tariff regulations, interest rates, insurance and other costs or borrowing and lending restrictions, if any, we may not be able to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms, or at all, which may have a material adverse effect on our business, financial condition, growth prospects and results of operation.

**29. Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.**

We sell at our standard terms with payment due before dispatch and conduct our business on the basis of various milestone payments. A small percentage of our sales are to customers on an open credit basis, with standard payment terms of generally between 30 to 90 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate.

The table set forth below sets forth our trade receivables and receivable turnover days in the periods indicated as well as bad debts written off and disputed trade receivables – which have significant increase in credit risk.

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in million)	% of total sales	Amount (₹ in million)	% of total sales	Amount (₹ in million)	% of total sales	Amount (₹ in million)	% of total sales
Trade Receivables	271.00	17.46	149.60	5.97	302.72	11.12	275.33	12.90
Disputed trade receivables considered doubtful	15.07	0.97	15.07	0.60	15.07	0.55	15.07	0.71
Provision for doubtful debts	15.07	0.97	15.07	0.60	15.07	0.55	15.07	0.71

Any increase in our receivable turnover days will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, results of operations and financial condition.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our customer, may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

***30. Our failure to compete effectively in the highly competitive industry could have an adverse effect on our business, results of operations, financial condition and future prospects.***

There is intense competition in the global textiles market. The challenges posed by low-cost manufacturing countries, such as China and Bangladesh create pressure on the Indian market and manufactures. To overcome these problems new strategies of production of low-cost manufacturing is to be formulated. (Source: CARE Report).

We need to compete on a global scale to gain and retain market share. Competition amongst other players in the industry may result in pricing pressures, reduced profit margins, less market share, or a failure to grow or maintain our market share, which may substantially harm our business and results of operations. We also face competition from new entrants who may have more flexibility in responding to changing business and economic conditions. Competition in our business can be based on, among other things, pricing, innovation, greater access to capital, perceived value, brand recognition, advertising, new product introductions and other activities. Many of our competitors operating in same/similar industry may have significant competitive advantages in that particular product segment, including longer operating histories, larger and broader customer bases, more established relationships with a broader set of third-party suppliers, lower cost of raw materials and sale of finished products at lower prices, and greater financial, store development, marketing, distribution, and other resources than we have.

Failure to continuously adhere to good standard in quality, cost and delivery parameters could result in adverse customer perception thereby resulting in a reduction, or cancellation of our orders. These competitive pressures may increase as more companies come up with similar strategies to enter and capture market share. Therefore, we will not be able to assure you that we will be able to compete successfully in the future against our existing or potential competitors in the market, or that our business and results of operations will not be adversely affected by increased competition in the offline and online channels. Also see “*Industry Overview*” on page 146.

***31. Some of our Promoter Group members were debarred from accessing the securities market in the past.***

One of our Promoter Group member, Kusum Saraf, was debarred from accessing the securities market in 2021 for a period of two years pursuant to Securities Exchange Board of India’s (SEBI) Order dated March 19, 2021 in the in the matter of Prime Plantations Pvt. Ltd. Subsequently, pursuant to the Hon’ble Securities Appellate Tribunal’s Order dated December 14, 2021 in passed Appeal no. 459 of 2021, the said order dated March 19, 2021 passed by SEBI was set aside and the matter was remitted to the SEBI to decide the matter afresh after considering the compliances made by the noticees/ appellants. Subsequently, pursuant to SEBI’s Order dated January 24, 2022, no fresh directions for debarring Kusum Saraf were passed. Further, our Promoter Group member, Sunita Chaudhary was pursuant to SEBI’s order dated December 19, 2014 debarred from accessing the securities market till further directions. Subsequently, the said direction debarring Sunita Chaudhary from accessing securities market have been vacated pursuant to SEBI’s Order dated September 6, 2017. We cannot assure you that, in future, we will not be subject to any regulatory actions against our Company or any of our Promoter Group members. If we or any of our Promoter Group members



are subject to any such debarment or liability, it may have a material adverse effect on our reputation, financial condition and results of operations.

**32. Our operations are labour intensive and our manufacturing operations may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.**

Our manufacturing activities are labour intensive and expose us to the risk of various labour related issues. Whilst we have not faced any strike by our workforce, we cannot assure you that we will not be subject to work stoppages, strikes, lockouts or other types of conflicts with our employees or contract workers in the future. Such events could disrupt our operations and may have a material adverse effect on our business, financial condition and results of operations. The success of our operations depends on availability of labour and maintaining a good relationship with our workforce.

Particulars	As on February 29, 2024	2022-23	2021-22	2020-21
Permanent Employees	99	87	93	97
Contractual Employees	322	332	212	142
<b>Total</b>	<b>421</b>	<b>419</b>	<b>305</b>	<b>239</b>

We do not have any formal policy for redressal of labour disputes. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Further, the minimum wage laws in India may be amended leading to upward revisions in the minimum wages payable in one or more states in which we currently operate or are planning to expand to. We may need to increase compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase. If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, financial condition, results of operations and cash flows.

**33. The average cost of acquisition of Equity Shares for our Promoters may be lower than the Offer Price.**

The average cost of acquisition of Equity Shares for our Promoters may be lower than the Offer Price. The details of the average cost of acquisition of Equity Shares held by our Promoters as at the date of the Draft Red Herring Prospectus is set out below:

Name	Number of Equity Shares	Average Cost of Acquisition per Equity Share (in ₹)*
Sunil Agarwal	39,228,000	1.51
Pamita Agarwal	6,300,000	Nil
Yash Agarwal	3,485,937	Nil
Hardik Agarwal	3,486,000	Nil

\* As certified by G K Choksi & Co., Chartered Accountants by way of their certificate dated March 29, 2024.

For more details regarding weighted average cost of acquisition of Equity Shares by our Promoters and build-up of Equity Shares by our Promoters in our Company, see “Summary of the Offer Document – Average cost of acquisition” on page 40.

**34. We may not have adequate insurance coverage for protecting us against any material hazards.**

Our insurance cover amounts to ₹ 4,613.33 million and ₹ 1,340.00 million as of March 31, 2023 and September 30, 2023, respectively covering 4.78 times and 1.59 times of the total insurance coverage with net assets of the Company (excluding intangible assets, investments, financial assets, other current assets, other non-current assets, and deferred tax assets) as of March 31, 2023 and September 30, 2023, respectively. The table below shows the total amount of our insurance coverage and its percentage contribution to our total assets in the six months period ended September 30, 2023 and Fiscals 2023, Fiscal 2022, and Fiscal 2021, respectively:

<b>Fiscal/ period</b>	<b>Amount of insurance coverage (in ₹ million) (A)</b>	<b>Net Assets (*) (B)</b>	<b>Times of total Insurance Coverage with Net Assets (C)=(A)/(B)</b>
As of September 30, 2023	4,613.33	965.09	4.78
2023	1,340.00	845.15	1.59
2022	1,557.48	651.92	2.39
2021	3,511.50	580.85	6.04

\* Net Assets means the total of assets minus all liabilities

We have not had any instances where our insurance claim amount exceeded our insurance coverage amount. We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, riots, strikes, explosions, flood, and accidents affect our Manufacturing Facilities are located. Although we maintain insurance coverage in relation to fire and other natural and accidental risks at our facilities, workmen and fidelity insurance and stock insurance, there are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us For further information on our insurance arrangements, see “Our Business – Insurance” on page 186 of this Draft Red Herring Prospectus.

Further, while there has been no past instance of inadequate insurance coverage for any loss, there can however be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful enforcement of one or more claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations.

**35. We are excessively dependent on our Promoters, Directors, Key Managerial Personnel and Senior Managerial Personnel, and the loss of, or our inability to hire, train and retain qualified personnel could adversely affect our business, results of operations, and financial condition.**

Our ability to be competitive in the market depends on our ability to attract and retain qualified personnel. We are dependent on the continued efforts and contribution of our Promoters, namely, Sunil Agarwal, Yash Agarwal, Hardik Agarwal and Pamita Agarwal, who have directed the growth of our Company. We believe that inputs and experience of our Directors and Key Managerial Personnel are valuable for the growth and development of our business operations and the strategies taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. For further details on our Promoters, Directors, Key Managerial Personnel and Senior Managerial Personnel, see “Our Management” and “Our Promoters and Promoter Group” on pages 200 and 222.

The continued operations and growth of our business is dependent on our ability to attract and retain personnel. We will require a long period of time to hire and train the replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase the compensation of the employees more rapidly than that in the past to remain competitive in attracting employees that our business requires. The loss of the services provided by such personnel may have an adverse impact on our business, results of operations and cash flows. For details in relation to change in our key managerial personnel, see “*Our Management – Changes in the Key Managerial Personnel and Senior Managerial Personnel*” on page 221.

***36. We are dependent on third party transportation and logistics providers for the delivery of our raw materials and the distribution of our products. Any deficiency or interruption in their services could adversely affect our business and reputation.***

We are dependent on third party transportation and logistics providers including for transportation services at multiple stages of our business activities, including for procurement of raw materials from our suppliers and for transportation of our finished products from our Manufacturing Facilities to our customers and warehousing facilities. We mostly depend on the roadways and waterways to receive raw materials required for our production and to deliver our finished products to our customers. In last fiscal 2023, we exported our products to 26 countries including geographies such as USA, Canada and United Kingdom. This makes us dependent on various intermediaries such as international, regional and domestic logistics companies, container freight station operators and shipping lines. Our business is also vulnerable to increased transportation costs or delivery delays due to various factors, including increase in fuel costs, freight rates, increase in port, road and toll taxes, shipping congestions, damage or losses of goods in transit, disruption of transportation services because of weather related problems, inadequacies in waterways, road infrastructure or other similar events.

We do not have any long-term contractual arrangements with such third-party transportation and logistics providers for our product sale or distribution and raw materials procurement. Disruptions of logistics or material fluctuations in the cost of transportation could impair our ability to procure raw materials and/or deliver our products on time or we may not be able to secure adequate container space, leading to delivery delays, which could materially and adversely affect our business, financial condition and results of operations. There can be no assurance that upon occurrence of any such losses in the future we will receive compensation for any such claims in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition, results of operations and prospects. Our third-party transportation providers may not carry enough insurance coverage and therefore, any losses that may arise during the transportation process may have to be claimed under our marine insurance policy.

***37. Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

This Draft Red Herring Prospectus includes information derived from independent third-party research agency, CARE Analytics and Advisory Private Limited, to prepare an industry report titled “*Cotton Yarn and Home Textiles Industry*” dated March 2024, for purposes of inclusion of such information in this Draft Red Herring Prospectus. Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the CARE Report or extracts of the CARE Report. All such information in this Draft Red Herring Prospectus indicates the CARE Report as its source. The industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. The industry sources and

publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information, see chapter titled “*Industry Overview*” on page 146.

***38. If we launch any new products which are not successful in the market as we anticipate, our business, cash flows, results of operations and financial condition may be adversely affected.***

We may launch additional products in the future in order to effectively market. Our results of operations are dependent on our ability to anticipate, gauge and respond to changes in the market demand and customer preference. We are focused on growth of our business to attract new customers. We cannot assure you that the products we may launch will accurately reflect the prevailing fashion trends or be well-received by our customers and the market, and in case our products are not successful with the customers then our brand reputation may adversely suffer. We have not launched any new products in the last five years. Further, we cannot assure you that we will be able to recover costs incurred in developing these products and brands or earn adequate profits and profit margins on such launches. This may have an adverse impact on our business, results of operations and financial conditions and also divert the attention of our management and cost us operational and financial resources.

***39. Our Promoters will continue to retain significant shareholding in our Company after the Offer, which will allow it to exercise control over us.***

After the completion of the Offer, our Promoters will hold [●]% of our Equity Shares on a fully diluted basis. Accordingly, post completion of the Offer, our Promoters is expected to retain majority shareholding in our Company will continue to exercise control over our business and all matters requiring shareholders’ approval, including the composition of our Board of Directors, the adoption of amendments to our charter documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. There can be no assurance that our Promoters will exercise its rights as a Shareholder to the benefit and best interests of our Company. The interests of our Promoters, as our Company’s significant Shareholder and exercising control over our Company, could be different from the interests of our other Shareholders and their influence may result in change of management or control of our Company, even if such a transaction may not be beneficial to our other Shareholders.

***40. Unsecured loans of ₹ 3.17 million taken by our Company from our Director can be recalled at any time.***

As on February 29, 2024, 2023, we have outstanding unsecured loan aggregating to ₹ 3.17 million taken by our Company from our Director. Although, as on date, neither the loan arrangement has been terminated nor the outstanding amounts have been called to be repaid by the said related party. However, there can be no assurance that such party shall not recall the outstanding amount (in part, or in full) at any time. We intend to repay the said loan in due course, however, any failure to service such indebtedness, or discharging any obligations thereunder could have a material adverse effect on our business, financial condition and results of operations. For further details refer to the section entitled “*Financial Indebtedness*” beginning on page 369.

***41. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

We have not declared any dividend in the past. For further information, see “Dividend Policy” on page 235 of this Draft Red Herring Prospectus. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. 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 applicable law, including the Companies Act. We may retain all future earnings, if any, for use in the operations and expansion of the 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 in accordance with the dividend distribution policy as may be adopted by our Board from time to time and will depend on factors that our Board deems relevant, including among others, our Company’s profitability, capital requirements, financial commitments and requirements, including business and expansions plans, applicable legal restrictions and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

***42. Unplanned slowdowns or shutdowns of our manufacturing operations could have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects.***

Our business is dependent upon our ability to efficiently manage our manufacturing facilities, which is subject to various operating risks, including productivity of our workforce, increase in employee costs, compliance with regulatory requirements and circumstances beyond our control, such as the breakdown and failure of equipment or industrial accidents, severe weather conditions, natural disasters and infectious disease outbreaks such as the COVID- 19 pandemic. Any malfunction or breakdown of our machinery may require significant repair costs and consequently cause delays in our operations. We may also face protests from local citizens at our existing manufacturing facilities or while setting up new facilities, which may delay or halt our operations. There are no instances of unplanned slowdowns or shutdowns in the manufacturing operations of our Company in the last three Fiscals and in the current Fiscal until the date of this Draft Red Herring Prospectus, except for instanced due to COVID-19.

Our operations also require a significant amount and continuous supply of electricity, and any shortage or nonavailability of such utilities may adversely affect our operations. We have significant power requirements and any disruption to power sources could increase our production costs and adversely affect our results of operations. Any interruption in the continuous supply electricity may negatively impact the quality of the final product manufactured by us, which may result in delays in delivery of our products or non-delivery, resulting in loss of revenue and adversely affecting our reputation or customer relationships. A prolonged interruption of electricity supply can also result in manufacturing slowdown or shutdowns, increased costs associated with restarting manufacturing and the loss of manufacturing in progress. The occurrence of any such event in the future could have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects. Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could lead to an inability to comply with our customers’ requirements and result in us breaching our contractual obligations.

***43. Our manufacturing facilities are dependent on adequate and uninterrupted supply of power. Any shortage or disruption in electricity supply may lead to disruption in operations, higher operating cost and consequent decline in our operating margins.***

Our production operations require adequate supply of power, the shortage or non-availability of which may adversely affect our operations. The table below sets forth details relating to our expenses on power and fuel as a percentage of our total expenses in relevant periods:

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ in million)	Percent age of Total Expenses (%)	Amount (₹ in million)	Percent age of Total Expenses (%)	Amount (₹ in million)	Percent age of Total Expenses (%)	Amount (₹ in million)	Percent age of Total Expenses (%)
Power and fuel	2.52	0.18	1.56	0.07	2.69	0.10	4.15	0.20

We source most of our electricity requirements from the local body. Inadequate electricity could result in interruption or suspension of our production operations. In particular, any significant increase in cost of power could result in unanticipated increase in production cost. Any failure on our part to obtain alternate sources of electricity, in a timely manner, and at an acceptable cost, may cause a slowdown or interruption to our production process and have an adverse effect on our business, financial condition and results of operations. Further, the recent increase in the prices of electricity may result in an increase in our operating cost in general and may have an adverse impact on our business, financial condition and results of operations. We cannot assure you that there will be no power outages in the future. Any failure on our part to obtain alternate sources of electricity, in a timely manner, and at an acceptable cost, may have an adverse effect on our business, financial condition, results of operations and prospects.

## **EXTERNAL RISK FACTORS**

### ***RISKS RELATING TO INDIA***

#### ***44. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, in the jurisdictions in which we operate may adversely affect our business and results of operations.***

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements. For instance, in order to rationalize and reform labour laws in India, the Government of India has introduced four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as

costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

***45. A slowdown in economic growth in India could cause our business to suffer.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Global situations such as outbreak of the COVID-19 pandemic, full scale military invasion of Ukraine by Russia have caused a global economic downturn including in India. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India's economy could be adversely affected by a general rise in interest rates or inflation, civil unrest, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Adverse economic developments, such as rising fiscal or trade deficits, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse

effect on our business, financial condition and results of operations and reduce the price of our Equity Shares.

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. Demand for our offerings may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

***47. A slowdown in our exports due to tariffs and trade barriers and international sanctions could adversely affect our business, financial condition and results of operations.***

Our major portion of our revenue is derived from our international business. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the countries or regions where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. In February 2022, hostilities between Russia and the Ukraine commenced, which has led to the imposition of sanctions of various Russian interests (and in some cases Belarus) by the European Union, Australia, Canada, Japan, New Zealand, Switzerland, South Korea, the United Kingdom and the United States. Any such imposition of trade barriers or international sanctions may have an adverse effect on our business, financial condition and results of operations

***48. Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the Indian economy and our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, financial condition and results of operations.***

India has experienced natural calamities such as cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, infectious disease outbreaks such as the COVID-19 pandemic and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally, including the ongoing conflict between Russia and Ukraine following Russia's full-scale military invasion of Ukraine in February 2022, volatility in interest rates, volatility in commodity and energy prices, an increase in oil prices, a loss of investor confidence in other emerging market economies and other political and economic development may adversely affect the Indian securities markets.

Our operations at our manufacturing facilities may be damaged or disrupted as a result of natural calamities. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create



a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

***49. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Restated Financial Statements as at June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows, the restated statement of changes in equity for the three months period ended June 30, 2023 and years ended March 31, 2023, March 31, 2022 and March 31, 2021, the statement of significant accounting policies and other explanatory notes thereon, derived from the audited Ind AS financial statements for the year ended March 31, 2023 and March 31, 2022; special purpose Ind AS financial statements for the year ended March 31, 2021 and special purpose interim Ind AS financial statements for the three months period ended June 30, 2023, together with the annexures and notes thereto prepared in accordance with Ind AS (except that they do not contain comparative information and related disclosures and explanatory notes for the year ended March 31, 2021) and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note.

Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our Restated Financial Statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. Prospective investors should review the accounting policies applied in the preparation of our Restated Financial Statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

***50. If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.***

Any change in Indian tax laws could have an effect on our operations. For instance, Income Tax Act, 1961 (“IT Act”) was amended to provide domestic companies an option to pay corporate income tax at the effective rate of approximately 25.17% (inclusive of applicable surcharge and health and education cess), as compared to effective rate of 34.94% (inclusive of applicable surcharge and health and education cess), provided such companies do not claim certain specified deductions or exemptions. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment and GST that combines taxes and levies by the central and state governments into one unified rate of tax with effect from July 1, 2017.

Further, the Government of India has notified the Finance Act, 2024 (“Finance Act”) which has introduced various amendments to the IT Act. As such, there is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply

for additional approvals. 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 a material adverse effect on our business, financial condition, results of operations and cash flows.

***51. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/ departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In terms of Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions or at all.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 432 of this Draft Red Herring Prospectus.

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

Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing. A downgrading of India’s credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

***53. Investors may not be able to enforce a judgment of a foreign court against us, our Directors and executive officers in India respectively, except by way of a law suit in India.***

We are incorporated under the laws of India and all our Directors and Key Managerial Personnel reside in India. All our assets are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the “CPC”).

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, 14 and Section 44A of the CPC on a statutory basis. Section 44A of the CPC provides that where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the CPC is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the CPC, and not by proceedings in execution. 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 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 natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

It cannot be assured that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment.

***54. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our clients thereby reducing our margins.***

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

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

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. We cannot assure you that Indian inflation levels will not worsen in the future

***55. 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 taken for such conversion may reduce the net dividend to foreign investors.

Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- a. the foreign currency equivalent of the Rupee trading price of the Company's Equity Shares in India;
- b. the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Company's Equity Shares; and
- c. the foreign currency equivalent of cash dividends, if any, on the Company's Equity Shares, which will be paid only in Rupees.

In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India may reduce the proceeds received by Shareholders, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares. Another example would be that the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially 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.

***56. A third-party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations

**RISKS RELATING TO THE OFFER AND THE EQUITY SHARES**

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

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:

- quarterly 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.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

***58. Pursuant to listing of the Equity Shares, we 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 and market capitalization.

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.

***59. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company in consultation with the Book Running Lead Manager through the Book Building Process. This price will be based on numerous factors, as described under “Basis for Offer Price” on page 118 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer and may decline below the Offer Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Offer Price.

***60. The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, 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 Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such a market for the Equity Shares. 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 and volatility in the Stock Exchanges and securities markets elsewhere in the world.

***61. Investors may be subject to Indian taxes arising out of income arising 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. Any capital gain realised 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 specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax (“STT”), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realised on the sale of listed 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.

In terms of the Finance Act, 2018, with effect from April 1, 2018, taxes payable by an assessee on the capital gains arising from transfer of long-term capital assets (introduced as Section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of resident individuals and Hindu Undivided Families. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends.

The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

***62. There is no guarantee that our Equity Shares will be listed on the stock exchanges 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 Offer and until Allotment of Equity Shares pursuant to this Offer.

In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the stock exchanges 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.

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

The Equity Shares will be listed on the 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.

Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. Trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within three Working Days or such number of Working Days as prescribed by SEBI. 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 commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. We cannot assure you 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.

***64. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. We cannot assure you that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

***65. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting

requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 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 of India.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 428.

***66. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Restated Financial Information for Fiscals 2021, 2022, 2023 and for the six months ended September 30, 2023 have been derived from the: (i) audited interim financial statements of the Company for the six months ended September 30, 2023 each prepared in accordance with Ind AS 34, as prescribed under Section 133 of the Companies Act 2013 read with the Ind AS Rules; and (ii) audited financial statements of the Company as at and for the year ended March 31, 2021, March 31, 2022 and March 31, 2023, each prepared in accordance with Ind AS, as prescribed under Section 133 of the Companies Act 2013 read with the Ind AS Rules. The aforementioned financial statements have been restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

***67. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLM is below their respective Offer prices.***

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company, in consultation with the BRLM. Furthermore, the Offer Price of the Equity Shares will be determined by our Company, in consultation with the BRLM through the Book Building Process. These will be based on numerous factors, including factors as described in the section “*Basis for Offer Price*” on page 118 and may not be indicative of the market price for the Equity Shares after the Offer.



In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLM is below their respective Offer price. For further details, see “*Other Regulatory and Statutory Disclosures – Past price information of past Offer handled by the BRLM*” on page 390. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

***68. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the submission of their Bid, and Retail Individual Investors and Eligible Employees are not permitted to withdraw their Bids after closure of the Bid/ Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors and Eligible Employees can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. While we are 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 three Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors’ 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 operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors’ ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

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

Under the Companies Act 2013 a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the preemptive rights have been waived by 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 the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes 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 the investor’s benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

## SECTION III – INTRODUCTION

### THE OFFER

The following table summarizes the Offer details:

<b>Offer of Equity Shares<sup>(1)</sup></b>	Upto 18,500,000 Equity Shares aggregating to ₹ [●] Million
<i>of which:</i>	
Fresh Offer <sup>(1)</sup>	Up to 14,000,000 Equity Shares aggregating to ₹ [●] Million
Offer for Sale <sup>(2)</sup>	Up to 4,500,000 Equity Shares aggregating to ₹ [●] Million
<b>The Offer consists of:</b>	
<b>A)QIB Portion<sup>(3)(4)</sup></b>	Not more than [●] Equity Shares
<i>of which:</i>	
Anchor Investor Portion <sup>(3)</sup>	Upto [●] Equity Shares
- Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
- Available for allocation to Mutual Funds only (5% of the Net QIB Portion) <sup>(5)</sup>	[●] Equity Shares
- Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
<b>B)Non-Institutional Portion<sup>(6)</sup></b>	Not less than [●] Equity Shares
<i>of which:</i>	
One-third of the Non-Institutional Portion available for allocation to Non-Institutional Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million	[●] Equity Shares
Two-third of the Non-Institutional Category available for allocation to Non-Institutional Bidders with an application size of more than ₹ 1.00 million	[●] Equity Shares
<b>C)Retail Portion<sup>(4) (5)</sup></b>	Not less than [●] Equity Shares
<b>Pre- Offer and post-offer Equity Shares</b>	
Equity Shares outstanding prior to the offer	[●] Equity Shares
Equity Shares outstanding after the offer	[●] Equity Shares
<b>Utilisation of Net Proceeds</b>	For details see “ <i>Objects of the offer</i> ” beginning on page 118 of this Draft Red Herring Prospectus for details regarding the use of proceeds from the Issue.

(1) The Offer has been authorised by our Board of Directors and our Shareholders pursuant to the resolutions passed at their meetings dated March 11, 2024 and March 12, 2024 respectively.

(2) Promoter Selling Shareholder confirms that the Equity Shares being offered by him have been

held for a period of at least one year immediately preceding the date of filing the Draft Red Herring Prospectus with SEBI and are accordingly eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Promoter Selling Shareholder has confirmed and approved his participation in the Offer for Sale as set out below:

Promoter Selling Shareholder	Type	Number of Offered Shares	Amount of Offered Shares (In ₹ million)*	Date of consent letter
Sunil Agarwal	Promoter Selling Shareholder	Up to 4,500,000 Equity Shares	[●]	March 11, 2024

\* To be updated at Prospectus stage

- (3) Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company and the Promoters, in consultation with the Book Running Lead Manager, and the Designated Stock Exchange, subject to applicable laws. In case of under-subscription in the Offer, subject to receipt of minimum subscription for 90% of the Offer, compliance with Rule 19(2)(b) of the SCRR and allotment of not less than 75% of the Offer to QIBs, Equity Shares shall be allocated in the manner specified in the section “Terms of the Offer” beginning on page 396 of this Draft Red Herring Prospectus.
- (4) Allocation to all categories, except Anchor Investors and Retail Individual Bidders shall be made on a proportionate basis. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.
- (5) Our Company and the Promoters may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB portion. 5% of the QIB Portion (excluding Anchor Investor portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” beginning on page 410.
- (6) Not more than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which (i) 1/3<sup>rd</sup> of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 0.2 million and up to ₹ 1 million; and (ii) 2/3<sup>rd</sup> of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 1 million provided that under-subscription in either of these two sub-categories of Non-Institutional Category specified in (a) and (b), may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

*For further details, please see “Offer Procedure” on page 267 of this Draft Red Herring Prospectus. For details, including in relation to grounds for rejection of Bids, please see “Offer Structure” and “Offer Procedure” on pages 405 and 410, respectively. For details of the terms of the Offer, please see “Terms of the Offer” on page 396*

## **SUMMARY OF FINANCIAL INFORMATION**

*The following tables set forth summary financial information derived from the Restated Financial Statements. The Restated Financial Statements has been prepared, based on financial statements for six months ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021. The Restated Financial Statements have been prepared in accordance with Ind AS and the Companies Act, restated in accordance with the SEBI ICDR Regulations and are presented in the section entitled “Financial Information” on page 236.*

*The summary financial information presented below should be read in conjunction with the chapters titled “Restated Financial Statement” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 236 and 342 respectively.*

*[The remainder of this page has intentionally been left blank]*

**RAGHUVIR EXIM LIMITED**

**Annexure I**  
**Restated Statement of Assets and Liabilities**

[₹ in Millions]

Particulars	Notes	As at			
		30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	456.02	445.56	519.63	523.99
Capital work-in-progress	6	72.23	-	0.00	6.44
Right to use assets	7	4.74	150.96	160.83	212.60
Financial assets					
Investments	8	250.00	230.00	0.00	0.00
Other financial assets	9	1.38	1.38	1.59	1.59
Other non-current assets	10	67.85	55.01	57.99	47.12
		<b>852.22</b>	<b>882.91</b>	<b>740.04</b>	<b>791.74</b>
<b>Current assets</b>					
Inventories	11	345.62	279.60	346.27	312.67
Financial assets					
Investments	8	56.05	54.26	52.24	49.48
Trade receivables	12	271.08	149.60	302.72	275.33
Cash and cash equivalents	13	54.13	98.94	116.99	35.58
Loans	14	120.76	4.97	0.08	2.40
Other financial assets	9	134.43	95.69	162.31	123.29
Current Tax Assets	15	9.79	9.45	11.81	8.73
Other current assets	10	458.35	399.38	210.21	134.12
		<b>1,450.21</b>	<b>1,091.89</b>	<b>1,202.63</b>	<b>941.60</b>
<b>Total assets</b>		<b>2,302.43</b>	<b>1,974.80</b>	<b>1,942.67</b>	<b>1,733.34</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	16	525.00	25.00	25.00	25.00
Other equity	17	440.09	820.15	626.92	555.85
		<b>965.09</b>	<b>845.15</b>	<b>651.92</b>	<b>580.85</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Financial liabilities					
Borrowings	18	116.00	139.59	168.04	168.37
Lease liabilities	19	9.99	172.66	178.51	224.16
Provisions	20	4.52	4.37	4.14	4.00
Deferred tax liabilities (net)	33	43.08	35.08	35.08	36.35
		<b>173.59</b>	<b>351.70</b>	<b>385.77</b>	<b>432.88</b>
<b>Current liabilities</b>					
Financial liabilities					
Borrowings	18	1,067.58	715.68	782.77	636.55
Lease liabilities	19	2.02	5.84	5.34	5.47
Trade payable	21				
Due to micro and small enterprise		0.56	0.39	0.87	1.01
Due to others		22.83	27.57	76.47	37.73
Other financial liabilities	22	13.97	7.94	16.66	11.32
Other current liabilities	23	26.85	9.28	21.02	18.70
Provisions	20	0.60	0.59	0.64	0.48
Current tax liabilities (net)	24	29.34	10.66	1.21	8.35
		<b>1,163.75</b>	<b>777.95</b>	<b>904.98</b>	<b>719.61</b>
<b>Total equity and liabilities</b>		<b>2,302.43</b>	<b>1,974.80</b>	<b>1,942.67</b>	<b>1,733.34</b>
Notes forming part of the restated financial information	1 to 4				

**Note:**  
The above statement should be read with Summary of material accounting policies and other explanatory information forming part of the restated financial information in Annexure V, statement of adjustments to restated financial information in Annexure VI and notes to restated financial information.

As per our attached report of even date.

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

Sd/-

**ROHIT K. CHOKSI**  
Partner  
Mem. No. 31103

**FOR AND ON BEHALF OF BOARD**

Sd/-

Sd/-

**SUNIL R. AGARWAL** **YASH S. AGARWAL**  
Managing Director Managing Director  
DIN: 00265303 DIN: 02170408

Sd/-

Sd/-

**HARDIK S. AGARWAL** **DEEPIKA LADHA**  
Chief Financial Officer Company Secretary

Place: Ahmedabad  
Date: 11th March, 2024

Place: Ahmedabad  
Date: 11th March, 2024

**RAGHUVIR EXIM LIMITED**

**Annexure II**  
**Restated Statement of Profit and Loss**

[₹ in Millions]

Particulars	For the period ended		For the year ended		
	Notes	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>REVENUE</b>					
Revenue from operations	25	1,513.69	2,475.58	2 668.21	2 089.96
Other income	26	38.83	32.31	54.58	43.86
<b>Total income</b>		<b>1,552.52</b>	<b>2,507.89</b>	<b>2 722.79</b>	<b>2 133.82</b>
<b>EXPENSES</b>					
Cost of materials consumed	27	1,011.75	1,202.66	1 772.74	1 025.98
Purchase of Stock-in-trade		171.07	529.16	284.68	788.52
Change in inventories of finished goods, stock-in-trade and work-in-progress	28	(65.42)	(42.94)	39.71	( 203.52)
Employee benefit expenses	29	56.58	107.85	107.91	102.37
Finance cost	30	37.65	67.13	61.82	54.97
Depreciation and amortisation	31	14.14	36.22	38.37	42.93
Other expenses	32	154.23	349.03	325.14	205.49
<b>Total expenses</b>		<b>1,380.00</b>	<b>2,249.11</b>	<b>2 630.37</b>	<b>2 016.74</b>
<b>Profit/(Loss) before exceptional items &amp; tax</b>		<b>172.52</b>	<b>258.78</b>	<b>92.42</b>	<b>117.08</b>
Exceptional items		-	-	0.00	0.00
<b>Profit/(loss) before tax</b>		<b>172.52</b>	<b>258.78</b>	<b>92.42</b>	<b>117.08</b>
<b>Tax Expenses</b>	33				
Current tax		45.00	65.00	23.40	25.00
Tax in respect of earlier years		-	1.42	0.00	1.35
Deferred tax		7.89	(0.02)	( 1.44)	1.55
<b>Total tax expenses</b>		<b>52.89</b>	<b>66.40</b>	<b>21.96</b>	<b>27.90</b>
<b>Profit/(Loss) for the year, net of tax from continuing operat</b>	<b>[A]</b>	<b>119.63</b>	<b>192.38</b>	<b>70.46</b>	<b>89.18</b>
<b>Other comprehensive income</b>					
<b>(i) Items that will not be reclassified to profit or loss</b>					
Remeasurement of the defined benefit plans		0.42	0.87	0.78	0.12
Equity instruments through other comprehensive income		-	-	-	-
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>					
Tax relating to remeasurement of the defined benefit plans		0.11	0.02	0.17	0.03
Tax relating to equity instruments through other comprehensive income		-	-	-	-
<b>Other comprehensive income for the year.</b>	<b>[B]</b>	<b>0.31</b>	<b>0.85</b>	<b>0.61</b>	<b>0.09</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>[A + B]</b>	<b>119.94</b>	<b>193.23</b>	<b>71.07</b>	<b>89.27</b>
<b>Earnings per equity share (for continuing operations)</b>					
Basic and diluted earnings per share of face value of ₹10 each (Adjusted for Bonus Issue) (in ₹)	34	2.28	3.66	1.34	1.70
Notes forming part of the restated financial information	1 to 4				

**Note:**

The above statement should be read with Summary of material accounting policies and other explanatory information forming part of the restated financial information in Annexure V, statement of adjustments to restated financial information in Annexure VI and notes to restated financial information in Annexure VII.

As per our attached report of even date.

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

**FOR AND ON BEHALF OF BOARD**

Sd/-

Sd/-

Sd/-

**ROHIT K. CHOKSI**  
Partner  
Mem. No. 31103

**SUNIL R. AGARWAL YASH S. AGARWAL**  
Managing Director Managing Director  
DIN: 00265303 DIN: 02170408

Sd/-

Sd/-

**HARDIK S. AGARWAI DEEPIKA LADHA**  
Chief Financial Officer Company Secretary

Place: Ahmedabad

Date: 11th March, 2024

Place: Ahmedabad

Date: 11th March, 2024

**RAGHUVIR EXIM LIMITED**

**Annexure III**

**Restated Statement of Cashflow**

[₹ in Millions]

Particulars	For the period ended	For the year ended		
	30th September, 2023	2023	31st March, 2022	31st March, 2021
<b>A Cash flow from operating activities</b>				
Profit / (Loss) for the year before taxation and exceptional items	172.52	258.78	92.42	117.08
<b>Adjustments for:</b>				
Depreciation on property, plant and equipments	13.66	26.35	27.03	31.20
Depreciation on right of use assets	0.48	9.87	11.34	11.73
Interest income	(1.13)	(5.36)	( 4.44)	( 2.61)
Loss / (Profit) on sale of fixed assets / asset impaired	-	(1.23)	0.00	0.00
Remeasurement of the gain/(loss) of defined benefit plans	0.42	0.87	0.78	0.12
Gain due to lease modification and reduction in tenure	(20.39)	-	0.00	0.00
Net gain / (loss) on fair value changes	(1.79)	(10.91)	( 2.76)	( 21.22)
Sundry balance written off (net)	1.60	3.45	0.00	0.14
Finance cost	37.65	67.13	61.82	54.97
<b>Operating profit before working capital changes</b>	<b>203.02</b>	<b>348.95</b>	<b>186.19</b>	<b>191.41</b>
<b>Adjustments for Changes in working capital</b>				
Decrease / (Increase) in inventories	(66.02)	66.67	( 33.60)	( 211.78)
Decrease / (Increase) in other non current financial assets	-	0.21	0.00	1.26
Decrease / (Increase) in other current financial assets	(38.74)	75.51	( 36.38)	26.69
Decrease / (Increase) in other non Current assets	(12.84)	2.98	( 10.87)	6.81
Decrease / (Increase) in other current assets	(58.97)	(189.17)	( 76.09)	99.41
Decrease / (Increase) in loans Given	(115.79)	(4.89)	2.32	60.03
Decrease / (Increase) in trade receivables	(123.08)	146.11	( 27.39)	( 102.59)
Increase / (Decrease) in trade payables	(4.57)	(45.83)	38.60	( 17.88)
Increase / (Decrease) in other financial liabilities	4.81	(8.33)	4.53	( 12.80)
Increase / (Decrease) in other liabilities	17.57	(11.74)	2.32	( 4.15)
Increase / (Decrease) in provision	0.16	0.18	0.30	0.79
	(397.47)	31.70	( 136.26)	( 154.21)
<b>Cash generated from operations</b>	<b>(194.45)</b>	<b>380.65</b>	<b>49.93</b>	<b>37.20</b>
Direct taxes refund/(paid)	(26.66)	(54.61)	( 33.62)	( 17.86)
<b>Net cash from operating activities</b>	<b>[A] (221.11)</b>	<b>326.04</b>	<b>16.31</b>	<b>19.34</b>
<b>B Cash flow from investing activities:</b>				
Purchase of property, plant and equipments	(24.12)	48.95	( 22.71)	( 26.55)
Purchase of capital work-in-progress	(72.23)	-	6.44	( 6.44)
Investment in Preference Shares	(20.00)	(230.00)	0.00	0.00
Interest received	1.13	5.31	1.80	2.67
<b>Net cash from / (used in) investing activities</b>	<b>[B] (115.22)</b>	<b>(175.74)</b>	<b>( 14.47)</b>	<b>( 30.32)</b>
<b>C Cash flow from financing activities:</b>				
Procurement/(Repayment) of long/ short term borrowings	328.31	(95.48)	145.93	60.54
Principal repayment of lease liabilities	(0.36)	(5.35)	( 5.35)	( 4.98)
Interest on lease liabilities	(1.16)	(16.98)	( 20.40)	( 21.66)
Interest paid	(35.27)	(50.54)	( 40.61)	( 32.83)
<b>Net cash flow from financial activities</b>	<b>[C] 291.52</b>	<b>(168.35)</b>	<b>79.57</b>	<b>1.07</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>[A+B+C] (44.81)</b>	<b>(18.05)</b>	<b>81.41</b>	<b>( 9.91)</b>
Cash and cash equivalents opening	98.94	116.99	35.58	45.49
Cash and cash equivalents closing	<b>54.13</b>	<b>98.94</b>	<b>116.99</b>	<b>35.58</b>
<b>Components of cash and cash equivalents</b>				
Cash in hand	0.91	0.63	0.37	0.46
Balances with bank	53.22	98.31	116.62	35.12
	<b>54.13</b>	<b>98.94</b>	<b>116.99</b>	<b>35.58</b>

**Explanatory Notes to Cash Flow Statement**

- The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Ind AS 7.
- In Part A of the Cash flow statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.
- Disclosure of changes in liabilities arising from financing activities, including both changes arising from Cash flow and non-cash / business combination changes are Given below:

**As at 30th September, 2023**

[₹ in Millions]

Particulars	As at 2023	Net Cash flow	As at 30th September, 2023
Borrowings	855.27	328.31	1 183.58

..Continued..



RAGHUVIR EXIM LIMITED

Annexure III

Restated Statement of Cashflow ... Continued..

As at 31st March, 2023 [₹ in Millions]

Particulars	As at 31st March, 2022	Net Cash flow	As at 31st March, 2023
Borrowings	950.81	( 95.54)	855.27

As at 31st March, 2022 [₹ in Millions]

Particulars	As at 31st March, 2021	Net Cash flow	As at 31st March, 2022
Borrowings	804.92	145.89	950.81

As at 31st March, 2021 [₹ in Millions]

Particulars	As at 31st March, 2020	Net Cash flow	As at 31st March, 2021
Borrowings	744.45	60.48	804.92

Notes forming part of the restated financial information

**Note:**  
The above statement should be read with significant accounting policies forming part of the restated consolidated financial information in Annexure V, statement of adjustments to restated financial information in Annexure VI and notes forming part of the restated financial information in Annexure VII.

As per our report of even date attached

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

Sd/-

**ROHIT K. CHOKSI**  
Partner  
Mem. No. 31103

**FOR AND ON BEHALF OF BOARD**

Sd/-

**SUNIL R. AGARWAL**  
Managing Director  
DIN: 00265303

Sd/-

**YASH S. AGARWAL**  
Managing Director  
DIN: 02170408

Sd/-

**HARDIK S. AGARWAL**  
Officer

Sd/-

**DEEPIKA LADHA**  
Company Secretary

Place: Ahmedabad  
Date: 11th March, 2024

Place: Ahmedabad  
Date: 11th March, 2024

## GENERAL INFORMATION

Our Company was incorporated as a public limited company under Companies Act with the name 'Raghuvir Exim Limited' pursuant to a certificate of incorporation dated October 28, 1992. The Corporate Identity Number of our Company is U51909GJ1992PLC018496.

For details of changes in registered office of our Company, please refer to the section titled "*History and Certain Corporate Matters*" beginning on page 194 of this Draft Red Herring Prospectus.

### Registered Office of our Company

#### Raghuvir Exim Limited

1035/A, Near Ayodhya Township,  
Rancharda Road, Shilaj, Shilaj, Daskroi,  
Ahmedabad- 380059.

### Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

- a) Registration number: 018496
- b) Corporate identity number: U51909GJ1992PLC018496

### The Registrar of Companies

Our Company is registered with the Registrar of Companies, Ahmedabad, Gujarat which is situated at the following address:

ROC Bhavan, Opp Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad-380013,

### Board of Directors

As on the date of this Draft Red Herring Prospectus, our Company's Board comprises of the following Directors:

Name,	Nature of Directorship	DIN	Address
Yash Agrawal	Managing Director	02170408	Hardik-29, B/H Ornet Park-3, Sindhubhavan Road, Shilaj, Dascroi, Shilaj Ahmedabad – 380058
Sunil Agarwal	Joint Managing Director	00265303	Hardik-29, B/H Ornet Park-3, Sindhubhavan Road, Shilaj, Dascroi, Shilaj Ahmedabad – 380058

<b>Name,</b>	<b>Nature of Directorship</b>	<b>DIN</b>	<b>Address</b>
Hardik Agrawal	Executive Director and Chief Financial Officer	03546802	Hardik-29, B/H Ornet Park-3, Sindhubhavan Road, Shilaj, Dascroi, Shilaj Ahmedabad – 380058
Pamita Agrawal	Non-executive Director	07135868	Hardik-29, B/H Ornet Park-3, Sindhubhavan Road, Shilaj, Dascroi, Shilaj Ahmedabad – 380058
Samirbhai Sheth	Independent Director	01285752	19, Shantikunj Society, Opp Kolhari Tower, Ramnagar, Sabarmati, Ahmedabad - 380005
Sweta Panchal	Independent Director	10298714	D-104, Swaminarayan Castle – 1, Nr. Arjun Ashram Road Nirnaynagar Chandlodia Ahmedabad - 382481
Pawansut Swami	Independent Director	10441384	The New Heaven Co-op Society Limited, 37/301, Tata Housing, Vadsar village, Ahmedabad - 382721
Mayank Agarwal	Independent Director	07179292	A 408 Gitanjali Residency, Near Vitthal Plaza Dahegam Road, South International School, Nava Naroda, Ahmedabad - 382330

For further details of the Board of Directors, please refer to the section titled “*Our Management*” beginning on page 200.

### **Company Secretary & Compliance Officer**

Deepika Ladha is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

#### **Deepika Ladha**

Rakhial Road, Kashiram Mills Compound,  
Near Gujarat Bottling, Rakhial,  
Ahmedabad – 380023  
Email ID: cs@raghuvirexim.com  
Telephone: +91 85305 58745

### **Filing of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with Board and the Registrar of Companies**

A copy of this Draft Red Herring Prospectus has been filed electronically on the SEBI’s online portal at <https://siportal.sebi.gov.in>, in accordance with the SEBI master circular SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, and was emailed to SEBI at [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in), in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure –Division of Issues and Listing –CFD” and as specified in Regulation 25(8) of the SEBI ICDR Regulations

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act will be delivered for registration

to the RoC at its office and through the electronic portal at <https://www.mca.gov.in/mcafoportal/login.do>

### **Company Secretary & Compliance Officer**

Deepika Ladha is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

#### **Deepika Ladha**

Rakhial Road, Kashiram Mills Compound,  
Near Gujarat Bottling, Rakhial,  
Ahmedabad – 380023  
Email ID: cs@raghuvirexim.com  
Telephone: +91 85305 58745

### **Investor Grievances**

Investors may contact our Company Secretary and Compliance Officer and or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgment number received from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder 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. 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, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the BRLM are required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, name and address of the Book Running Lead Manager, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Bid cum Application Form and

the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

### **Book Running Lead Manager**

#### **Unistone Capital Private Limited**

A/ 305, Dynasty Business Park, Andheri-Kurla Road,  
Andheri East, Mumbai – 400 059, Maharashtra

**Telephone:** +912246046494

**Email:** mb@unistonecapital.com

**Investor grievance email:**

compliance@unistonecapital.com

**Contact Person:** Brijesh Parekh

**Website:** www.unistonecapital.com

**SEBI Registration number:** INM000012449

**CIN:** U65999MH2019PTC330850

### **Statement of inter se allocation of Responsibilities for the Offer**

Since Unistone Capital Private Limited is the sole Book Running Lead Manager to this Offer and all the responsibilities relating to the co-ordination and other activities in relation to the Offer shall be performed by them and hence, a statement of inter se allocation of responsibilities is not applicable.

### **Registrar to the Offer**

#### **Bigshare Services Private Limited**

Office No. S6-2, 6<sup>th</sup> floor, Pinnacle Business Park, Next to Ahura Centre,  
Mahakali Caves Road, Andheri East, Mumbai-400093

**Telephone:** +91 22-6263 8200

**Facsimile:** +91 22-6263 8299

**Email:** ipo@bigshareonline.com

**Investor grievance email:**

investor@bigshareonline.com

**Contact Person:** Babu Rapheal C.

**Website:** www.bigshareonline.com

**SEBI Registration Number:** INR000001385

**CIN:** U99999MH1994PTC076534

### **Legal Counsel to the Offer**

#### **Arms Length Legal**

A11, Block A, Krishna Kunj Towers,  
291 Rajeev Gandhi Nagar,  
Kota - 324005, Rajasthan

**Telephone:** +91 79764 13230

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

### **Statutory Auditors of our Company**

#### **M/s. G. K. Choksi & Co., Chartered Accountants**

12th Floor, North Tower, ONE42, Billionaires St,  
off Ambli Road, Ashok Vatika,

Ahmedabad-380058, Gujarat  
**Telephone:** 079-68198900  
**E-mail:** [info@gkcco.com](mailto:info@gkcco.com)  
**Contact Person:** Rohit K. Choksi  
**Firm Registration No.:** 101895W  
**Peer Review Number:** 014988

**Escrow Collection Bank**

[•]

**Public Issue Bank**

[•]

**Refund Bank**

[•]

**Sponsor Bank**

[•]

**Syndicate Member**

[•]

**Banker to our Company**

**HDFC Bank Limited**

**Address:** HDFC Bank Limited, Shivalik 3, 3<sup>rd</sup> Floor,  
Opp Reliance Mart, Bodakdev,  
Ahmedabad- 380059

**Telephone:** +91 98798 88358

**E-mail:** [yash.thekdi@hdfcbank.com](mailto:yash.thekdi@hdfcbank.com)

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

**Contact Person:** Yash Thekdi

**CIN:** L65920MH1994PLC080618

**Changes in Auditors during last three Financial Years**

Except as disclosed below, there has been no change in the statutory auditors of our Company in the three years preceding the date of this Draft Red Herring Prospectus:

Particulars	Date of Change	Reason for change
<b>G. K. Choksi &amp; Co., Chartered Accountants</b> 12th Floor, North Tower, ONE42, Billionaires St, off Ambli Road, Ashok Vatika, Ahmedabad-380058, Gujarat <b>E-mail:</b> <a href="mailto:info@gkcco.com">info@gkcco.com</a> <b>Firm registration number:</b> 101895W	September 30, 2022	Appointment as the Statutory Auditors
<b>Anil Kumar Seth &amp; Co., Chartered Accountants</b> 321, Abinav Arcade, Near Kothawala Flats, Ellisbridge, Ahmedabad – 380006 <b>E-mail:</b> seth_anil1@yahoo.com <b>Membership registration number:</b> 37475	September 30, 2022	Completion of tenure

## **Designated Intermediaries**

### ***Self-Certified Syndicate Banks (SCSBs)***

The list of SCSBs notified by SEBI for the ASBA process is available at <http://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 UPI Bidders), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Bidders (other than RIBs) is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time. Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available [www.sebi.gov.in](http://www.sebi.gov.in).

### ***Eligible SCSBs and mobile applications enabled for UPI Mechanism***

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, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and SEBI circular No SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the UPI Bidders may only apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, using the UPI handles and which are live for applying in public issues using UPI mechanism, is provided in the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of 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>, as updated from time to time.

### ***Syndicate SCSB Branches***

In relation to Bids (other than Bids by Anchor Investor and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time or any other website prescribed by SEBI from time to time

### ***Registered Broker***

Bidders can submit ASBA Forms in the Offer using the stock-broker network of the stock exchanges, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the stock exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, as updated from time to time.

### ***Registrar to the Offer and Share Transfer Agents***

The list of the RTAs eligible to accept ASBA forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of stock exchanges

at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and [https://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), as updated from time to time.

### ***Self Certified Syndicate Banks eligible as Sponsor Banks for UPI***

The list of Self Certified Syndicate Banks eligible as sponsor banks for UPI Mechanism, including details such as name and contact details, are provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>, or such other websites as updated from time to time.

### ***Designated Collecting Depository Participants***

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of stock exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, or such other websites as updated from time to time.

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

### ***Experts***

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

Our Company has received written consents from the following persons to include their names in this Draft Red Herring Prospectus as an “Expert” as defined under Section 2(38) of the Companies Act and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus:

Our Company has received written consents from the following persons to include their names in this Draft Red Herring Prospectus as an “Expert” as defined under Section 2(38) of the Companies Act and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus:

- (i) Consent letter dated March 29, 2024, from our Statutory Auditors namely, M/s. G. K. Choksi & Co, Chartered Accountants, in respect of the reports of the Statutory Auditors on the Restated Financial Statements and Statement of Special Tax Benefits dated March 29, 2024.
- (ii) Consent dated March 28, 2024 from M/s Ameer Engineers, Independent Chartered Engineer in respect of their certificates dated January 19, 2024 on our Company’s installed capacity and capacity utilisation at our Units ;
- (iii) Consent dated March 28, 2024 from M/s Sambhubhai Karkar, Independent Chartered Engineer in respect of their certificate dated March 28, 2024 for the Proposed Facility at Survey No: 897 Moje Gam: Vansva, Taluka: Viramgam, Dist: Ahmedabad, Gujarat - 382150 and Survey No: 916P Moje Gam: Vansva, Taluka: Viramgam, Dist: Ahmedabad, Gujarat - 382150 included in this Draft Red Herring Prospectus.

### ***Credit Rating***

As the Offer is of Equity Shares, credit rating is not required.

### ***Debenture Trustees***

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

### ***Green Shoe Option***



No green shoe option is contemplated under the Offer.

### ***IPO Grading***

No credit agency registered with SEBI has been appointed in respect of obtaining grading of the Offer.

### ***Monitoring Agency***

Our Company will appoint a credit rating agency registered with SEBI as a monitoring agency to monitor the utilisation of the Gross Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with the RoC. For details in relation to the proposed utilisation of the Net Proceeds, see “*Objects of the Offer*” on page 118.

### ***Appraising Entity***

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

### **Book Building Process**

The book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and Bid cum Application Forms (and the Revision Forms) within the Price Band and minimum bid lot, which will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLM, and will be advertised in all editions of [●], (a widely circulated English national daily newspaper), all editions of [●], (a widely circulated Hindi national daily newspaper), and all editions of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located), each with wide circulation, at least two working days prior to the Bid/ Offer Opening Date. The Offer Price shall be determined by our Company in consultation with the BRLM, after the Bid/Offer Closing Date. For further details, see “*Offer Procedure*” on page 410.

**All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹500,000 shall use the UPI Mechanism.**

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs Non-Institutional Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis. For further details on the method and procedure for Bidding, please refer to the chapters titled “*Terms of Offer*” “*Offer Structure*” and “*Offer Procedure*” beginning on pages 405 and 410, respectively of this Draft Red Herring Prospectus.

Each Bidder by submitting a Bid in Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

**The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.**

Bidders should note that this Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment within three working days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled “Offer Procedure” on page 410 of this Draft Red Herring Prospectus.

**Withdrawal of the Offer**

Our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Offer at any time before the Offer Opening Date without assigning any reason thereof.

If our Company withdraws the Offer any time after the Offer Opening Date but before the allotment of Equity Shares, a public notice within two (2) Working Days of the Offer Closing Date, providing reasons for not proceeding with the Offer shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

The BRLM, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instruction. If our Company withdraws the Offer after the Offer Closing Date and subsequently decides to proceed with an Offer of the Equity Shares, our Company will file a fresh Draft Offer Document with the stock exchanges where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Offer is subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges with respect to the Equity Shares offered through the Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the final ROC approval of the Prospectus.

**Underwriting**

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company intends to enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)*

Name, Address, Telephone, Fax, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after determination of the Offer Price and Basis of Allotment and the allocation of Equity Shares, subject to and in accordance with the provisions of the SEBI ICDR Regulations.

In the opinion of our Board the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment. Notwithstanding the above table, the Underwrites shall be severally and not jointly responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers or subscribe to Equity Shares to the extent of the defaulted amount in accordance with and subject to the terms of the Underwriting Agreement.

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Red Herring Prospectus or the Prospectus, with the RoC as the case may be.

## CAPITAL STRUCTURE

The Equity Share capital of our Company before the Offer and after giving effect to the Offer, as at the date of this Draft Red Herring Prospectus, is set forth below:

*(₹ in Million except the share data)*

Sr. No.	Particulars	Aggregate Nominal Value	Aggregate Value at Offer Price <sup>(1)</sup>
I.	<b>Authorized share capital</b> <sup>(2)</sup>		
	85,000,000 Equity Shares of face value ₹10/- each	850.00	-
II.	<b>Issued, subscribed and paid-up share capital prior to the Offer</b>		
	52,500,000 Equity Shares	525.00	-
III.	<b>Present Offer in terms of the Draft Red Herring Prospectus</b>		
	Fresh Issue of up to 14,000,000 Equity Shares at a price of ₹ [●] per Equity Share of face value ₹10/- each <sup>(3)(4)</sup>	[●]	
	Offer for Sale of 4,500,000 Equity Shares at a price of ₹ [●] per Equity Share of face value ₹10/- each <sup>(3)(4)(5)</sup>	[●]	
IV.	<b>Issued, subscribed and paid-up share capital after the Offer</b>		
	[●] Equity Shares <sup>(1)</sup> of face value ₹10/- each (assuming full subscription in the Offer)	[●]	-
V.	<b>Securities premium account</b>		
	Before the Offer		Nil
	After the Offer <sup>(1)</sup>		[●]

<sup>(1)</sup> To be updated upon finalisation of the Offer Price, and subject to basis of allotment.

<sup>(2)</sup> For details of the changes in the authorized share capital of our Company since incorporation, please refer to chapter titled “History and Certain Corporate Matters – Changes in Memorandum of Association in the last 10 years (since incorporation)” on page 195 of this Draft Red Herring Prospectus.

<sup>(3)</sup> The Offer has been authorized pursuant to a resolution of our Board passed at its meeting held on March 11, 2024 and by special resolution passed by our Shareholders at the Extra-Ordinary General Meeting held on March 12, 2024.

<sup>(4)</sup> The Promoter Selling Shareholder has confirmed and approved his participation in the Offer for Sale and their respective eligibility to participate in the Offer for Sale in accordance with the SEBI ICDR Regulations. For further details, see “The Offer” and “Other Regulatory and Statutory Disclosures” on pages 81 and 381 respectively.

<sup>(5)</sup> As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company and there is no share application money pending for allotment.

1. **Notes on Capital Structure**

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

Date of Allotment of Equity Shares	Number of Equity Shares allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Reason/ Nature of Allotment	Names of Allotees	Cumulative Number of Equity Shares	Cumulative Paid Up Share Capital (₹)
October 28, 1992	7	10.00	10.00	Cash	Subscription to the MoA	Allotment of 1 Equity Share to Raghuvirprasad Agarwal, 1 Equity Share to Kamlesh Agarwal, 1 Equity Share to Sunil Agarwal, 1 Equity Share to Girish Agarwal, 1 Equity Share to Kaushalyadevi Agarwal, 1 Equity Share to Kirandevi Agarwal, 1 Equity Share to Pamita Agarwal.	7	70
March 31, 1993	99,993	10.00	10.00	Cash	Further Allotment	Allotment of 99,993 Equity Shares to Raghuvir Synthetics Limited.	100,000	1,000,000
March 31, 1994	200,000	10.00	10.00	Cash	Rights Issue	Allotment of 200,000 Equity Shares to Raghuvir Synthetics Limited.	300,000	3,000,000
March 31, 1995	200,000	10.00	10.00	Cash	Rights Issue	Allotment of 200,000 Equity Shares to Raghuvir Synthetics Limited.	500,000	5,000,000
September 02, 2005	1,000,000	10.00	75.00	Cash	Further Allotment	Allotment of 160,000 Equity Shares to Nexus Software Limited, 180,000 Equity Shares to Genius Commtrade Limited, 260,000 Equity Shares to Sona Cosmetic Limited, 120,000 Equity Shares to Dhyanchem Pharmaceuticals (Exports)	1,500,000	15,000,000

Date of Allotment of Equity Shares	Number of Equity Shares allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Reason/ Nature of Allotment	Names of Allotees	Cumulative Number of Equity Shares	Cumulative Paid Up Share Capital (₹)
						Limited, 160,000 Equity Shares to Supreme Telecom and Network India Limited, and 120,000 Equity Shares to Sona International Limited.		
March 29, 2012	1,000,000	10.00	85.00	Cash	Further Allotment	Allotment of 94,500 Equity Shares to Suburban Cooling Towers Private Limited, 31,200 Equity Shares to Midas Flexipacks Private Limited, 42,500 Equity Shares to Amrut Jyot Enterprise Private Limited, 107,500 Equity Shares to Red Carpet Fashions (I) Limited, 111,300 Equity Shares to Rotoflex Fincap & Services Limited, 76,500 Equity Shares to Shreyam Hotels Private Limited, 59,000 Equity Shares to Biraj Manipex Private Limited, 98,100 Equity Shares to Viva Style And Fashion (India) Limited, 70,600 Equity Shares to Kutch Textile Private Limited, 28,300 Equity Shares to Hardik Marketing Private Limited, 19,500 Equity Shares to Vohera Securities Private Limited, 40,000 Equity Shares to Sakira Finlease Private Limited, 94,500 Equity Shares	2,500,000	25,000,000

Date of Allotment of Equity Shares	Number of Equity Shares allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Reason/ Nature of Allotment	Names of Allotees	Cumulative Number of Equity Shares	Cumulative Paid Up Share Capital (₹)
						to Sheetal Bio-Agro Tech Limited, 100,000 Equity Shares to Sarang Chemicals Limited, 26,500 Equity Shares to Fool Proof Vyapaar Private Limited.		
July 31, 2023	50,000,000	10.00	-	Other than Cash	Bonus Issue in the ratio of 20:1 (Twenty for every one Equity Share held)	Allotment of 37,360,000 Equity Shares to Sunil Agarwal, 6,000,000 Equity Shares to Pamita Agarwal, 3,319,940 Equity Shares to Yash Agarwal, 3,320,000 Equity Shares to Hardik Agarwal, 20 Equity Shares to Aditi Agarwal, 20 Equity Shares to Samirbhai Sheth, 20 Equity Shares to Kamalbhai Patel.	52,500,000	525,000,000
<b>Total</b>							<b>52,500,000</b>	<b>525,000,000</b>

*Certain corporate records, including minutes of the meetings of Shareholders of our Company and form 2 (return of allotments), are not traceable by our Company, or with the RoC. For further details, see “Risk Factor no. 15 - We have been unable to locate certain of our historical corporate records.” under section titled ‘Risk Factors’ on page 42.*

## 2. History of preference share capital

As on the date of this Draft Red Herring Prospectus, our Company does not have any preference share capital.

## 3. Details of Equity Shares issued for consideration other than cash or by way of bonus issue or out of revaluation reserves:

As on the date of this Draft Red Herring Prospectus, Our Company has not issued any Equity Shares of the Company for consideration other than cash by way of a bonus issue or out of revaluation of reserves since its incorporation.

Except as disclosed below, our Company has not made any issuance of Equity Shares for consideration other than cash or by way of bonus issue as of the date of this Draft Red Herring Prospectus:

Date of Allotment of Equity Shares	Number of Equity Shares allotted	per Equity Share (₹)	Issue Price per Equity Share (₹)	Benefits accrued to our Company	Reason/ Nature of allotment	Name of Allottee
July 31, 2023	50,000,000	10.00	-	Other than Cash	Bonus Issue	Allotment of 37,360,000 Equity Shares to Sunil Agarwal, 6,000,000 Equity Shares to Pamita Agarwal, 3,319,940 Equity Shares to Yash Agarwal, 3,320,000 Equity Shares to Hardik Agarwal, 20 Equity Shares to Aditi Agarwal, 20 Equity Shares to Samirbhai Sheth, 20 Equity Shares to Kamalbhai Patel.



**4. Issue of Equity Shares under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013**

Our Company has not issued or allotted any Equity Shares pursuant to any scheme of arrangement approved under Section 391-394 of the Companies Act, 1956 or section 230-234 of the Companies Act, 2013.

**5. Equity Shares issued pursuant to employee stock option schemes**

Our Company does not have any Employee Stock Option Scheme.

**6. Issue of Equity Shares at a price lower than Offer Price in the last one (1) year**

The Offer Price for the Equity Shares is ₹[●]. Except as disclosed in “- *Notes on Capital Structure*” on page 100 our Company has not made an issue of specified securities at a price which may be lower than the Offer Price during the period of one year preceding the date of filing of this Draft Red Herring Prospectus.

## 7. Shareholding Pattern of our Company

The table below presents the current shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

S. No (I)	Category of shareholder (II)	Nos. of share holders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities* (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) (XI=VIII+IX)	Number of Locked in shares** (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights		Total as a % of (A+B+C) (%)			No.	As a % of total Shares held (b)	No.	As a % of total Shares held (b)	
								Class Equity Shares of ₹10/- each^	Total								
(A)	Promoters & Promoter Group	5	52,499,958	-	-	52,499,958	99.99	52,499,958	52,499,958	99.99	-	-	-	-	-	-	52,499,958
(B)	Public	2	42	-	-	42	Negligible	42	42	Negligible	-	-	-	-	-	-	42
(C)	Non-Promoter-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>7</b>	<b>52,500,000</b>	<b>-</b>	<b>-</b>	<b>52,500,000</b>	<b>100</b>	<b>52,500,000</b>	<b>52,500,000</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,500,000</b>

8. **Details of equity shareholding of major shareholders of our Company**

- a. Set forth below is the list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis and the number of Equity Shares held by them, as on the date of this Draft Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>Number of Equity Shares held</b>	<b>% of the then existing paid up capital</b>
1.	Sunil Agarwal	39,228,000	74.72
2.	Pamita Agarwal	6,300,000	12.00
3.	Hardik Agarwal	3,486,000	6.64
4.	Yash Agarwal	3,485,937	6.64
<b>Total</b>		<b>5,24,99,937</b>	<b>99.99</b>

- b. Set forth below is the list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis and the number of Equity Shares held by them, as of 10 days prior to the date of this Draft Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>Number of Equity Shares held</b>	<b>% of the then existing paid up capital</b>
1.	Sunil Agarwal	39,228,000	74.72
2.	Pamita Agarwal	6,300,000	12.00
3.	Hardik Agarwal	3,486,000	6.64
4.	Yash Agarwal	3,485,937	6.64
<b>Total</b>		<b>5,24,99,937</b>	<b>99.99</b>

- c. Set forth below is the list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis and the number of Equity Shares held by them, as of one year prior to the date of this Draft Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>Number of Equity Shares held</b>	<b>% of the then existing paid up capital</b>
1.	Sunil Agarwal	1,868,000	74.72
2.	Pamita Agarwal	300,000	12.00
3.	Hardik Agarwal	165,997	6.64
4.	Yash Agarwal	166,000	6.64
<b>Total</b>		<b>2,499,997</b>	<b>99.99</b>

- d. Set forth below is the list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis and the number of Equity Shares held by them, as of two years prior to the date of this Draft Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>Number of Equity Shares held</b>	<b>% of the then existing paid up capital</b>
1.	Sunil Agarwal	1,868,000	74.72

Sr. No.	Name of the Shareholder	Number of Equity Shares held	% of the then existing paid up capital
2.	Pamita Agarwal	300,000	12.00
3.	Hardik Agarwal	165,997	6.64
4.	Yash Agarwal	166,000	6.64
<b>Total</b>		<b>2,499,997</b>	<b>99.99</b>

9. Our Company presently does not intend or propose to alter its capital structure for a period of six (6) months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of further public issue of Equity Shares, or otherwise. However, if business needs of our Company so require, our Company may alter the capital structure by way of split/consolidation of the denomination of the Equity Shares/ issue of Equity Shares on a preferential basis or issue of bonus or rights or public or preferential issue of Equity Shares or any other securities during the period of six (6) months from the date of opening of the Offer or from the date the application moneys are refunded on account of failure of the Offer, after seeking and obtaining all the approvals which may be required.

10. **History of build-up of Promoters' shareholding (including Promoters' contribution) and Lock-in of Promoters' shareholding:**

i. **Build-up of Promoters' shareholdings.**

As on the date of this Draft Red Herring Prospectus, our Promoters, Sunil Agarwal, Pamita Agarwal, Hardik Agarwal, Yash Agarwal hold 39,228,000, 6,300,000, 3,486,000 and 3,485,937 Equity Shares respectively, which aggregates to 99.99% of the pre-Offer issued, subscribed and paid-up Equity Share Capital of our Company. Further, none of the Equity Shares held by our Promoters are pledged.

Date of Allotment/ Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Offer/ Acquisition/ Sale Price per Share (₹)**	Nature of Consideration (Cash/ Other than Cash)	Nature of Transaction	% of pre Offer equity share capital	% of post Offer equity share capital
<b>Sunil Agarwal</b>							
October 28, 1992	1	10	10	Cash	Subscription to the MOA	<i>Negligible</i>	[●]
April 15, 1993	-1	10	10	Cash	Transfer to Raghuvir Synthetics Limited	<i>Negligible</i>	[●]
May 16, 2007	160,000	10	2	Cash	Transfer from Nexus Software Limited	0.30	[●]

Date of Allotment/ Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Offer/ Acquisition/ Sale Price per Share (₹)**	Nature of Consideration (Cash/ Other than Cash)	Nature of Transaction	% of pre Offer equity share capital	% of post Offer equity share capital
May 16, 2007	174,000	10	2	Cash	Transfer from Genius Commtrade Limited	0.33	[●]
September 20, 2011	34,000	10	-	Other than Cash	Transfer from Kamlesh Agarwal	0.06	[●]
January 18, 2013	94,500	10	11	Cash	Transfer from Suburban Cooling Towers Private Limited	0.18	[●]
January 18, 2013	100,000	10	11	Cash	Transfer from Sarang Chemicals Limited	0.19	[●]
January 18, 2013	40,000	10	11	Cash	Transfer from Sarika Finlease Private Limited	0.08	[●]
January 18, 2013	26,500	10	11	Cash	Transfer from Fool Proof Vyapaar Private Limited	0.05	[●]
January 18, 2013	19,500	10	11	Cash	Transfer from Vohera Securities Private Limited	0.04	[●]
January 18, 2013	98,100	10	11	Cash	Transfer from Viva Style and Fashion (India) Limited	0.19	[●]
January 18, 2013	70,600	10	11	Cash	Transfer from Kutch Textile Private Limited	0.13	[●]
January 18, 2013	28,300	10	11	Cash	Transfer from Hardik Marketing	0.05	[●]

Date of Allotment/ Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Offer/ Acquisition/ Sale Price per Share (₹)**	Nature of Consideration (Cash/ Other than Cash)	Nature of Transaction	% of pre Offer equity share capital	% of post Offer equity share capital
					Private Limited		
January 18, 2013	31,200	10	11	Cash	Transfer from Midas Flexipacks Private Limited	0.06	[●]
January 18, 2013	76,500	10	11	Cash	Transfer from Shreyam hotels Private Limited	0.15	[●]
January 18, 2013	111,300	10	11	Cash	Transfer from Rotoflex Fincap & Services Limited	0.21	[●]
January 18, 2013	107,500	10	11	Cash	Transfer from Red Carpet Fashion(s) Limited	0.20	[●]
January 18, 2013	42,500	10	11	Cash	Transfer from Amrut Jyot Enterprise Private Limited	0.08	[●]
March 07, 2013	59,000	10	11	Cash	Transfer from Biraj Manimpex Private Limited	0.11	[●]
March 07, 2013	94,500	10	11	Cash	Transfer from Sheetal Bio-Agro Tech Limited	0.18	[●]
July 15, 2014	500,000	10	95	Cash	Transfer 100,000 each from (i) Chirayu Exim Private Limited; (ii) Dhara Softech and BPO Service Private	0.95	[●]

Date of Allotment/ Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Offer/ Acquisition/ Sale Price per Share (₹)**	Nature of Consideration (Cash/ Other than Cash)	Nature of Transaction	% of pre Offer equity share capital	% of post Offer equity share capital
					Limited; (iii) Zeelan Infrastructure Private Limited; (iv) Shah Technosoft Solution Private Limited; and (v) Passwala Infrastructure Private Limited		
July 31, 2023	37,360,000	10	-	Other than Cash	Bonus Issue in the ration 20:1 (Twenty for every one Equity Share held)	71.16	[●]
<b>Pamita Agarwal</b>							
October 28, 1992	1	10	10	Cash	Subscription to the MOA	<i>Negligible</i>	[●]
April 15, 1993	-1	10	10	Cash	Transfer to Raghuvir Synthetics Limited	<i>Negligible</i>	[●]
September 20, 2011	100,000	10	-	Other than Cash	Transfer from Kamlesh Agarwal	0.19	[●]
September 20, 2011	200,000	10	-	Other than Cash	Transfer from Girish Agarwal	0.38	[●]
July 31, 2023	6,000,000	10	-	Other than Cash	Bonus Issue in the ration 20:1 (Twenty for every one Equity Share held)	11.43	[●]
<b>Hardik Agarwal</b>							
September 20, 2011	100,000	10	-	Other than Cash	Transfer from Kamlesh Agarwal	0.19	[●]

Date of Allotment/ Transfer/ when made fully paid up*	Number of Equity Shares	Face Value Per Share (₹)	Offer/ Acquisition/ Sale Price per Share (₹)**	Nature of Consideration (Cash/ Other than Cash)	Nature of Transaction	% of pre Offer equity share capital	% of post Offer equity share capital
September 20, 2011	66,000	10	-	Other than Cash	Transfer from Girish Agarwal	0.12	[●]
July 31, 2023	3,320,000	10	-	Other than Cash	Bonus Issue in the ration 20:1 (Twenty for every one Equity Share held)	6.32	[●]
<b>Yash Agarwal</b>							
September 20, 2011	100,000	10	-	Other than Cash	Transfer from Kamlesh Agarwal	0.19	[●]
September 20, 2011	66,000	10	-	Other than Cash	Transfer from Girish Agarwal	0.12	[●]
July 05, 2014	-1	10	95	Cash	Transfer to Aditi Agarwal	<i>Negligible</i>	[●]
July 05, 2014	-1	10	95	Cash	Transfer to Samirbhai Sheth	<i>Negligible</i>	[●]
July 05, 2014	-1	10	95	Cash	Transfer to Kamalbhai Patel	<i>Negligible</i>	[●]
July 31, 2023	3,319,940	10	-	Other than Cash	Bonus Issue in the ration 20:1 (Twenty for every one Equity Share held)	6.32	[●]
<b>Total</b>	<b>52,499,937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99.99</b>	<b>[●]</b>

\*All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares.

\*\* Cost of acquisition excludes Stamp Duty

- ii. All Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus.
- iii. Details of Lock-in of Equity Share capital:
  - a) Promoters' Contribution locked-in for three (3) years



Pursuant to Regulation 14 and 16 of the SEBI ICDR Regulations, an aggregate of at least 20% of the post-Offer Equity Share Capital of our Company held by our Promoters shall be considered as Promoters' Contribution ("Promoters' Contribution") and shall be locked-in for a period of three (3) years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before listing of the Equity Shares.

All Equity Shares held by our Promoters are eligible for Promoters' Contribution, pursuant to Regulation 15 of the SEBI ICDR Regulations.

Our Promoters have consented to the inclusion of such number of the Equity Shares held by them, in aggregate, as may constitute 20% of the post-Issue equity share capital of our Company as Promoters' Contribution and have agreed not to sell, charge or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution, for a period of three (3) years from the date of allotment in the Issue.

The below Equity Shares proposed to form part of Promoters' Contribution subject to lock-in shall not be disposed of/ sold/ transferred by our Promoters during the period starting from the date of filing this Draft Red Herring Prospectus with the Stock Exchanges until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Accordingly, Equity Shares aggregating to 20% of the post-Offer capital of our Company, held by our Promoters shall be locked-in for a period of three (3) years from the date of Allotment in the Offer as follows:

Date on which the Equity Shares were Allotted/ made fully paid up/Acquired	No. of Equity shares locked-in*	Face Value Per Share (₹)	Issue/ Acquisition Price Per Share (₹)	Nature of transaction	% of post-Issue share capital**	Period of Lock-in	Date up to which the Equity Shares are subject to lock-in**
<b>Sunil Agarwal</b>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Pamita Agarwal</b>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Hardik Agarwal</b>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Yash Agarwal</b>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

Date on which the Equity Shares were Allotted/made fully paid up/Acquired	No. of Equity shares locked-in*	Face Value Per Share (₹)	Issue/Acquisition Price Per Share (₹)	Nature of transaction	% of post-Issue share capital**	Period of Lock-in	Date up to which the Equity Shares are subject to lock-in**
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]	[●]	[●]	[●]	[●]

*Note: To be updated at the Prospectus stage*

*\*All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition as the case may be, of such Equity Shares*

*\*\*Subject to finalization of Basis of Allotment*

The Promoters' Contribution has been brought into the extent of not less than the specified minimum lot and from the person defined as 'promoter' under the SEBI ICDR Regulations.

The Equity Shares that are being locked are eligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. In this respect, we confirm the following:

- i) that the minimum Promoters' Contribution does not consist of Equity Shares acquired during the preceding three years, which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
- ii) that the minimum Promoters' Contribution does not consist of Equity Shares acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution;
- iii) that the minimum Promoters' Contribution does not consist of Equity Shares acquired during the one (1) year immediately preceding the date of this Draft Red Herring Prospectus at a price which may be lower than the price at which the Equity Shares are being offered to the public in the Issue;
- iv) that the Equity Shares held by our Promoters which are offered for minimum Promoters' Contribution are not subject to any pledge or any other form of encumbrance whatsoever; and all the Equity Shares of our Company held by the Promoters are dematerialized;
- v) The Equity Shares offered for Promoters' Contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoters for inclusion of its subscription in the Promoters' Contribution subject to lock-in.

#### **b) Details of Equity Shares Locked-in**

In terms of Regulation 16(1)(b) and 17 of the SEBI ICDR Regulations, the Promoters' holding in excess of minimum Promoters' Contribution, which will be locked-in for one (1) year and the entire

pre-Offer capital held by the persons other than Promoters, all the pre-Offer Equity Share capital shall be subject to lock-in for a period of six (6) months from the date of Allotment.

The shares which are in dematerialized form shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

**c) Lock-in of Equity Shares Allotted to Anchor Investors**

50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

**d) Other requirements in respect of lock-in**

In terms of Regulation 21 of the SEBI ICDR Regulations, locked-in Equity Shares for one (1) year held by our Promoters may be pledged only with scheduled commercial banks or public financial institutions or a systematically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Promoters' Contribution for 18 months under Regulation 16(a) of the SEBI ICDR Regulations may be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted to the Issuer Company or its subsidiary(ies) by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the specified securities till the lock-in period stipulated in the SEBI ICDR Regulations has expired.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by Promoters and locked-in as per Regulation 16 may be transferred to another Promoter or any person of the Promoter Group or a new Promoter and the Equity Shares held by persons other than the Promoters and locked-in in terms of Regulation 17, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations and such transferee shall not be eligible to transfer them until the lock-in period stipulated in the SEBI ICDR Regulations has expired.

e) We further confirm that our Promoters' Contribution of 20% of the post-Issue Equity Share capital does not include any contribution from Alternative Investment Fund, Foreign Venture Capital Investors, Scheduled Commercial Banks, Public Financial Institutions or Insurance Companies registered with Insurance Regulatory and Development Authority of India.

11. As on the date of this Draft Red Herring Prospectus, our Company has 7 shareholders.

12. **Details of the shareholding of our Promoters and members of the Promoter Group is as below:**

Our Promoters and Promoter Group holds 99.99% of the pre-Offer Equity Share Capital of our Company. Except as stated below, our Promoters and the members of our Promoter Group do not hold any Equity Shares in our Company as on date of this Draft Red Herring Prospectus:

Particulars	Pre-Offer		Post-Offer	
	Number of Equity Shares	Percentage (%) holding	Number of Equity Shares	Percentage (%) holding
<b>Promoters</b>				
Sunil Agarwal	39,228,000	74.72	[●]	[●]
Pamita Agarwal	6,300,000	12.00	[●]	[●]
Hardik Agarwal	3,486,000	6.64	[●]	[●]
Yash Agarwal	3,485,937	6.64	[●]	[●]
<b>Total (A)</b>	<b>52,499,937</b>	<b>99.99</b>	[●]	[●]
<b>Promoter Group</b>				
Aditi Agarwal	21	Negligible	[●]	[●]
<b>Total (B)</b>	<b>21</b>	<b>Negligible</b>	[●]	[●]
<b>Total (A+B)</b>	<b>52,499,958</b>	<b>99.99</b>	[●]	[●]

13. None of the Equity Shares held by our Promoters and the members of our Promoter Group are pledged or otherwise encumbered.
14. Except as disclosed in “Our Management-- Shareholding of our Directors in our Company” and “Our Management-- Shareholding of the Key Managerial Personnel and Senior Management” on pages 207 and 220 respectively, none of the Directors, Key Managerial Personnel or Senior Management hold any Equity Shares as on the date of this Draft Red Herring Prospectus.
15. There are no financing arrangements whereby the Promoters, members of our Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the Offer during the period of 6 (six) months immediately preceding the date of filing the Draft Red Herring Prospectus.
16. Our Company, our Directors, our Promoters and the BRLM have not entered into any buy-back and/ or standby and/ or similar arrangements for the purchase of Equity Shares of our Company, offered through this Draft Red Herring Prospectus, from any person.
17. The Equity Shares are fully paid-up and there are no partly-paid up Equity Shares as on the date of this Draft Red Herring Prospectus. Since the entire Offer Price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
18. Our Company does not have any ESOP Scheme
19. The BRLM and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus. The BRLM and their respective 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 investment banking transactions with our Company, for which they may receive customary compensation.

20. We have not granted any options or issued any shares under any scheme of employee stock option or employees stock purchase in the preceding three (3) years and we do not intend to allot any Equity Shares to our Employees under ESOS/ ESOP scheme from proposed Issue.
21. Except as disclosed in “*Capital Structure – Notes on the Capital Structure*” on page 100, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
22. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments, financial instruments or any other rights which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Issue.
23. The BRLM, our Company, members of the Syndicate, our Directors, our Promoters, our Promoter Group and/ or any person connected with the Offer shall not 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, for making an Application.
24. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus until the Equity Shares to be issued pursuant to the Offer have been listed or all application monies have been refunded, as the case may be.
25. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 49 of SEBI ICDR Regulations.
26. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
27. An over-subscription to the extent of 1% of the Offer can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Offer. Consequently, the actual allotment may go up by a maximum of 1% of the Offer, as a result of which, the post-Offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to 3 months lock- in shall be suitably increased; so as to ensure that 20% of the post Offer paid-up capital is locked in.
28. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
29. As per RBI regulations, OCBs are not allowed to participate in this Offer.
30. Our Company has not raised any bridge loans against the proceeds of the Offer.

31. Our Company shall comply with such disclosure and accounting norms as may be specified by stock exchange, SEBI and other regulatory authorities from time to time.
32. None of the Promoters or other members of our Promoter Group will participate in the Offer except to the extent of their participation in the Offer for Sale.
33. All transactions in Equity Shares by our Promoters and members of the Promoter Group, if any, between the date of filing of the Draft Red Herring Prospectus and the Offer Closing Date will be reported to the Stock Exchanges within 24 hours of such transactions being completed

## OBJECTS OF THE OFFER

The Offer comprises the Offer for Sale and the Fresh Issue. The Fresh Issue comprises of up to 14,000,000 Equity Shares, aggregating up to ₹ [●] million by our Company and the Offer for Sale comprises of up to 4,500,000 Equity Shares, aggregating up to [●] million by the Promoter Selling Shareholder.

### Offer for Sale

The proceeds of the Offer for Sale shall be received by the Promoter Selling Shareholder. Our Company will not receive any proceeds from the Offer for Sale. The Promoter Selling Shareholder will be entitled to the proceeds from the Offer for Sale, net of his respective portion of the Offer related expenses. For further details, please see “Offer Expenses” on page 124 of the DRHP.

The details of the Offer for Sale are set out below:

Name of Promoter Selling Shareholder	Date of consent	Number of Offered Shares
Sunil Agarwal	March 11, 2024	4,500,000 Equity Shares, aggregating up to ₹[●] million

*The Promoter Selling Shareholder has confirmed its participation in the Offer for Sale. The Offered Shares have been held by the Promoter Selling Shareholder for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with the SEBI and are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations.*

### Fresh Issue

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

1. Funding capital expenditure requirements of our Company towards setting up of two Stitching Units situated at Village Vansva, Taluka Viramgam, Ahmedabad, Gujarat (“**Proposed Facilities**”); and
2. General corporate purposes

*(collectively, referred to herein as the “Objects”)*

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company’s visibility and brand image and creation of a public market for our Equity Shares in India

The main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities proposed to be funded from the Net Proceeds

### Net Proceeds

The details of the proceeds of the Fresh Issue are summarized in the table below:

Particulars	Amount
Gross proceeds from the Fresh Issue	[●]
Less: Fresh Issue related expenses <sup>(1)(2)(3)</sup>	[●]

<b>Net Proceeds</b>	[●]
---------------------	-----

(1) To be finalized upon determination of the Offer Price and updated in the Prospectus at the time of filing with the RoC

(2) For details, please see “offer related expenses” on page 124 of this Draft Red Herring Prospectus

(3) Excluding expenses incurred from the Offer for Sale

### Utilization of Net Proceeds and Schedule of Deployment

The Net Proceeds are proposed to be utilized and are currently expected to be deployed in accordance with the schedule set forth below:

<i>(₹ in million)</i>				
<b>Particulars</b>	<b>Total Estimated Cost</b>	<b>Amount already deployed as on March 29, 2024<sup>(2)</sup></b>	<b>Amount which will be financed from the Net Proceeds</b>	<b>Estimated utilization of Net Proceeds in Financial Year 2025</b>
Funding capital expenditure requirements of our Company towards setting up of two Stitching Units situated at Village Vansva, Taluka Viramgam, Ahmedabad, Gujarat (“ <b>Proposed Facilities</b> ”)	1,128.68 <sup>(1)</sup>	-	1,128.68 <sup>(1)</sup>	1,128.68 <sup>(1)</sup>
General Corporate Purposes <sup>(2)</sup>	[●]	-	[●]	[●]
<b>Total</b>	[●]	-	[●]	[●]

(1) Total estimated cost as per Chartered Engineer certificate dated March 28, 2024 issued by M/s Shambhubhai Karkar, Independent Chartered Engineer in respect of the Proposed Facilities.

(2) As certified by M/s G. K. Choksi & Co., Chartered Accountants as on March 29, 2024

(3) To be finalized upon determination of Offer Price and updated in the Prospectus prior to filing with the RoC. The amount shall not exceed 25% of the gross proceeds

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event that the estimated utilization of the Net Proceeds in a scheduled financial year is not completely met, due to the reasons stated above, the same shall be utilized in the next financial year, as may be determined by our Company, in accordance with applicable laws. Subject to applicable laws, in



the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects of the Fresh Issue, if required and towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds in accordance with the SEBI ICDR Regulations.

## Details of the Objects of the Fresh Issue

### 1. Funding capital expenditure requirements of our Company towards setting up of two Stitching Units situated at Village Vansva, Taluka Viramgam, Ahmedabad, Gujarat (“Proposed Facilities”)

We aim to continue investing in expanding our manufacturing capacities to meet increasing demands for our products, along with the necessity to launch new products in the home textile category. As a part of such expansion, our Board in its meeting dated March 11, 2024 approved to acquire two land parcel to set-up two stitching units at Village Vansva, Taluka Viramgam, District Ahmedabad, State Gujarat and for these Proposed Facilities, we are required to make investment in inter alia land, civil & construction and various stitching equipment.

This will be in addition to our already existing facilities situated at Survey No 80, Rirana Road, 270, Piplej, Ahmedabad, Gujarat, India and Block No 54, Opp Vinod Fabrics, Survey No 65 and 67, Laxmipura, Piplej, Ahmedabad, Gujarat, India

### Estimated Cost

The total estimated cost of the Proposed Facilities is ₹ 1,128.68 million, as certified by Shambhubhai Karkar, an independent chartered engineer (bearing member registration number: 051501-3), pursuant to their certificate dated March 28, 2024. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. Other expenses such as IT infrastructure, furniture & fixture, etc. are proposed to be incurred from company’s internal accruals. The estimated production capacity will be 3,600,000 pack sets for both the land parcel 1 and 2.

Our Company proposes to utilize an amount of up to ₹ 1,128.68 million from the Net Proceeds for funding capital expenditure requirements of our Company towards setting up of these two Stitching Units.

Below is the bifurcation of costs to be incurred:

<i>(₹ in million)</i>				
Sr No	Particulars	Total Estimated Cost	Amount already deployed as on March 29, 2024	Amount which will be financed from the Net Proceeds
1	Land	427.40	-	427.40
2	Civil & Construction <sup>^</sup>	573.00	-	573.00
3	Stitching Equipment <sup>*</sup>	128.28	-	128.28
	<b>Total</b>	<b>1,128.68</b>	<b>-</b>	<b>1,128.68</b>

<sup>\*</sup> exclusive of applicable taxes <sup>^</sup> inclusive of applicable taxes

### Land

The proposed facilities are being set up on the land parcel situated at Survey No: 897 Moje Gam: Vansva, Taluka: Viramgam, Dist: Ahmedabad, Gujarat Pin Code 382150 (“**land parcel 1**”) admeasuring 22,557 sq. mtrs. and Survey No: 916P Moje Gam: Vansva, Taluka: Viramgam, Dist: Ahmedabad, Gujarat Pin Code 382150 (“**land parcel 2**”) admeasuring 10,320 sq. mtrs. These two land parcels are proposed to be acquired by our Company.

Our Company has signed a MoU (Memorandum of Understanding) dated March 29, 2024 for the land parcel 1&2 with Darshanbhai Patel for acquiring the said land. We propose to utilize ₹ 293.24 million for the acquisition of land parcel 1 and ₹ 134.16 million for the acquisition of land parcel 2 from the Net Proceeds towards acquisition of these two land parcels.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in this transaction.

### **Civil & Construction**

Our Company proposes to utilize ₹ 573 million towards Civil & Construction work of land parcel 1 & 2. For the entire civil & construction work, we have obtained a quotation from Shilpa Construction Private Limited bearing reference no. SCPL/2324/029 dated March 25, 2024 having a validity of March 25, 2025. Below is the bifurcation of expenses to be incurred towards civil & construction of both the land parcel 1 & 2:

<b>Sr No</b>	<b>Particulars</b>	<b>Quantity (Unit in Sq. Ft.)</b>	<b>Price per Unit</b>	<b>Total Estimated Cost (₹ in million)</b>
1.	Earth Work	2,17,587.50	193.03	42.00
2.	Pile Work	2,17,587.50	101.11	22.00
3.	Concrete Work	2,17,587.50	105.70	23.00
4.	Reinforcement Work	2,17,587.50	312.52	68.00
5.	Centering and Form Work	2,17,587.50	142.47	31.00
6.	Block and Brick Masonry Work	2,17,587.50	133.28	29.00
7.	Water Proofing Work	2,17,587.50	80.43	17.50
8.	Flooring Work	2,17,587.50	101.11	22.00
9.	Structural Steel and SS Railing Work	2,17,587.50	218.30	47.50
10.	Plastering and Pointing Work	2,17,587.50	206.81	45.00
11.	Painting and Polishing Work	2,17,587.50	57.45	12.50
12.	Aluminum Door Window, Ventilation and Rolling Shutter Works	2,17,587.50	36.77	8.00
13.	Miscellaneous Work	2,17,587.50	137.88	30.00
14.	Peripheral & Landscape Development	1,35,840.25	655.18	89.00
15.	GST			86.50
	<b>Total</b>			<b>573.00</b>

\* inclusive of applicable taxes

### **Stitching Equipment**

Our Company proposes to utilize ₹ 128.27 million towards purchase of various types of stitching equipment. For the purchase of stitching equipment, we have obtained a quotation from Juki India Private Limited bearing reference no. JIN/24-13P dated March 27, 2024 having a validity of three months. This

stitching equipment will be installed at both our proposed units i.e. units situated at land parcel 1 & 2. Below is the bifurcation of expenses to be incurred towards purchase of various types of stitching equipment:

Sr No	Particulars	Unit	Quantity	Price per Unit	Total Estimated Cost <sup>(1)(2)</sup> (₹ in million)
1.	Automatic Spreader	Set	5.00	43,68,000.00	21.84
2.	Button Attaching M/c	Pcs	8.00	2,85,600.00	2.28
3.	Buttonhole M/c	Pcs	8.00	3,02,400.00	2.42
4.	Cutting - Straight Knife M/c	Pcs	4.00	67,200.00	0.27
5.	End Cutter	Pcs	6.00	84,000.00	0.50
6.	Eton - Hanger	Station	264.00	2,76,780.00	73.07
7.	Iron Table	Set	14.00	84,000.00	1.18
8.	Manual Spreading Table	Set	2.00	15,12,000.00	3.02
9.	Overlock Machine (5Th)	Pcs	40.00	51,240.00	2.05
10.	Sewing Mc Pullers	Pcs	160.00	97,440.00	15.59
11.	Single Needle M/c	Pcs	30.00	75,600.00	2.27
12.	Sewing Mc Pullers	Pcs	30.00	1,26,000.00	3.78
	<b>Total</b>				<b>128.27</b>

(1) The quotation has been received in US\$, which has been converted into INR. The conversion rate taken is ₹84 for every 1\$

(2) Exclusive of applicable taxes

### Government and other Approvals

In relation to the Proposed Greenfield Project, our Company is required to obtain certain approvals from certain governmental or local authorities, the status of which is provided below as per certificate dated March 28, 2024 issued by M/s. Shambhubhai Karkar, Independent Chartered Engineer.

Sr No	Authority	Application date	Approval date	Status
1.	Permission from revenue department for change in usage of land bearing 897 Moje Gam: Vansva, Taluka: Viramgam, Dist: Ahmedabad, Gujarat Pin Code 382150 from agricultural to non-agricultural	Yet to be applied	Yet to be applied	Pending
2.	DISH (Directorate of Industrial Safety & Health) - Factory Plan Approval	Yet to be applied	Yet to be applied	Pending
3.	Fire NOC	Yet to be applied	Yet to be applied	Pending

Sr No	Authority	Application date	Approval date	Status
4.	PWD (Public Works Department) - Electrical Inspector Approval for Transformer & Other Equipment	Yet to be applied	Yet to be applied	Pending
5.	Town Planning Approval: Engagement of Liaison Architect, Building Plan Approval and Plinth Completion Certificate	Yet to be applied	Yet to be applied	Pending
6.	GPCB – Consent to Operate	Yet to be applied	Yet to be applied	Pending
7.	DISH - Building Stability Certificate	Yet to be applied	Yet to be applied	Pending
8.	DISH - Factory License	Yet to be applied	Yet to be applied	Pending
9.	Registration for engaging Contract Labour	Yet to be applied	Yet to be applied	Pending
10.	Town Planning Approval, Occupancy Certificate, Tree Plantation Certificate, Drainage Completion Certificate, Building Completion Certificate	Yet to be applied	Yet to be applied	Pending
11.	Water Connection	Yet to be applied	Yet to be applied	Pending
12.	Electricity Connection	Yet to be applied	Yet to be applied	Pending

### Proposed schedule of implementation

The expected schedule of implementation of the Proposed Facility is set forth below:

Sr No	Particulars	Status / expected commencement date	Expected completion date
1.	Land acquisition	August 2024	September 2024
2.	Site development, Civil, Construction & Structural works	September 2024	November 2024
3.	Planning and procurement of equipment	November 2024	December 2024
4.	Installation of equipment	January 2025	February 2025
5.	Commencement of commercial production	February 2025	March 2025

The aforementioned schedule of implementation is based on the management estimates and as per Certificate dated March 28, 2024 issued by M/s Shambhubhai Karkar, Independent Chartered Engineer.

### Means of finance

The fund requirements for the Objects of the Offer are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue or through existing identifiable internal accruals.

## **2. General corporate purposes**

We will have flexibility in utilizing the balance net proceeds, aggregating to ₹ [●] million towards general corporate purposes, subject to such utilization not exceeding 25% of the aggregate of the gross proceeds from the Offer, in accordance with Regulation 7(2) of the SEBI ICDR Regulations, including but not restricted towards part or full prepayment / repayment of our borrowings, strategic initiatives, acquisitions, opening or setting up offices, business development initiatives, 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 expenses incurred in the ordinary course of business and towards any exigencies. The quantum of utilization of funds towards 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 gross 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.

### **Offer related expenses**

The total expenses of the Offer are estimated to be approximately ₹ [●] million. Other than listing fees for the Offer, all costs, fees and expenses with respect to the Offer will be shared amongst our Company and the Promoter Selling Shareholder, in proportion of the proceeds received for the Fresh Issue and the Offered Shares, as may be applicable. Upon successful completion of the Offer and the receipt of listing and trading approvals from the Stock Exchanges, a list and bifurcation of all fees and expenses (along with relevant documents and backups) in relation to the Offer shall be shared by our Company with the Promoter Selling Shareholder. Based on the list, the payment of all fees and expenses shall be made directly from the Public Offer Account. Additionally, all such expenses attributable to Promoter Selling Shareholder, shall be directly deducted from the Public Offer Account and only the balance amount payable to Promoter Selling Shareholder, remaining to the credit of the Public Offer Account shall be transferred to the Promoter Selling Shareholder, in terms of the Cash Escrow and Sponsor Banks Agreement. Any expenses paid by our Company on behalf of the Promoter Selling Shareholder shall be reimbursed to our Company, in terms of applicable law and the Offer Agreement. Appropriate details in this regard shall be included in the Cash Escrow and Sponsor Banks Agreement. Additionally, upon failure or delay in listing the Equity Shares on the Stock Exchanges, the fees and expenses in relation to the Offer shall be shared by our Company and the Promoter Selling Shareholder. The Promoter Selling

Shareholder shall reimburse our Company for the expenses incurred by our Company in relation to their respective Equity Shares offered in the Offer for Sale.

The break-up for the estimated Offer expenses are as follows:

Activity	Estimated expenses (₹ in million)	As a % of total estimated offer expenses	As a % of total offer size
BRLM fees and commissions (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for members of the Syndicate, Registered Brokers, RTAs and CDPs	[●]	[●]	[●]
<b>Others</b>			
<ul style="list-style-type: none"> <li>Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses</li> </ul>	[●]	[●]	[●]
<ul style="list-style-type: none"> <li>Printing and stationery</li> </ul>	[●]	[●]	[●]
<ul style="list-style-type: none"> <li>Fee payable to legal counsel</li> </ul>	[●]	[●]	[●]
<ul style="list-style-type: none"> <li>Advertising and marketing</li> </ul>	[●]	[●]	[●]
<ul style="list-style-type: none"> <li>Miscellaneous</li> </ul>	[●]	[●]	[●]
<b>Total estimated Offer expenses</b>	[●]	[●]	[●]

(1) As on March 29, 2024, our Company has incurred ₹9.34 million towards Issue related expenses out of internal accruals as certified by M/s. G.K Choksi & Co., Statutory Auditors of our Company.

(2) Offer expenses are estimated and are subject to change.

(3) Selling commission payable to the SCSBs on the portion for the RIBs and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:

Portion for RIBs*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)

\* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Further, bidding charges of ₹ [●] (plus applicable goods and services tax) shall be per valid ASBA Form collected by the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Investors using the UPI Mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to SCSBs on the Bid cum Application Forms directly procured by them. Selling commission payable to the Registered Brokers on the portion for Retail Individual Investors and Non-Institutional Investors, which are directly procured by the Registered Brokers and submitted to SCSB for processing, shall be ₹ [●] per valid Bid cum Application Form (plus applicable goods and services tax). In case the total processing charges and bidding charges payable exceeds ₹ [●] million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges and bidding charges payable does not exceed ₹ [●]million (Based on valid Bid cum Application Forms)

(4) Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Bidders*	₹ [●] per valid application (plus applicable taxes)
Portion for Non-Institutional Investors*	₹ [●] per valid application (plus applicable taxes)

\* For each valid application

In case the total processing charges and bidding charges payable exceeds ₹ [●] million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable and bidding charges does not exceed ₹ [●] million (Based on valid Bid cum Application Forms)

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

Portion for Retail Individual Bidders	[●]% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	[●]% of the Amount Allotted* (plus applicable taxes)

\*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price

- (6) 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. In case the total processing charges and bidding charges payable exceeds ₹ [●] million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges and bidding charges payable does not exceed ₹ [●] million (Based on valid Bid cum Application Forms)

- (7) Uploading Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

- (8) Bidding Charges payable to the Registered Brokers, CRTAs/CDPs on the portion for RIBs procured through UPI Mechanism, Non-Institutional Bidders which are directly procured by the Registered Broker, CRTAs/CDPs and submitted to SCSB for processing, would be as follows:

Portion for RIBs*	₹ [●] per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹ [●] per valid application (plus applicable taxes)

\*Based on valid applications

In case the total processing charges and bidding charges payable exceeds ₹ [●] million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges and bidding charges payable does not exceed ₹ [●] million (Based on valid Bid cum Application Forms)

- (9) Bidding Charges / Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

Members of the Syndicate / RTAs / CDPs (uploading charges)	₹ [●] per valid application (plus applicable taxes)*
Sponsor Bank(s) (Processing fee)	Sponsor Bank(s): [●] – Up to [●] valid UPI Applications: ₹ [●] per valid Bid cum Application Form (plus applicable taxes)

	<p>Above [●] valid UPI Applications: ₹ [●] plus GST for per application made by the UPI Bidders using the UPI mechanism.</p> <p>The Sponsor Bank(s) shall be responsible for making payments to third parties such as the remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, amendments, the Syndicate Agreement and other applicable laws.</p>
--	---

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and the Cash Escrow and Sponsor Bank Agreement.

*\*In case the total processing charges and bidding charges payable exceeds ₹ [●] million, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges and bidding charges payable does not exceed ₹[●] million*

(10) Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, 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). Accordingly, Syndicate / Sub-Syndicate Members shall not be able to accept Bid Cum Application Form above ₹ 5,00,000 and the same Bid Cum Application Form needs to be submitted to SCSBs for blocking of fund and uploading on the exchange bidding platform. To identify bids submitted by Syndicate / Sub-Syndicate Members to SCSB, a special Bid Cum Application Form with a heading / watermark, 'Syndicate ASBA' may be used by Syndicate / Sub-Syndicate Member along with SM code and Broker code mentioned on the Bid Cum Application Form to be eligible for brokerage on Allotment. However, such special forms, if used for RIB Bids and NIB Bids up to ₹ 5,00,000 will not be eligible for brokerage. 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 02, 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, SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

### **Interim use of Net Proceeds**

Pending utilization for the purposes described above, our Company will deposit the Net Proceeds only with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board or IPO Committee. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company or for any investment in equity markets.

### **Bridge financing facilities**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

### **Monitoring of Utilisation of Funds**

Our Company has appointed [●], a monitoring agency for monitoring the utilization of the Gross Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Audit Committee and the monitoring agency will monitor the utilization of the Gross Proceeds, and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations. Our Company will disclose the utilization of the Gross Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Gross Proceeds in the balance sheet of our Company for the relevant financial years subsequent to receipt of listing and trading approvals from the Stock Exchanges.



Pursuant to Regulations 18(3) and 32(3) of the Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. The statement shall be certified by the Statutory Auditors of our Company and shall be provided to the Monitoring Agency.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the Gross Proceeds from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee

### **Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects of the Fresh Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("Shareholders' Meeting Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Shareholders' Meeting Notice shall simultaneously be published in the newspapers, one in English and one in Gujarati, being the vernacular language of the jurisdiction where the Registered and Corporate Office is situated in accordance with the Companies Act and applicable rules. Our Promoters or controlling shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner and in accordance with such terms and conditions as given under the Companies Act, 2013 and provisions of Regulation 59 and Schedule XX of the SEBI ICDR Regulations.

### **Appraising Entity**

None of the objects of the Offer for which the Net Proceeds will be utilized have been appraised by any bank / financial institution.

### **Other Confirmations**

No part of the Net Proceeds will be paid by us as consideration to our Promoters, the Promoter Group, the Directors, Key Managerial Personnel and Senior Management Personnel.

Our Company has not entered into and is not planning to enter into any arrangement / agreements with the Promoters, the Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel in relation to the utilization of the Net Proceeds. Further there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

## BASIS FOR OFFER PRICE

The Price Band will be determined by our Company in consultation with the BRLM. The Offer Price will be determined by our Company, in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered in the Offer through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to “Our Business”, “Risk Factors”, and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 146, 42, 342 and 236, respectively, of this DRHP to have an informed view before making an investment decision.

### **Qualitative factors**

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

- Strong and resilient business model with a history of steady financial performance.
- Diversified product portfolio resulting in our lesser dependence on a single industry, product, or services.
- Scalable delivery platform supported by robust infrastructure.
- Seasoned promoter and senior management team with valuable expertise.

For further details, see “Our Business – Strengths” on page 170 of this DRHP.

### **Quantitative factor**

Some of the information presented below relating to our Company is derived from the Restated Financial Statements.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

#### ***I. Basic and diluted earnings per share (“EPS”)***

<i>Financial Year</i>	<i>Basic and Diluted EPS</i>	<i>Weights</i>
<b>Fiscal 2023</b>	<b>3.66</b>	<b>3</b>
<b>Fiscal 2022</b>	<b>1.34</b>	<b>2</b>
<b>Fiscal 2021</b>	<b>1.70</b>	<b>1</b>
<b>Weighted Average</b>	<b>2.56</b>	
For the period ended September 30, 2023 (Not annualised)	2.28	

*Notes:*

1. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. sum of (EPS x Weight) for each year / Total of weights.*
2. *Basic and diluted EPS are based on the Restated Financial Statement.*
3. *The face value of each Equity Share is ₹10.*
4. *Earnings per Share (₹) = Profit after tax excluding exceptional items attributable to equity shareholders for the year/period divided by the weighted average no. of equity shares during the respective year/period.;*
5. *Earnings per Share calculations are in accordance with the notified Accounting Standard 20 ‘Earnings per share’.*

6. The figures disclosed above are based on the Restated Financial Statements.  
7. The Basic and Diluted EPS is calculated post issue of bonus shares in the ratio of 20:1

**II. Price/Earning (“P/E”) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:**

Particulars	P/E at the Floor Price (number of times)*	P/E at the Cap Price (number of times)*
<b>P/E ratio based on Basic EPS for Fiscal 2023</b>	<b>[●]</b>	<b>[●]</b>
P/E ratio based on Diluted EPS for Fiscal 2023	[●]	[●]

\*To be updated at Prospectus stage.

Note: Price / earning (P / E) ratio is computed by dividing the price per share by earnings per share.

**Industry Peer Group P/E ratio**

Particulars	Industry P/E (Number of times)
<b>Industry</b>	
<b>Highest</b>	<b>43.87</b>
<b>Lowest</b>	<b>44.91</b>
Average	44.39

Notes:

- The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P / E of the industry peer set disclosed in this section.
- P/E Ratio has been computed based on the closing market price of equity shares on the NSE website on March 27, 2024, divided by the Diluted EPS for the period ended March 31, 2023.
- All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2023, as available on the websites of the Stock Exchanges.

**III. Return on Net Worth (“RoNW”)**

Derived from the Restated Financial Statements:

Fiscal	RoNW (%)	Weight
Fiscal 2023	25.70%	3
Fiscal 2022	11.43%	2
Fiscal 2021	16.63%	1
<b>Weighted Average</b>	<b>19.43%</b>	
For the period ended September 30, 2023 (Not annualised)	13.22%	

Notes:

- Weighted Average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. sum of (RoNW x Weight) for each year / Total of weights.
- The figures disclosed above are based on the Restated Financial Statements of our Company.
- Return on Net Worth (%) = Restated Profit after tax / average net worth at the end of the year/ period.
- Net-worth, as restated at the end of the relevant period (Equity attributable to the owners of the

company)

**IV. Net asset value per Equity Share (face value of ₹ 10 each)**

Net Asset Value per Equity Share derived from the Restated Financial Statements:

Particulars	Amount
<b>Net Asset Value per Equity Share as of September 30, 2023*</b>	<b>18.38</b>
<b>Net Asset Value per Equity Share as of March 31, 2023</b>	<b>16.10</b>
<b>After completion of the Offer</b>	
<b>(i) At Floor price</b>	<b>[•]</b>
<b>(ii) At Cap Price</b>	<b>[•]</b>
Offer Price per equity share	[•]

\*Not Annualised

Notes:

1. Net Asset Value per Equity Share is calculated as total equity divided by weighted average number of equities share outstanding during the respective year/period.
2. Net Asset Value per Equity Share is calculated post issue of bonus shares in the ratio of 20:1

**V. Comparison with listed industry peer:**

Following is the comparison with our peer companies listed in India:

Name of the Company	For the year ended March 31, 2023						
	Face value (₹)	Revenue from operations (₹ in Millions)	Basic EPS (₹)	Diluted EPS (₹)	P/E (based on Diluted EPS)	Return on average net worth (%)	NAV per Equity Share (₹)
Raghuvir EXIM Limited	10	2475.58	3.66	3.66	[•]	25.70%	16.10
Peer Group							
KPR Mill Limited	1	47,395.50	18.57	18.57	44.91	2.27%	869.35
Trident Limited	1	62,674.70	0.84	0.84	43.87	45.04%	8.24

Source: All the financial information for listed industry peers mentioned above is on a Standalone basis (If applicable) sourced from the Annual Reports of the peer company uploaded on the NSE website for the year ended March 31, 2023.

Notes:

1. P/E Ratio has been computed based on the closing market price of equity shares on the NSE website on March 27, 2024, divided by the Diluted EPS for the period ended March 31, 2023.
2. RoNW is computed as net profit after tax divided by the average net worth. Net worth has

- been computed as average of opening and closing share capital and reserves and surplus.
3. NAV is computed as the closing net worth divided by the weighted average outstanding number of equity shares.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management Discussion and Analysis of Financial Position and Results of Operations” and “Financial Information” on pages 146, 42, 342 and 236, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments.

## VI. Key financial and operational performance indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyse business performance, which in result, help us in analysing the growth of various verticals.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

KPI	Explanations
<b>Revenue from Operations (₹ Millions)</b>	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
<b>Total Revenue</b>	Total Revenue is used to track the total revenue generated by the business including other income.
<b>EBITDA (₹ Millions)</b>	EBITDA provides information regarding the operational efficiency of the business.
<b>EBITDA Margin (%)</b>	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
<b>Profit After Tax (₹ Millions)</b>	Profit after tax provides information regarding the overall profitability of the business.
<b>PAT Margin</b>	PAT Margin is an indicator of the overall profitability and financial performance of our business.
<b>RoE (%)</b>	RoE provides how efficiently our Company generates profits from shareholders’ funds.
<b>Debt To Equity Ratio</b>	Debt-to-equity (D/E) ratio is used to evaluate a company’s financial leverage.
<b>Interest Coverage Ratio</b>	The interest coverage ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.
<b>Return on Capital employed (RoCE) (%)</b>	It is calculated as profit before tax plus finance costs divided by total assets plus current liabilities.
<b>Current Ratio</b>	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.
<b>Net Capital Turnover Ratio</b>	This metric enables us to track the how effectively company is utilizing its working capital to generate revenue.
<b>Inventory Days</b>	Monitoring this metric allows businesses to optimize inventory levels, minimize holding costs, and ensure timely fulfillment of customer orders, ultimately enhancing operational efficiency and profitability.
<b>Trade Receivable Days</b>	Measuring the average number of days it takes to collect payment from customers after a sale. By tracking this metric, organizations can improve cash flow

KPI	Explanations
	management, identify potential credit risks, and streamline collection processes to maintain healthy liquidity and sustainable growth.
<b>Trade Payable Days</b>	This metric enables businesses to effectively manage working capital, negotiate favorable payment terms with vendors, and strike a balance between preserving cash flow and maintaining strong supplier relationships, thereby enhancing overall financial stability and operational resilience.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated March 11, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three-year period prior to the date of filing of this DRHP. Further, the KPIs herein have been certified by M/s. G.K Choksi & Co., Statutory Auditors of our Company by their certificate dated March 29, 2024.

#### VII. Financial KPI of our Company

Metric	As of and for the six-month period ended September 30, 2023*	As of and for the Fiscal		
		2023	2022	2021
Revenue From operations (₹ in Millions)	1,513.69	2,475.58	2,668.21	2,089.96
Total revenue (₹ in Millions)	1,552.52	2,507.89	2,722.79	2,133.82
EBITDA (₹ in Millions)	224.31	362.13	192.61	214.98
EBITDA Margin (%)	14.82%	14.63%	7.22%	10.29%
Profit after tax (₹ in Millions)	119.63	192.38	70.46	89.18
PAT Margin (%)	7.90%	7.77%	2.64%	4.27%
Return on Equity (ROE) (%)	13.22%	25.70%	11.43%	16.63%
Debt To Equity Ratio	1.31	1.14	1.54	1.50
Interest Coverage Ratio	5.96	5.39	3.12	3.91
Return on Capital Employed (ROCE) (%)	9.59%	18.78%	9.42%	12.10%
Current Ratio	1.25	1.40	1.33	1.31
Net Capital Turnover Ratio	4.49	7.40	9.27	14.10

### Operating KPI of our Company

Metric	As of and for the six-month period ended September 30, 2023*	As of and for the Fiscal		
		2023	2022	2021
Inventory Days	42.23	50.48	49.93	41.06
Trade Receivable Days	28.44	36.46	43.82	44.51
Trade Payable Days	3.50	9.23	8.89	8.64

\* Not Annualised

Notes:

- a) As certified by M/s. G.K Choksi & Co., Statutory Auditors of our Company pursuant to their certificate dated March 29, 2024. The Audit committee in its resolution dated March 11, 2024 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of this Draft Red Herring Prospectus other than as disclosed in this section.
- b) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- c) EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations and exceptional items. EBITDA excludes other income but includes reversal of provision of doubtful debts.
- d) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- e) Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes but before other comprehensive income by our revenue from operations.
- f) Return on equity (RoE) is equal to profit after tax for the year divided by the average total equity during that period and is expressed as a percentage.
- g) Debt to equity ratio is calculated by dividing the debt (excluding lease liabilities) by total equity (which includes issued capital and all other equity reserves).
- h) Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBITDA by finance cost payment.
- i) RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided capital employed. Where capital employed as tangible net worth plus total debt and deferred tax liabilities.
- j) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
- k) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).
- l) Inventory Turnover Ratio is calculated as the cost of goods sold divided average inventory.
- m) Trade Payable Turnover Ratio is calculated as the total purchases divided average trade payables.
- n) Trade Receivables Ratio is calculated total credit sales divided average trade receivables.

See "Management Discussion and Analysis of Financial Position and Results of Operations" on page 342, for the reconciliation and the manner of calculation of our key financial performance indicators.

### VIII. Comparison of financial KPIs of our Company and our listed peer.

Metric	Raghuvir EXIM Limited			Trident Limited			KPR Mill Limited		
	As of and for the Fiscal			As of and for the Fiscal			As of and for the Fiscal		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Revenue From operations (₹ in Millions)	2,475.58	2,668.21	2,089.96	62,674.70	69,191.80	45,192.90	47,395.50	40,736.70	29,536.40
Total revenue (₹ in Millions)	2,507.89	2,722.79	2,133.82	62,912.70	69,415.20	45,353.10	48,696.70	41,583.00	29,916.00
EBITDA (₹ in Millions)	362.13	192.61	214.98	22,801.70	29,505.30	19,164.70	7,989.70	9,839.00	6,643.90
EBITDA Margin (%)	14.63%	7.22%	10.29%	36.38%	42.64%	42.41%	16.86%	24.15%	22.49%
Profit after tax (₹ in Millions)	192.38	70.46	89.18	17,840.70	22,778.10	14,246.20	6,350.40	7,308.00	4,326.20
PAT Margin (%)	7.77%	2.64%	4.27%	28.47%	32.92%	31.52%	13.40%	17.94%	14.65%
Return on Equity (ROE) (%)	25.70%	11.43%	16.63%	45.04%	64.04%	45.35%	2.27%	3.22%	2.54%
Debt To Equity Ratio	1.14	1.54	1.50	0.34	0.42	0.47	0.17	0.16	0.17
Interest Coverage Ratio	5.39	3.12	3.91	29.47	34.42	26.62	29.92	73.48	33.88
Return on Capital Employed (ROCE) (%)	18.78%	9.42%	12.10%	36.06%	48.95%	32.72%	2.49%	3.30%	2.77%
Current Ratio	1.40	1.33	1.31	1.35	1.25	0.99	2.45	2.74	2.73
Net Capital Turnover Ratio	7.40	9.27	14.10	12.17	13.91	(192.56)	0.39	0.34	0.32
Inventory Days	50.48	49.93	41.06	82.77	81.11	97.33	80.22	69.13	83.14
Trade Receivable Days	36.46	43.82	44.51	24.61	27.55	31.09	35.03	29.97	38.50
Trade Payable Days	9.23	8.89	8.64	59.16	38.02	41.95	17.06	16.07	20.45

\* Not Annualised

Notes:

a) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial



*Stat Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.*

- b) EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations and exceptional items. EBITDA excludes other income but includes reversal of provision of doubtful debts.*
- c) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.*
- d) Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes but before other comprehensive income by our revenue from operations.*
- e) Return on equity (RoE) is equal to profit after tax for the year divided by the average total equity during that period and is expressed as a percentage.*
- f) Debt to equity ratio is calculated by dividing the debt (excluding lease liabilities) by total equity (which includes issued capital and all other equity reserves).*
- g) Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBITDA by finance cost payment.*
- h) RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided capital employed. Where capital employed as tangible net worth plus total debt and deferred tax liabilities.*
- i) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.*
- j) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).*
- k) Inventory Turnover Ratio is calculated as the cost of goods sold divided average inventory.*
- l) Trade Payable Turnover Ratio is calculated as the total purchases divided average trade payables.*
- m) Trade Receivables Ratio is calculated total credit sales divided average trade receivables.*

*\*\* All the information for listed industry peer mentioned above is on a standalone basis and is sourced from their respective audited financials statements.*

## **IX. Weighted average cost of acquisition (“WACA”), floor price and cap price**

### **Primary Transactions:**

There has been no primary/ new issue of Equity Shares or convertible securities, excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuance”)

### **Secondary Acquisition:**

There have been no secondary sale/transfers or acquisition of any Equity Shares or convertible securities, where the Promoters, members of the Promoter Group, the Promoter Selling Shareholder having the right to nominate Directors to the Board of our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our 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.

**a) Price per share based on last five primary or secondary transaction**

There are no such transactions to report to under (a) and (b) above. Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this DRHP.

Primary Transactions:

Date of allotment	No. of equity shares allotted*	Face value per equity share (₹)	Offer price per equity share (₹)*	Nature of allotment	Nature of consideration	Total Consideration (in ₹ Millions)
July 31, 2023	50,000,000	10.00	-	Bonus Shares	Other than Cash	0.00
<b>Weighted average cost of acquisition (WACA)</b>						<b>NIL</b>

Floor price and cap price being [●] times the weighted average cost of acquisition (WACA) based on primary/ secondary transaction(s) as disclosed in terms of clause (a), (b) and (c) above, shall be disclosed in the following manner:

Past Transactions	Weighted average cost of acquisition (₹)	Floor Price [●]	Cap Price [●]
WACA of Equity Shares that were issued by our Company	NA	NA	NA
WACA of Equity Shares that were acquired or sold by way of secondary transactions	NA	NA	NA
Since there were no Primary Transactions or Secondary Transactions to report under points (a) and (b) above, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of the transaction			
Based on Primary Transactions	NIL	[●]	[●]
Based on Secondary Transactions	-	NA	NA

**X. Justification for Basis of Offer Price**

Explanation for Offer Price / Cap Price being [●] times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares along with our Company's KPIs and financial ratios

for year ended on March 31, 2021, March 31, 2022 and March 31, 2023, and for the period ended on September 30, 2023.

[●]\*

\*To be included on finalization of Price Band.

The Offer Price is [●] times of the Face Value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company and the Promoter Selling Shareholder in consultation with the BRLM, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “Risk Factors”, “Our Business”, “Management Discussion and Analysis of Financial Position and Results of Operations” and “Financial Information” on pages 146, 42, 342 and 236, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

To,  
The Board of Directors  
Raghuvir Exim Limited  
1035/A Near Ayodhya Township,  
Rancharda Road, Shilaj,  
Ahmedabad, Daskroi,  
Gujarat, India, 380059.

Dear Sir(s):

**Sub: Proposed initial public offering of equity shares of ₹ 10 each (the “Equity Shares”) of Raghuvir Exim Limited (the “Company” and such offering, the “Offer”)**

We report that the enclosed statement in Annexure A, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 (‘Act’), as amended by the Finance Act, 2023 i.e. applicable for the assessment year 2024-25 relevant to the financial year 2023-24, and other direct tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the Raghuvir Exim Limited, of the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. We are neither suggesting nor advising the investor to invest money based on this statement.

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; or
- (ii) the conditions prescribed for availing the benefits have been/would be met with.

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

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company.

We hereby give consent to include this statement of tax benefits in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and submission of this certificate as may be necessary, to the

Stock Exchange(s)/ SEBI/ any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Offer and in accordance with applicable law.

Terms capitalised and not defined herein shall have the same meaning as ascribed to them in the Draft Red Herring Prospectus.

Yours Sincerely,  
FOR G. K. CHOKSI & CO.  
[Firm Registration No. 101895W]  
Chartered Accountants

ROHIT K. CHOKSI  
Partner  
Mem. No. 31103

Place : Ahmedabad  
Date : March 29, 2024  
UDIN: 24031103BKDQOQ3807

CC:

Unistone Capital Private Limited  
305, A Wing, Dynasty Business Park,  
Andheri - Kurla Road, Andheri (East),  
Mumbai - 400 059, India

**ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO RAGHUVIR EXIM LIMITED (THE “COMPANY”), AND ITS SHAREHOLDERS**

Outlined below are the possible Special Tax Benefits available to the Company, and its shareholders under the Income Tax Act, 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

**STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, AND TO THE SHAREHOLDERS OF THE COMPANY**

Under the Income Tax Act, 1961 ('the Act')

**1. Special tax benefits available to the company under the Act**

**Section 115BAA of the Act: Corporate Tax Rate as per new tax regime**

- Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for tax rate of 22% plus surcharge @ 10% and health and education cess @ 4% (effective tax rate of 25.168%) for the financial year 2019-20 and onwards, provided the total income of the company is computed without claiming certain specified deductions and specified brought forward losses and claiming depreciation determined in the prescribed manner.
- In case a company opts for section 115BAA, provisions of Minimum Alternate Tax (MAT) would not be applicable and earlier years' MAT credit will not be available for set - off.
- The option needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other subsequent assessment year.

Further, if the conditions mentioned in section 115BAA are not satisfied in any financial year, the option exercised shall become invalid for assessment year in respect of such financial year and subsequent assessment years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

- The company has represented to us that they have opted for tax regime under section 115BAA of the Act.

**Section 80JJAA of the Act: Deduction in respect of employment of new employees**

- In accordance with and subject to the conditions specified under Section 80JJAA of the Act, a company is entitled to a deduction of an amount equal to 30% of additional employee cost incurred in the course of business in a financial year, for 3 consecutive assessment years including the assessment year relevant to the financial year in which such additional employment cost is incurred.
- Additional employee cost means the total emoluments paid or payable to additional employees employed in the financial year. The deduction under section 80JJAA would continue to be available to the company even where the company opts for the lower effective tax rate of 25.168% as per the provisions of section 115BAA of the Act (as discussed above).

- The company should be eligible to claim this deduction in case it incurs additional employee cost within the meaning of Explanation (i) to sub-section (2) of section 80JJAA of the Act and satisfies the conditions as mentioned in the said section.

### **Section 80M of the Act: Deduction in respect of inter-corporate dividends**

- Dividend received by a domestic company from any other domestic company or a foreign company or a business trust shall be eligible for deduction of dividend income under section 80M of the Act while computing its total income for the relevant assessment year subject to the fulfilment of prescribed conditions. The amount of such deduction would be restricted to the amount of dividend distributed by the shareholder (domestic company) up to 1 month prior to the due date for furnishing the return of income under section 139(1) of the Act. Where the company has investments in Indian subsidiaries and other companies, if any, it can avail the above-mentioned benefit under Section 80M of the Act.

### **2. Special tax benefits available to the shareholders under the Act**

- Dividend income will be subject to tax in the hands of shareholders at the applicable slab rate / corporate tax rate (plus applicable surcharge and cess) or as per the applicable Double Tax Avoidance Agreements (as shall be relevant in case of non-resident shareholders).
- In case of dividend income earned by domestic shareholders, income reported under the head "Income from other sources", shall be computed after making deduction of a sum paid by way of interest on the capital borrowed for the purpose of investment. However, no deduction shall be allowed from the dividend income, other than deduction on account of interest expense, and in any financial year such deduction under section 57 of the Act shall not exceed 20% of the dividend income.
- Separately, any dividend income received by the resident shareholders would be subject to tax deduction at source by the company under section 194 @ 10%. However, in case of individual resident shareholders, this would apply only if dividend income exceeds Rs 5,000. In case of non-resident shareholders, dividend income would be subject to tax deduction at source by the company under section 195 r.w. section 115A @ 20% plus applicable surcharge and cess, subject to applicability of beneficial provisions of Double Taxation Avoidance Agreement.
- As per section 2(29AA) read with section 2(42A) of the Act, a listed equity share is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.
- Long term capital gains exceeding Rs. 1 lakhs on transfer on such shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 112A of the Act at 10% (plus applicable surcharge and cess). The benefit of indexation of costs shall not be available.
- Short term capital gains arising on transfer of shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 111A of the Act at 15% (plus applicable surcharge and cess).
- Non-resident shareholders including foreign portfolio investors may choose to be governed by the provisions of Double Taxation Avoidance Agreement, to the extent they are more beneficial and subject to provision of the prescribed documents.

### **Notes:**

- These tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
- This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible income-tax consequences that apply to them.
- Surcharge rate shall be maximum 15% in case of capital gains. Further, the said cap is also applicable on dividend income earned by resident shareholders.
- Health and Education Cess ('cess') @ 4% on the tax and surcharge as shall be applicable, is payable by all category of taxpayers.
- We understand that the Company has opted for concessional tax rate under section 115BAA of the Act. Hence, it will not be allowed to claim any of the following deductions;
  - Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
  - Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
  - Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
  - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
  - Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
  - Deduction under section 35CCD (Expenditure on skill development)
  - Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA and section 80M;
  - No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
  - No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above
- Further, it is also clarified in section 115JB(5A) that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.
- The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.



- This Statement covers only certain relevant Direct tax law benefits and does not cover any other benefit under any other law.
- The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.
- This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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 offer. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

**STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO RAGHUVIR EXIM LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS**  
**INDIRECT TAXATION**

This statement of possible special indirect tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (SEBI ICDR Regulations). The term "special tax benefit has not been defined under the SEBI ICDR Regulations for the purpose of this statement possible special tax benefits which could be available dependent on the Company or its shareholders or its material subsidiary fulfilling the conditions prescribed under the tax laws, are enumerated below:

**I. Special tax benefits available to the Company under the GST Laws, Customs Act, Customs Tariff Act and FTP**

**Refund of tax paid on Export of goods or refund of tax paid on inputs/input services used in export of goods/services**

Under the GST laws, export of goods or services has been treated as a zero rated supply be the goods or services exported shall be exempted or refunded of GST levied upon them. Thus, in case of export of goods or services the Company has an option to either pay GST on the supply and claim refund of the same or it can export goods or services without payment of GST and claim refund of the GST paid on inputs and input services used in such export. Going forward, with effect from a date to be notified, the refund of tax paid on export of goods services would be available only to notified taxpayers. However, refund of tax paid on inputs and input services used in export would continue to be available as before

**Advance authorization**

Advance Authorisation is a scheme under FTP that allows duty free import of inputs, which are physically incorporated in an export product. In addition to any inputs, packaging material fuel, oil catalyst which is consumed utilized in the process of production of export product, is also allowed to be imported duty free

The quantity of inputs allowed for a given product is based on specific norms defined for that export product. The Directorate General of Foreign Trade (DGFT) provides a sector-wise list of Standard Input Output Norms (SION) under which the exporters may choose to apply. Alternatively, exporters may apply for their own ad-hoc norms in cases where the SION does not suit the exporter

The inputs imported are exempt from duties like Basic Customs Duty. Additional Customs Duty Education Cess, Anti-dumping duty, Safeguard Duty and Transition Product-Specific Safeguard duty. Integrated tax, and Compensation Cess, wherever applicable, subject to certain conditions

Advance Authorisation covers manufacturer exporters or merchant exporters tied to supporting manufacturer(s)

**Export Promotion Capital Goods (EPCG) Scheme**

The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance manufacturing competitiveness. EPCG Scheme allows import of capital goods that are used in pre-production, production and post-production without the payment of customs duty. The benefit under the scheme is subject to an export value equivalent to 6 times of duty saved on the importation of such capital goods within 6 years from the date of issuance of the authorization.

EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturers) and service providers.

### **Merchandise Export from India Scheme (MEIS) and Remission of Duties and Taxes on Exported Products (RoDTEP)**

Under the MEIS Scheme, certain rewards and incentives are given to exporters. Such incentives are given to exporters at a specified rate which varies from product to product and from country to country. The incentives are given at a specified rate on the Free on Board value. The percentage of rewards varies from product to product and are in the range of 2% to 5% for most items. The incentives awarded to exporters under this scheme are issued in the form of Duty Credit Scrips. These Duty Credit Scrips are freely transferable and can be used for the payment of Customs Duty.

The MEIS incentives are applicable from April 2015 to 31 December 2020 as amended from time to time.

The end of MEIS (2015-20) gave birth to the RoDTEP scheme which came into effect on 01 January 2021. RoDTEP entitles exporters to a certain percentage of an export price as a scrip which however gets limited to the embedded taxes. The benefits under the scheme range between 0.5% to 4.3% of the FOB value of exported products, subject to a cap at a certain sum per unit of the export commodity. As of now, Company product is not yet covered in RoDTEP.

### **II. Special tax benefits available to the Shareholders of the Company**

(i) The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017.

(ii) Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and/or Central Goods and Services Tax Act, 2017. Integrated Goods and Services Tax Act, 2017 respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, the Goods and Services Tax (Compensation to States) Act, 2017 and the Finance Act, 2017.

## SECTION IV – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section is derived from the report titled “Industry Research Report on Cotton Yarn and Home Textiles Industry Industry” released in March, 2024 (“CARE Report”) prepared by CARE Analytics and Advisory Private Limited (CareEdge Research), appointed by our Company pursuant to an engagement letter dated November 30, 2023 and such CARE Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer “Unless specified otherwise, all information in this section has been derived from CARE Report. CARE Analytics and Advisory Private Limited (CareEdge Research), in an independent and objective manner and it has taken reasonable care to ensure its accuracy and completeness. A copy of the CARE Report is available on the website of our Company at www. The data may have been re-classified by us for the purposes of presentation. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information financial information used herein is based solely on the audited financials of the Company and other peers. The recipient should not construe any of the contents in CARE Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Restated Financial Statements” and related notes beginning on page 42 and 236 respectively of this Draft Red Herring Prospectus.*

### **Economic Outlook**

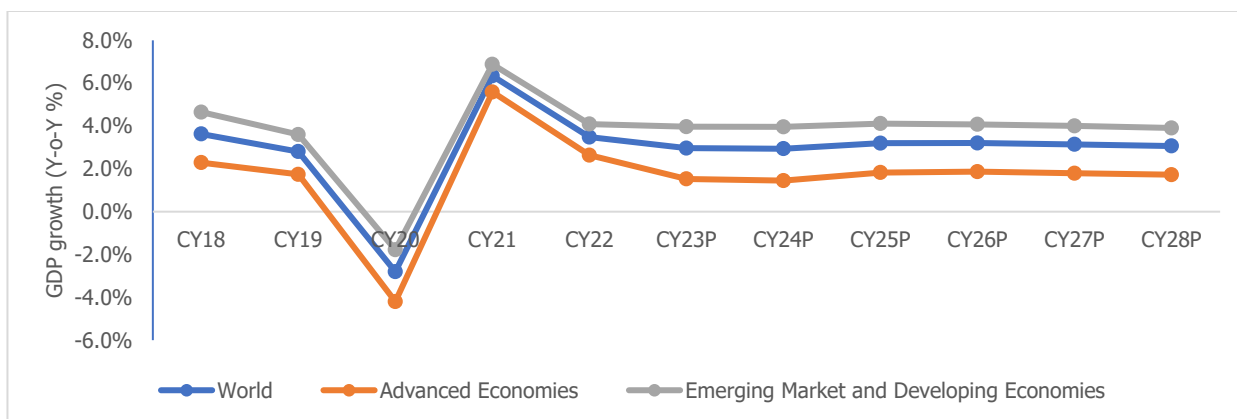
#### **Global Economy**

As per the International Monetary Fund (IMF)’s World Economic Outlook growth projections released in January 2024, the global economic growth for CY23<sup>1</sup> stood at 3.1% on a year-on-year (y-o-y) basis, down from 3.5% in CY22 due to disruptions resulting from the Russia-Ukraine conflict and higher-than-expected inflation worldwide. On the other hand, the global economic growth for CY24 is projected to remain stable at 3.1%, attributed to growth resilience in major economies due to high government and private spending, rapidly subsiding inflation rates, and advanced economies easing their fiscal policies. Cost of borrowing remained high as central banks fight inflation. For the next 4 years, the IMF projects world economic growth in the range of 3.1%-3.2% on a y-o-y basis.

#### **Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)**

---

<sup>1</sup> CY – Calendar Year



Notes: P-Projection;

Source: IMF – World Economic Outlook, October 2023

### GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY19	CY20	CY21	CY22	CY23P	CY24P	CY25P	CY26P	CY27P	CY28P
India	3.9	-5.8	9.1	7.2	6.3	6.3	6.3	6.3	6.3	6.3
China	6.0	2.2	8.5	3.0	5.0	4.2	4.1	4.1	3.7	3.4
Indonesia	5.0	-2.1	3.7	5.3	5.0	5.0	5.0	5.0	5.0	5.0
Saudi Arabia	0.8	-4.3	3.9	8.7	0.8	4.0	4.2	3.3	3.3	3.1
Brazil	1.2	-3.3	5.0	2.9	3.1	1.5	1.9	1.9	2.0	2.0
Euro Area	1.6	-6.1	5.6	3.3	0.7	1.2	1.8	1.7	1.5	1.3
United States	2.3	-2.8	5.9	2.1	2.1	1.5	1.8	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (October 2023)

### Indian Economic Outlook GDP Growth and Outlook

India's real GDP grew by 9.1% in FY22 and stood at ~Rs. 149 trillion despite the pandemic and geopolitical Russia-Ukraine spillovers. In Q1FY23, India recorded 13.1% y-o-y growth in real GDP, largely attributed to improved performance by the agriculture and services sectors. Following this double-digit growth, Q2FY23 witnessed 6.2% y-o-y growth, while Q3FY23 registered 4.5% y-o-y growth. The slowdown during Q2FY23 and Q3FY23 compared to Q1FY23 can be attributed to the normalization of the base and a contraction in the manufacturing sector's output.

Subsequently, Q4FY23 registered broad-based improvement across sectors compared to Q3FY23 with a growth of 6.1% y-o-y. The investments, as announced in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure, have augmented growth and encouraged private investment through large multiplier effects in FY23. Supported by fixed investment and higher net exports, real GDP for full-year FY23 was valued at Rs. ~160. trillion registering an increase of 7.2% y-o-y.

Furthermore, in Q1FY24, the economic growth accelerated to 7.8%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum was maintained in the Q2FY24 with GDP growth at 7.6%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24. On the supply side, a significant improvement in manufacturing and construction activities supported growth. Overall, the economy expanded by 7.7% in H1FY24 compared to 5.3% in H2FY23. As per recent Ministry of Statistics and Programme Implementation (MoSPI)'s advanced estimate release, the real GDP growth for FY24 is pegged at 7.3% and will attain a level of ~ Rs. 171.79 trillion.

### **GDP Growth Outlook**

- Driven by resilience in urban demand and the front loading of the government's capital expenditure, the H1FY24 witnessed a strong growth. While festive cheer will support urban demand in Q3, the outlook for rural demand revival remains clouded amid monsoon deficiency and likely hit to the agricultural production.
- The recent announcements of various relief measures such as LPG price reduction and extension of Pradhan Mantri Garib Kalyan Anna Yojna (PMGKAY) are expected to provide some cushion and so far, investment demand has remained robust. However, there could be some moderation in H2FY24 as both the government and private sector may restrain their capital spending ahead of the general elections. Despite some expected moderation in the H2FY24, India's overall GDP growth for FY24 is expected to remain on a firm footing. In terms of fiscal deficit for the year, the Finance Ministry has estimated it to be at 5.1% of GDP.
- Strong credit growth, resilient financial markets, and the government's continual push for capital spending and infrastructure are likely to create a compatible environment for investments. In the

Interim Budget 2024-25, significant emphasis is placed on infrastructure development with an increased capital expenditure outlay of Rs. 11,11,111 crores, amounting to 3.4% of the GDP.

- External demand is likely to remain subdued with a slowdown in global activities, thereby indicating adverse implications for exports. Additionally, heightened inflationary pressures and resultant policy tightening may pose a risk to the growth potential.

Prior to the Interim Budget, in December 2023, the RBI in its bi-monthly monetary policy meeting estimated a real GDP growth of 7% y-o-y for FY24 comparatively lower from MoSPI's estimate of 7.2%.

#### **RBI's GDP Growth Outlook (Y-o-Y %)**

<b>FY25P (complete year)</b>	<b>Q4FY24P</b>	<b>Q1FY25P</b>	<b>Q2FY25P</b>	<b>Q3FY25P</b>	<b>Q4FY25P</b>
7.0%	6.5%	7.2%	6.8%	7.0%	6.9%

*Note: P-Projected; Source: Reserve Bank of India*

### **Indian Textile Industry**

#### **Overview on Indian Textile Industry**

The textile industry is a cornerstone of India's economic strength. It contributes a significant 3% to the country's GDP and a substantial 14% to the overall manufacturing output. Unlike competitors, India boasts a complete textile production value chain within its borders. As per the Ministry of Textiles, this self-sufficiency translates to a leading position. For instance, – India is the world's second second-largest producer of man-made fibers fibres (MMF) after China, and the third third-largest exporter of textiles and apparels globally.

Further, the textile industry plays a vital role in national employment, generating jobs for millions across rural, semi-urban, and urban areas. Notably, the traditional sectors like handloom, handicrafts, and small-scale power looms provide direct and indirect livelihood opportunities for a vast population, including women and those in rural communities.

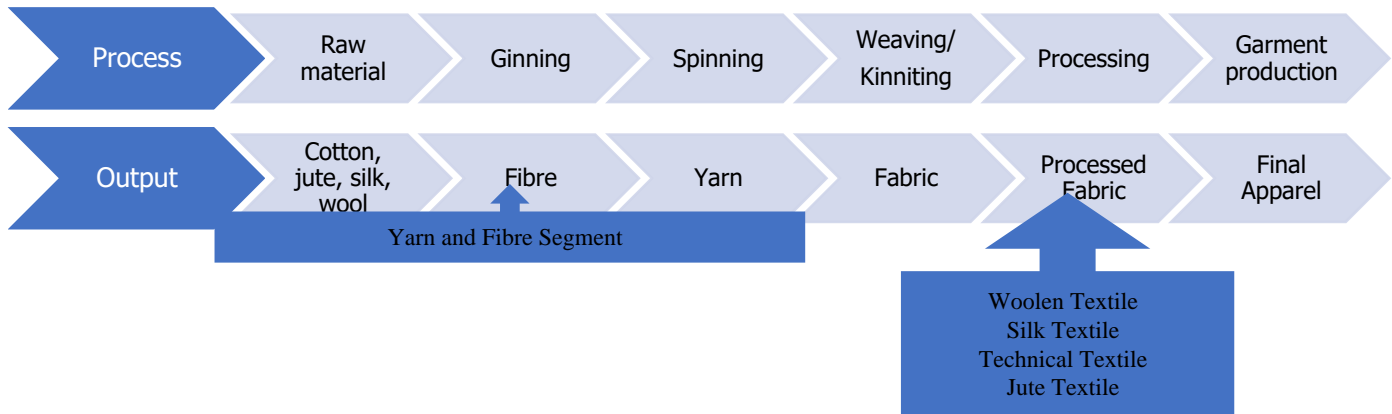
Recognizing this importance, the government actively supports the textile sector's growth. Initiatives focus on building top-notch production infrastructure, promoting technological advancements, enhancing workforce skills, and preserving India's traditional strengths in textiles. This aligns perfectly with national programs like Make in India, Skill India, Women Empowerment, and Rural Youth Employment, ensuring the textile industry continues to be a powerhouse of the Indian economy.

#### **Value Chain of the Textile Industry**

In a broader sense, the textile industry can be classified into two segments:

- Fibres and Yarn Segment
- Processed Fabric Segment

### Key segments of the textile industry



### Fibre and Yarn Segment

Under this segment, ginning and spinning are two stages of processing. Ginning is the primary stage of processing where the raw materials like cotton fibres are separated from cotton balls. Whereas, spinning is another stage of processing where the fibres are converted into yarn. The yarn, in turn, is used in the processes of weaving, knitting, and making made-ups and garments. Fibres and Yarn are mainly of two types – Natural and Manmade. Natural fibre includes cotton, wool, hemp and flax. Whereas, manmade fibres are synthetically produced using chemical substances. The main varieties of synthetic fibres are polyester, acrylic, nylon and polypropylene. At present, the more popular fibres are the cotton blend natural fibre and man-made fibre.

### Processed Fabrics Segment

This segment includes woolen textiles, silk textiles, jute textiles, cotton textiles and technical textiles, readymade garments and apparel. The production of readymade garments and apparel from processed fabric is a final stage of the textile production process.

### Cotton Yarn and Polyester Yarn

Cotton is more than just a fabric in India. It is one of the sturdiest pillars of India's economic well-being, earning it the apt moniker of "White Gold." It is a vital cash crop accounting for a significant portion of global fiber production. Within India itself, cotton makes up a whopping 60% of the raw materials used in the textile industry. India's dominance in cotton extends beyond

production. It has become a global leader, ranking among the top producers, consumers, and exporters of cotton. This leadership translates directly to the textile industry, where cotton yarn forms the bedrock upon which the sector thrives.

Further India's cotton industry boasts a complete value chain, exporting everything from raw cotton to finished garments, a testament to its expertise in this crucial material. This robust export ecosystem significantly bolsters India's net foreign exchange earnings, solidifying cotton's position as a cornerstone of the nation's economic well-being.

India's polyester yarn industry is thriving, driven by a sweet spot of affordability, versatility, and performance. Compared to pricier natural fibers like cotton, polyester offers a budget-friendly option for consumers. Beyond cost, its ability to blend seamlessly with other fibers creates comfortable, durable, and stylish fabrics. Besides, polyester garments are known for their wrinkle resistance, shape retention, and long life, making them ideal for everyday wear.

Moreover, global trends are propelling this segment's prospects. The rising cotton prices have pushed major buyers towards polyester and cotton blends, allowing them to offer competitive prices and reach a wider market. Whereas, surging demand for athleisure and women's fashion, categories heavily reliant on cotton and polyester, is further boosting the industry. India's unique advantage lies in its complete polyester value chain, encompassing everything from fiber production to finished goods like garments and home textiles. This self-sufficiency allows for greater responsiveness to market needs and potentially stronger competition. Going forward, this market is expected to grow due to limited new production capacities globally and the persistent price gap between cotton and polyester yarn. This scenario is expected to keep demand for polyester yarn on an upward trajectory, solidifying its position as a major contributor to India's thriving textile sector.

## **Domestic Market**

### **Demand & Supply Dynamics**

The Indian cotton industry has demonstrated remarkable resilience, bouncing back significantly after the disruptions caused by the pandemic. Cotton remains a crucial cash crop, contributing a substantial 21% to global fiber production. In fact, it forms the backbone of the Indian textile industry, accounting for roughly 60% of its raw material consumption.

The cotton yarn production increased by 12% in 9MFY24 as compared to 9MFY23. The market has a strong foundation built on robust domestic demand. Limited domestic cotton supplies, coupled with a rise in demand for imported long and extra-long staple grades, and the duty-free access to Australian cotton under the Australia-India Economic Cooperation and Trade



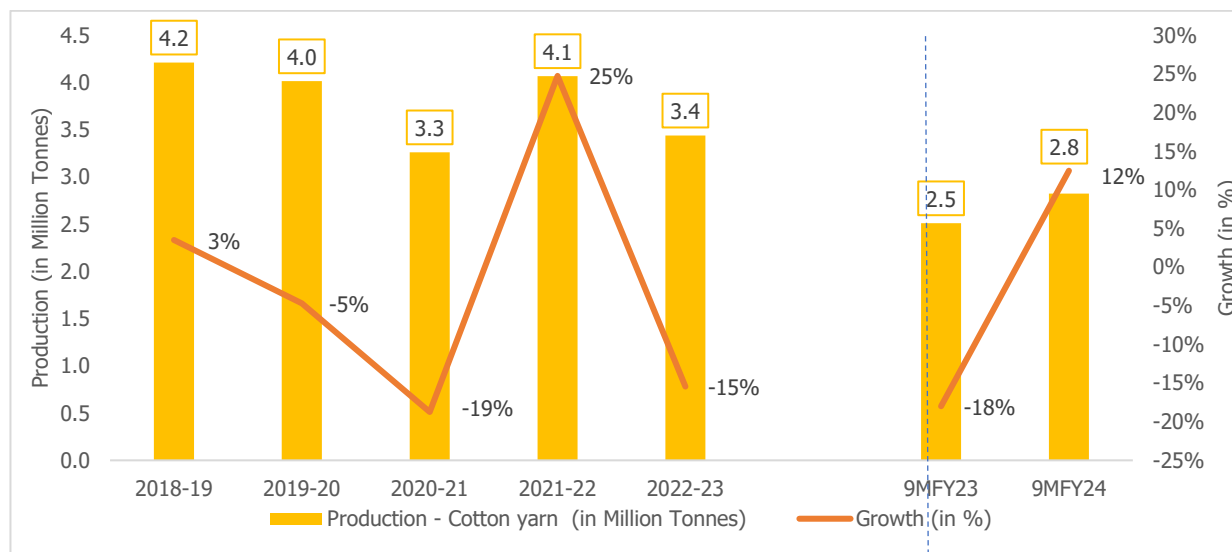
Agreement (ECTA) agreement have all contributed to the recent dynamics in cotton yarn production. This growth is further fueled by a rise in domestic consumer sentiment.

Furthermore, the shift from a work-from-home model to a hybrid work environment has also spurred demand for garments, a major consumer segment of cotton. However, the industry faced challenges in 2022-23, experiencing a 15.5% decline in cotton yarn production. This was primarily attributed to a drop-in sales realization. High production costs and competition from cheap imported garments resulted in sluggish domestic sales. Manufacturers struggled to pass on increased cotton prices to consumers, leading to operational losses for smaller players. While cotton prices remained high from the previous year, yarn prices fell, leading to lower profits for producers.

Concurrently, several factors support continued growth in cotton yarn production. The "China Plus One" strategy, where businesses are diversifying their manufacturing bases away from China, has shifted some global demand towards India. Additionally, the government's supportive policies, including the Minimum Support Price (MSP) program, create a favorable environment for cotton farmers and producers.

Accordingly, the Indian cotton industry has overcome recent challenges and is well-positioned for continued success. Its strong domestic market, export potential, and supportive government policies provide a solid foundation for future growth.

### Trend in Production of Cotton Yarn



Source: CMIE, XXX Research

### Trend in Cotton Prices

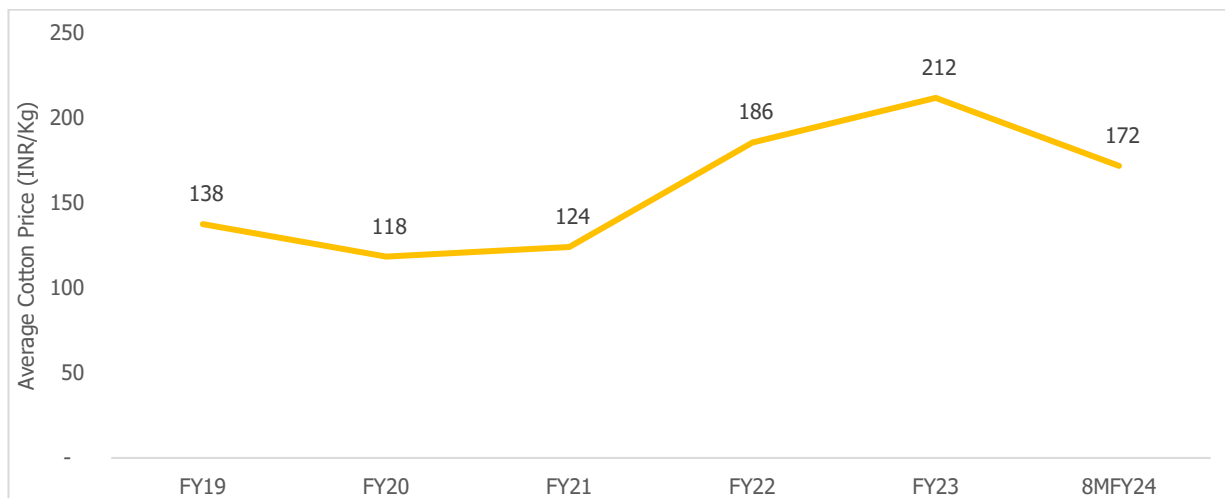
In the ongoing financial year 2023-24, the demand is boosted by lower domestic cotton prices as compared with global prices, along with a US ban on cotton products from China's Xinjiang region. However, the Indian textile industry experienced a contrasting year in 2023. While

revenue growth remained healthy, profit margins faced significant decline. High cotton prices dominated most of the year. This double whammy of increased production cost and dampened order flow, due to India's reliance on cotton products, squeezed margins. This not only increased production costs but also deterred fresh orders due to India's dependence on cotton-based products.

High cotton prices have become a concern for the domestic textile industry. The government has removed a 5% basic customs duty on cotton imports which will help to stabilize cotton prices. Shortage in supply with increased prices of cotton would be threat for continuity of supply. While the industry continues to be influenced by fluctuations in commodity prices, it is also facing major challenges in the form of hike in fuel price, increasing wages and raw material costs.

In addition to that, the delayed and deficient monsoon season significantly impacted cotton cultivation, leading to concerns about further price hikes due to potential production shortfalls. The price hikes disproportionately affected smaller players. Large companies, with their advantage of bulk purchases, could manage cost savings to a greater extent. Additionally, the heavy debt-funded capital expenditure undertaken by most companies contributed to this performance.

### India Average Cotton Prices



Source: Cotton Association of India, CMIE, XXX Research

Note: 8MFY24 includes average prices from April 2023 to November 2023

During the last nine months (October 2023 – March 2024) of Cotton Season (CS) 2023-24, the domestic prices of (ginned) cotton S-6 and J-34, declined by 12%. Domestic prices lower than the international price are significant to keep up with the competition in export market. As an effect of this, uptrend in exports from India is likely to witness moderation on account of resistance from international buyers due to increase in cotton prices.

### Average prices of S-6 and J-34 in cotton seasons: (Rs. per kg)

Product	Oct - March 2022-23	Oct - March 2023-24	y-o-y % change
S-6	8,220	7,280	-11%
J-34	8,030	7,070	-12%

Source: Cotton Corporation of India, XXX Research

Note: Note: Kapas rate of FAQ grade Kapas

## Outlook

The textile industry is expected to experience moderate revenue growth in FY24, with domestic demand growing steadily. The growth in the textile industry is evaluated to be driven by the demand for online shopping, where textile and apparel companies can increase their customer base geographically at low costs.

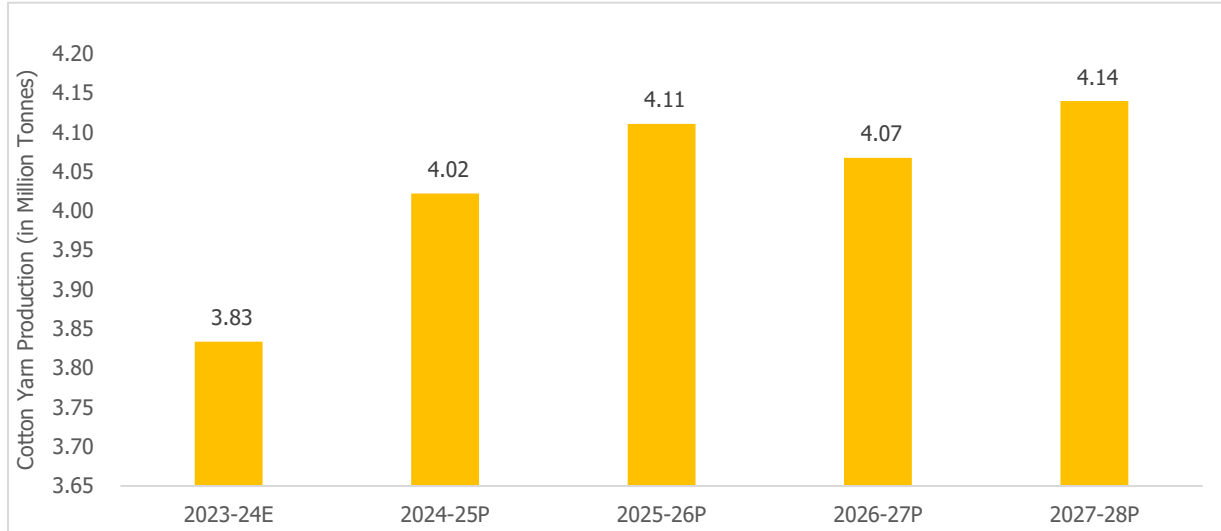
In India, e-commerce portals have boosted the sales of traditional garments by giving larger exposure to producers who were confined to one geography. Other growth drivers include a rise in the millennial and Gen Z population. Additionally, rising purchasing power in emerging and developed economies is expected to add to the industry's growth prospects. In the near term, despite challenges from inflation and higher interest rates, customer expectations have improved and further economic normalization is expected to bode well for the industry.

Furthermore, India's domestic textile industry, a key player in the nation's economy, is at a crucial juncture. While growth is projected through increased spindle age and yarn production, fueled by modern open-end rotors and export-oriented units, a critical challenge looms: declining cotton yields. Despite keeping pace with international technology, the industry struggles with obsolete seed technology, climate change, and El Niño's impact. Limited irrigation and pink bollworm infestations further restrict production, leading to a significant decline since 2013-14. This ripple effect threatens the industry's long-term sustainability. To address this, a supportive policy environment fostering domestic cotton production and technological upgrades is essential. Additionally, tackling low yields due to weather and pests is vital for the industry's future.

The domestic cotton yarn production is anticipated to experience medium-term growth due to a projected softening of cotton prices. This price decrease is expected as fresh cotton harvests arrive and export levels decline. However, geopolitical tensions and potential disruptions like those impacting the Red Sea route could cause future cost and demand fluctuations. Furthermore, both domestic and global cotton crop supply and pricing will likely influence overall demand sentiment.

Additionally, the surplus production capacity within the country has intensified competition, leading to margin pressures due to market price undercutting. In response, the government's focus aligns with its aim of inclusive and participatory development. Their central strategy involves

bolstering domestic textile manufacturing by establishing best-in-class infrastructure, promoting technological advancements to foster innovation, and enhancing skill development while leveraging the sector's traditional strengths.



### **Forecast for Cotton Yarn Production**

Source: CMIE, XXX Research

On the other hand, weakening economic growth and high inflation are expected to dampen future textile exports. Global trade, supply chain digitalization, and the e-commerce boom remain key drivers for the market. However, recent shifts in market dynamics have impacted some countries, particularly China. As the world's leading exporter, China's trade has declined due to concerns about cotton sourcing, with buyers exercising greater caution. This sentiment shift, fueled by the US embargo on Xinjiang cotton, has led to a reduced reliance on China. Consequently, an opportunity has emerged for other nations like India, Bangladesh, and Vietnam to capitalize by boosting production and expanding exports in the textiles and apparel sector. With global buyers seeking alternatives, India is well-positioned to increase its global market share.

The Government of India has introduced the Product Linked Incentive (PLI) scheme in textile products to enhance India's manufacturing capabilities and enhancing exports. The financial outlay of this scheme is Rs. 10,683 crores covering five years. The Indian government is actively promoting this goal through aggressive investment schemes like PLI, aiming to diversify the product portfolio and bolster exports.

## **Home Textiles Industry**

### **Overview on Home Textile Industry**

Home textiles have always been a crucial part of home decor, regardless of the space they are in, from the living room to the bedroom to the kitchen and bathroom. Home textiles are typically made by the techniques of knitting, crocheting, non-weaving, knotting, or pressing fibers together. Carpets, rugs, floor coverings, curtains, cushion covers, napkins, towels and toweling fabric, bedspreads, furnishing fabric and upholstery, table linen, bed linen, sheets and pillowcases, blankets, shower curtains, aprons, and wallpapers are just a few examples of the many items that fall under the category of home textiles.

### **Trends in Home Textile Industry:**

**Sustainability Imperative:** Environmental consciousness is a dominant force. Consumers increasingly demand home textiles manufactured with recycled materials, organic fibres, and processes that minimize environmental impact.

**Focus on Wellness:** Natural fibres, antimicrobial properties, and temperature regulation are becoming sought-after features as consumers prioritize health and comfort.

**Personalization and Self-Expression:** The era of generic home textiles is waning. Consumers are increasingly drawn to products that reflect their unique style and preferences. This trend is amplified by online platforms offering customization options.

**Rise of Smart Textiles:** Technological integration is transforming the home textiles landscape. Smart blinds for light control and temperature-regulating bedding are just the beginning of this exciting evolution.

**Seamless Omnichannel Retailing:** The lines between online and offline retail are blurring. Consumers expect a smooth journey, encompassing online product research, in-store purchases, and convenient delivery options.

**Fusion of Tradition and Modernity:** Indian consumers are embracing a unique blend of traditional design elements with contemporary aesthetics in their home textiles.

**Appreciation for Handicrafts:** India's rich textile heritage is experiencing a resurgence in popularity. Handcrafted and artisanal home textiles are witnessing a renewed appreciation from consumers.

### **Segmental Overview**

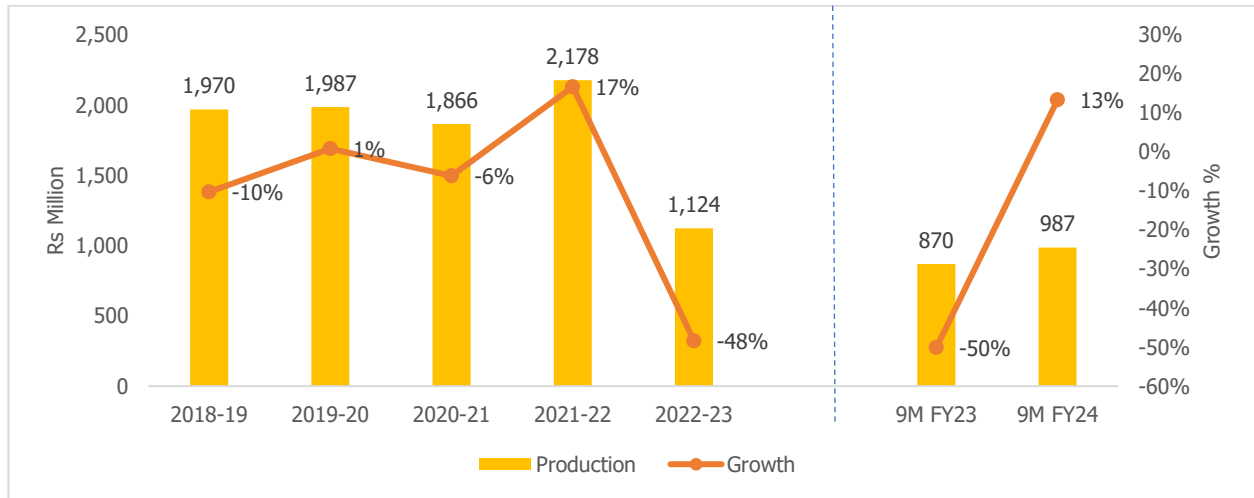
The home textiles industry mainly segregates into segments like bed, toilet, kitchen and table linen.

### Bed linen and Bed spreads:

The bed linens are designed for style and comfort and are available in a variety of colours and designs.

They are usually printed or have a colourful pattern. The bed spreads are available in different materials like cotton, wool and linen.

### Production Trend of Bed Linen and Bed Spreads



Source – CMIE, XXX Research

Note - Data is for Financial Year

The production of bed linen, bedspreads and curtains reached its peak of Rs 2,178 million in the FY22 after increasing marginally in the FY20. Good bed linen that complements the interior bedroom's aesthetic has become essential as home décor is thought to show the status and taste of the owner.

In the 9M FY24, production witnessed a growth of 13% as compared to the same period in FY23. India's bed linen market is expanding as a result of various factors such as consumers' increasing knowledge of health and hygiene, rising disposable income, desire for ready-made bedding sets due to improved designs, changing lifestyles, and increased purchasing power parity.

Further, the bed linens are also having a considerable demand in the hospitality industry across hotels and guests houses. India is witnessing the rise in hotel construction activities and the demand for bed linens will increase accordingly. On the other hand, increase in electricity cost and raw material cost could be the major reasons for the decrease in production by 48% in FY23.

### Toilet & Kitchen linen and Table linen:

## **Toilet & Kitchen linen**

The Toilet and Kitchen linen industry includes a range of textile products intended for use in restrooms/washrooms and kitchens. These linens include dishrags, aprons, towels and other things made of fabric that are used in these areas for both practical and decorative reasons.

Few examples of toilet linen include face towels (including roller towels), beach towels, bath towels, face cloths and also toilet gloves.

Examples of Kitchen linen include tea towels, dish cloths, dusters and cleaning cloths.

The market for kitchen and toilet linens has changed to meet the wide range of customer expectations as attention on home aesthetics and knowledge of premium, sustainable materials has grown.

## **Table linen**

Table linen is a piece of fabric that is used to primarily protect the table and also to decorate it. Table linen comprises of:

- **Table napkins** – Table napkins, are small pieces of table linen, that are used to wipe the mouth and cover the lap to cover the clothing while eating. It is a very common practice to use linen napkins, particularly ones with bright colors, to elevate an average table to something extraordinary.
- **Table cloths** - A table is generally covered with a fabric that is called tablecloth. They can serve as both protective fabric against stains and scratches and decorative accents. Tablecloths are a must for formal dinner tables in restaurants and at many homes. They are often made of bright white, premium cotton or linen. Cotton, polyester, and linen tablecloths are among the most widely used materials for tablecloths. Polyester tablecloths are frequently seen in casual eating establishments since they are simple to clean and wipe down.
- **Table runners** – Table runners are short cloths that are usually placed in the center of the table as a suitable decoration. It also enhances the aesthetic appearance of the dining table.

Potholders, oven mitts, tea and terry towels, and other kitchen linens are also included in this category. These products can be bought separately or in complementary sets. Sets containing combinations of table and kitchen linens are also available. In addition to kitchen and table linens,

some providers provide even wider selections of home textiles in complementary designs for the dining room and kitchen.

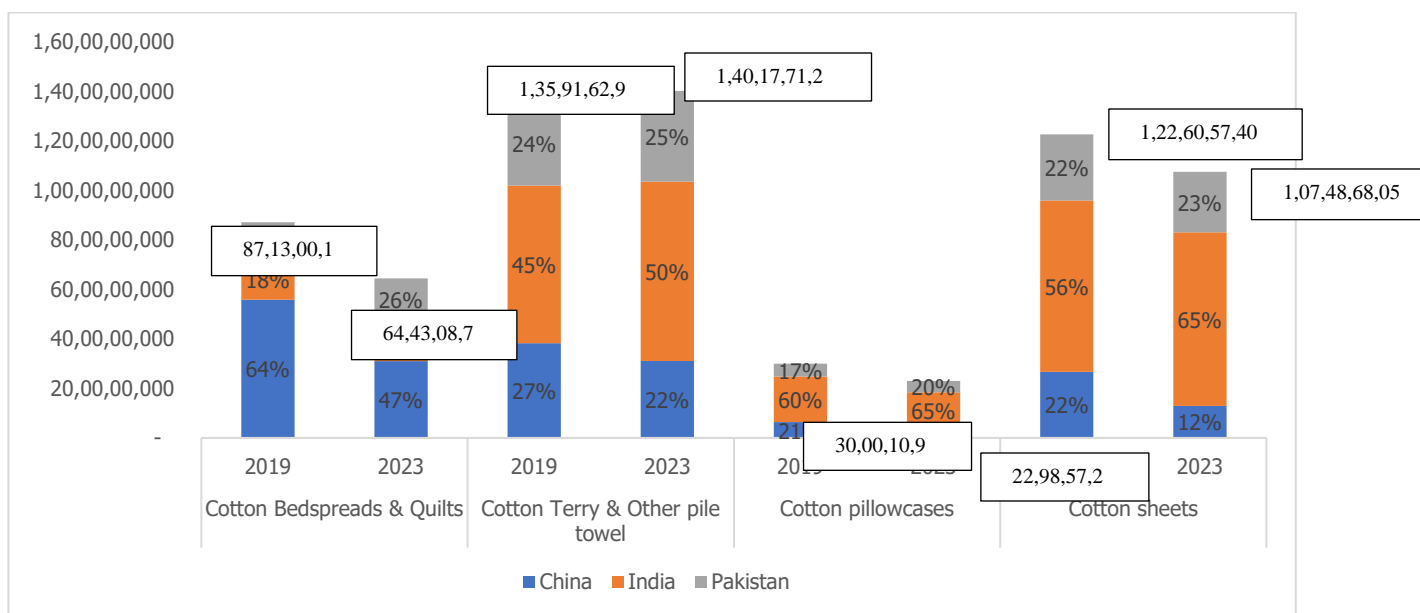
Terry is one kind of fabric majorly used for manufacturing towels generally used in the Kitchen and Toilet. Terry towels have loops or threads that help absorb more water. Terry towels are fluffy as compared to other fabrics and also give a plush look to the washrooms. The production of terry towels was 73,567.8 tonnes in FY23. The average production of terry towels in India has been around 91,946 tonnes in the last five years.

## Export Market

### Global Demand Dynamics for Indian Home Textiles

The global demand scenario in the textile industry has evolved dynamically and has benefitted India. The US imposed a ban on the cotton from the Xinjiang region of China in January 2021. The ban was imposed basis the forced labour issues in the Xinjiang region. This region was of prime importance as majority of the cotton (approximately 85%) in China was produced there. This led to the garment manufacturers to look for alternative markets to continue to get their supplies without hampering their business. India benefitted immensely from this ban as the majority of the importers including the US shifted their base from China to India.

### US Import trend in Home textile across categories



Source – OTEXA

Note – Data is for Calendar Year



As seen in the chart above, CY2019 was led by China in all categories of home textile followed by India. But after the ban imposed on the Xinjiang region, imports from India by the US across different categories increased manifold. India's share increased majorly in the cotton bedspreads & quilts, and cotton sheets from 18% to 24% and from 56% to 65% respectively. India has now become the leading country across the four home textile categories followed by Pakistan. This shift has happened following the China+1 strategy, where the major importers started looking for an alternate country to source their supplies.

Accordingly, India is a catalyst that is positioned to gain from the expanding global home textile market. With increasing disposable income, the market as a whole is predicted to grow at a fast pace in near future. The market growth is being driven by consumers' growing preference for beauty and comfort in their homes. India is distinguished by its robust industrial foundation and proficient labor pool, which facilitates cost-effective production and substantial output. In addition, Indian producers provide a wide variety of goods and are constantly coming up with new designs, eco-friendly materials, and natural fibres to satisfy changing consumer demands.

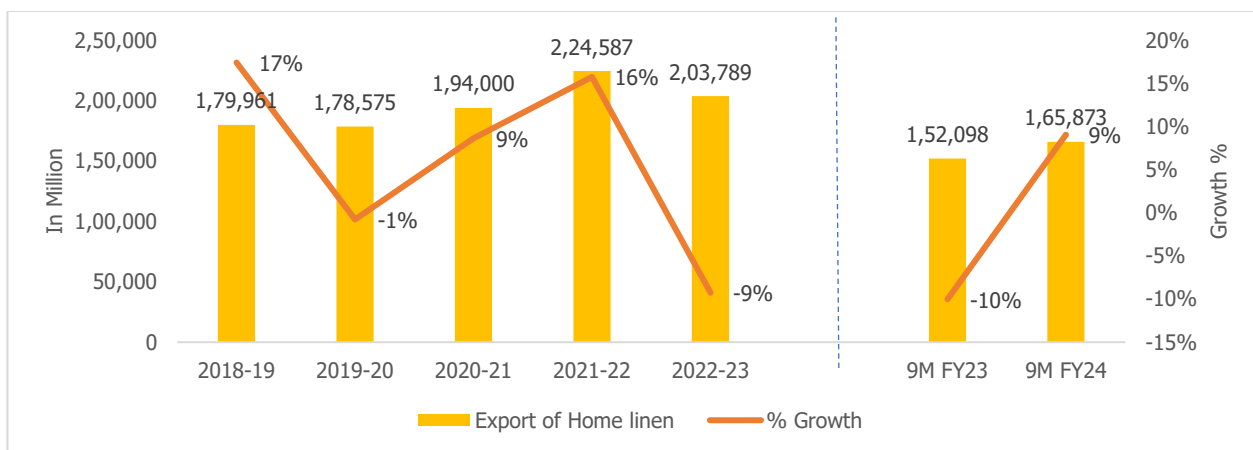
Further, after the pandemic, comfort has emerged as a key concern for consumers. Natural materials are witnessing more demand, and this trend is predicted to continue in the medium term.

While navigating trade restrictions abroad may be difficult, Indian manufacturers can manage these interruptions with the aid of free trade agreements and strategic alliances. In essence, the demand dynamics for Indian home textiles around the world look positive, and India's strengths and strategic focus will help in capturing a sizable portion of the expanding market.

### **Segment Wise Exports**

The Home textile market includes bed linen & bed spreads, bath and toilet linen, kitchen linen, upholstery and rugs & carpets. Under exports, home textile is the largest segment after ready-made garments.

### **Trend in Exports for Bed Linen, Bed Spreads and Curtains**



Source – CMIE, XXX Research

Note – Data is for Financial Year

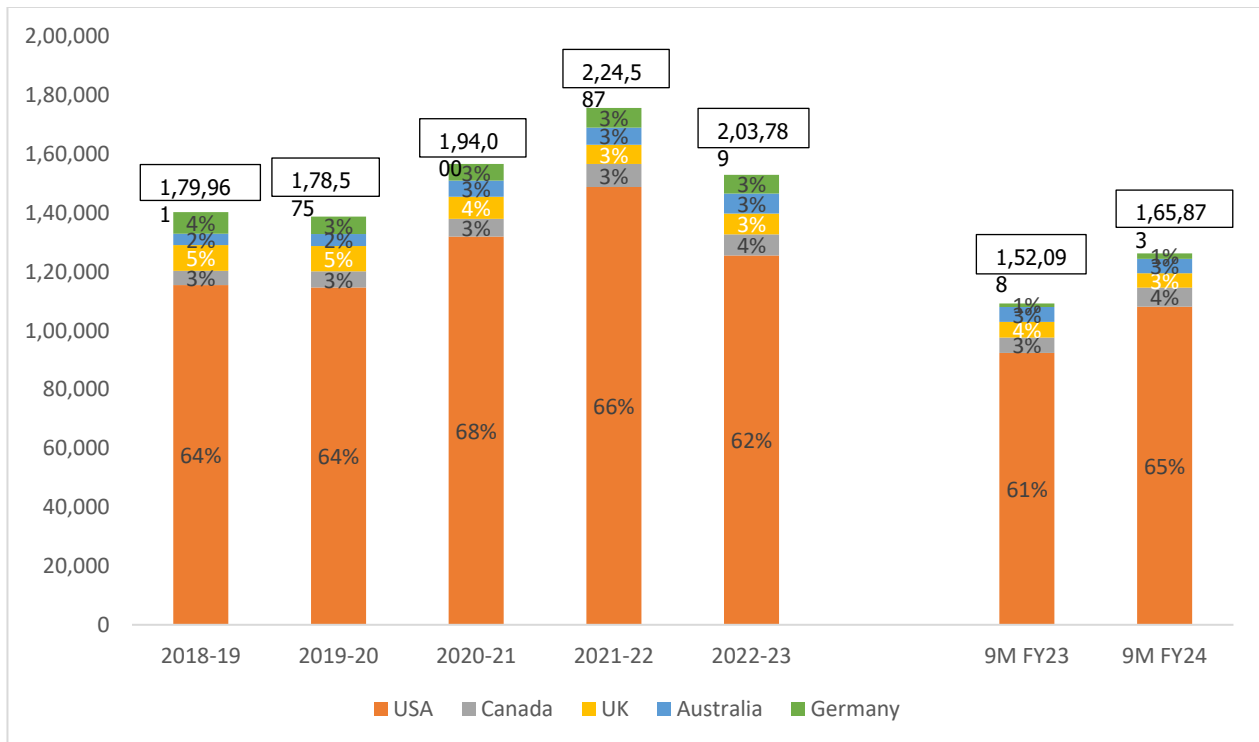
The highest exports were recorded in FY22 between the five-year range of FY19 to FY23. The increase in exports was mainly due to the pandemic led demand and the China+1 strategy. This led to a robust growth of about 9% and 16% in FY21 and FY22 respectively. The following year in FY23, the exports witnessed a decline by a staggering 9%. The inflation and recession conditions in global markets along with increasing raw material prices led to the decline.

In the 9M period of FY24, the export market of home linen has recorded a growth of 9% as compared to the same period in the previous year. The major reason attributing to this growth could be the festive season shopping along with positive economic changes in the export markets.

### Exports Destination for India

India is one of the major exporters of home linen. The country exports majorly to the USA accounting for 65% share, followed by Canada (4%), UK (3%), Australia (3%) and Germany (1%) in 9M FY24.

### Country-Wise Exports Trend of Home Linen



Source – CMIE, XXX Research

The US has been the major export destination for India, accounting for an average share of 65% in the last five years. The exports to the US have decreased by 2% and then 4% in the two consecutive years FY22 and FY23 respectively. The country was facing high inflation resulting in lower expenses towards non-essential items like home products. The 9MFY24 period, however, shows the top importer from India regaining the share back to 65% on the back of eased inflation in the country. The outlook for this country looks positive supported by restocking by the big retail players and positive demand on the consumers end.

The second major export country for India was the UK till 2021, accounting for an average share of 4%. The country's import of home linen from India has declined to 3% in 2023. The recession trend in the country has accounted for the declining share. Currently, Canada has become the second major importer of home linen from India. The trend by the country has been maintained in the 9M FY24 as well.

## Outlook

During the Covid-19 pandemic, people had to stay indoors to follow the lockdown rules and to stay safe. Staying at home created a desire to maintain and renovate the homes, which led to a huge demand for home textile products. The pandemic dynamically declined but the process continues and households around the world are going through changes. Due to shifting consumer preferences and lifestyle changes, there are several opportunities in the kitchen and toilet linen

market. For instance, growing consumer preference for organic and environmentally friendly materials offers manufacturers a chance to get creative and provide sustainable linen goods. Furthermore, there is a demand for technologically advanced linens, including moisture-wicking or antimicrobial materials, credited to the growing popularity of smart homes and linked gadgets. Whereas, E-commerce platforms enable firms to access a wider audience by connecting them with a global customer base.

The bed linen and bed spread market is also witnessing growth as people now recognize the importance of comfortable bedding and are also keen to invest in good quality products.

Demand is expected to pick up in the current year as freight and cotton costs appear moderate and retailer inventory levels have declined. Additionally, lower commodity and oil prices are strengthening margins and increasing India's competitiveness in the export market, while successfully increasing market share in key export markets in apparel and home textiles.

As a result, the Home textile segment growth is expected to be positive in the coming years supported by rising household incomes, population growth and rising income levels. Growth-related products include beds and bath towels, carpets, bedspreads, curtains and other segments of interior decoration. Besides, the demand for home textiles is also expected to increase on the back of Free Trade Agreements, expansion in the real estate market especially in the affordable segment, increased hygiene consciousness after the pandemic.

### **Key Demand Drivers**

The Indian textile industry is a significant contributor to the country's economy and is driven by several factors. Which are:

- **Favourable Demography** - The rising middle class and changing lifestyles in India have led to an increase in domestic consumption of textiles and apparel. As people have more disposable income, there is a higher demand for quality clothing and textiles.
- **Increasing Export Opportunities** - India has been a major player in the global textile and apparel market. The industry benefits from export opportunities, and the government's initiatives to promote exports further contribute to its growth. Favorable trade policies and agreements also play a role in boosting exports.
- **Supportive Government Initiatives and Policies** –The Indian government has implemented various initiatives and policies to support the textile sector, such as the "Make in India" campaign and the Technology Upgradation Fund Scheme (TUFS). These initiatives aim to enhance competitiveness, attract investments, and promote sustainable growth. Various Skill development initiatives and training programs by the government in

the textile sector also contribute to a skilled workforce, fostering innovation and increasing productivity.

- **Consistent Innovation and Technology Adoption** - The adoption of advanced technologies and innovation in the textile industry enhances efficiency, reduces costs, and improves product quality. Investments in research and development contribute to the industry's growth by enabling the production of high-value and high-quality textiles.
- **Growing Diversification of Product Range** - Textile manufacturers in India are diversifying their product range to meet the evolving demands of consumers. This includes a focus on technical textiles, functional textiles, and value-added products, apart from traditional segments like apparel and home textiles.
- **Rising Awareness about Sustainability** - There is a growing emphasis on sustainability and environmentally friendly practices in the textile industry. As consumers become more conscious of the environmental impact of their purchases, companies adopting sustainable practices can gain a competitive edge.
- **Improvement in Supply Chain** - Investments in infrastructure, including better transportation and logistics, contribute to the efficiency of the supply chain in the textile industry. This, in turn, positively impacts the industry's growth.

### Key Challenges

- **Global Competition:** The intense global competition in the textiles industry is there. The challenges posed by low-cost manufacturing countries, such as China and Bangladesh also create pressure on Indian market. To overcome these problems new strategies of production of low-cost manufacturing is to be formulated.
- **Skilled Labour Shortage:** The shortage of skilled labour in the textiles industry is many a time create sudden problem in the industry. This Shortage of labourer's could be due to a mass return. The need of the hour is for skill development initiatives, and highlighting successful models to overcome shortage of labour.
- **Compliance with Environmental Regulations:** The increasing focus on environmental sustainability and compliance with regulations is very necessary for industrial growth. The challenges faced by the textiles industry in meeting environmental standards and explore strategies to adopt eco-friendly practices and technologies have to be taken care for industry's betterment.

- **Fragmented Supply Chain:** The fragmented nature of the textiles industry's supply chain can be analyzed from time to time. The challenges arising from disjointed processes, lack of coordination, and information gaps should be overcome. We can propose strategies for supply chain integration, collaboration, and streamlining to enhance efficiency and competitiveness.

### **Government Regulations Supporting the Sector**

The Indian Government has been implementing various policy initiatives and schemes for supporting the development of textile sector. These schemes and initiatives are created to promote technology upgradation, creation of infrastructure, skill development and sectoral development in the textile sector. Moreover, these initiatives focus on creating a conducive environment and provide enabling conditions for textile manufacturing in the country which will help in boosting the textile sector.

In the Union Budget 2023-24, there has been an overall increase of 23% in the budget allocation towards the textile ministry. The government has increased the budget allocation from Rs 3,580 crore (revised budget estimates for 2022-23) to Rs 4,389 crore.

In addition to this, the government announced various incentives/schemes towards increasing the global competitiveness of the Indian textile industry which includes the extension of Rebate of State and Central Taxes and Levies (RoSCTL), Remission of Duties and Taxes on Export Products (RoDTEP), Production Linked Incentive Scheme (PLI) and PM Mega Integrated Textile Region and Apparel (PM MITRA).

These schemes have given a boost to the capacity expansions by various textile players and form an integrated textiles value chain right from spinning, weaving, processing/dyeing, and printing of garments at one location leading to a reduction in operational and logistics costs of the players thereby increasing margins. The Government has also signed FTAs with UK and UAE to boost apparel export. In addition to this, the RoDTEP scheme has also been launched supporting the garments and apparel exporters' margins by export incentives.

#### **a) Production Linked Incentive (PLI) Schemes**

The Government of India has introduced the Product Linked Incentive (PLI) scheme in textile products to enhance India's manufacturing capabilities and enhancing exports. The financial outlay of this scheme is Rs. 10,683 crores covering five years. The scheme has two parts:

Part-1) where minimum investment is INR 300 crore and minimum turnover required to be achieved for incentive is INR 600 crore;

Part-2) where minimum investment is of INR 100 crore and minimum turnover required to be achieved for incentive is INR 200 crore.

Out of 67 application received under this scheme for textile, 61 applications have already been approved as on April 2022. Out of these 61 proposals, seven are from foreign companies.

The objective of this scheme is to help increase India's share in the global man-made fibre and technical textiles sector.

### **Remission of Duties and Taxes on Exported Products (RODTEP) Scheme**

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was launched in the year 2020, with applicability from 1st January 2021. This scheme was enforced to repeal and reduce taxes for exported products and thereby increasing exports from the country. The scheme's objective is to refund currently un-refunded duties and taxes. This scheme is available to eligible exporters at a notified rate as a percentage of Freight On Board (FOB) value. In addition to this, Rebate on certain export products will also be provided subject to value cap per unit of the exported product. RoDTEP is implemented by Customs through a simplified IT System.

RoDTEP covers 8,555 tariff lines in addition to similar support being extended to apparel and made-ups exports under Rebate of State and Central Taxes and Levies (RoSCTL) scheme of Ministry of Textiles. Majorly, the Employment Oriented Sectors like Marine, Agriculture, Leather, Gems & Jewellery etc. are covered under the Scheme. Other sectors like Automobile, Plastics, Electrical / Electronics, Machinery etc. also get support of this scheme. Moreover, entire value chain of textiles also gets covered through RoDTEP & RoSCTL.

Amongst the various sectors, cotton-based textile products have received favourable rates under RoDTEP in the range of 3.8%-4.3% as compared to around 2% rate under MEIS although there is a cap on the maximum benefit available under RoDTEP.

### **b) Comprehensive Economic Partnership Agreement (CEPA) with UAE**

The Comprehensive Economic Partnership Agreement (CEPA) agreement was signed between the two nations India and United Arabs Emirates (UAE) on 18 February, 2022. It is India's complete free trade agreement signed with any countries in a decade. CEPA was operationalised on 01 May, 2022.

Overall, India is going to benefit from preferential market access provided by the UAE on over 97 % of its tariff lines which account for 99% of Indian exports to the UAE in value terms particularly from labour-intensive sectors such as Gems and Jewellery, Textiles, leather, footwear, sports goods, plastics, furniture, agricultural and wood products, engineering products, pharmaceuticals, medical devices, and Automobiles. As regards trade in services, Indian service providers will have enhanced access to around 111 sub-sectors from the 11 broad service sectors.

CEPA is expected to increase the total value of bilateral trade in goods to over USD 100 billion and trade in services to over USD 15 billion within five years. In coming years, this agreement will significantly increase export of apparels and textile products to UAE.

### c) Financing Subsidy Schemes

The Indian government actively supports the textile industry's growth and modernization through various financing subsidy schemes.

- **Pradhan Mantri MUDRA Yojana:** This broader scheme offers loans to micro-units across various sectors, including textiles. It provides loans under three categories (Shishu, Kishore, and Tarun) with varying loan amounts and interest rate subsidies.
- **Scheme for Capacity Building in Textile Sector (SAMARTH):** This scheme addressed the skilled manpower shortage by providing financial assistance for skill development programs relevant to the textile industry. It provided financial support to training providers conducting these programs.

### d) Other Schemes –

- **PM Mega Integrated Textile Region and Apparel (PM MITRA) park**  
With a vision of building Atma Nirbhar Bharat and to position India strongly on the Global textiles map, the Government has approved the setting up of 7 PM MITRA parks as announced in Union Budget for 2021-22. This will include 7 Mega Integrated Textile Region and Apparel Parks which will be setup at Greenfield/Brown field sites located in different willing states. This project will develop 50% Area for pure Manufacturing Activity, 20% area for utilities, and 10% of area for commercial development
- **Textile Cluster Development Scheme (TCDS)**  
The Indian textile industry relies on interconnected clusters, some of which struggle with outdated technology. This inefficiency hinders worker productivity. To address this, the Ministry of Textiles has implemented the Textile Cluster Development Scheme (TCDS) from 2021-22 to 2025-26. This scheme aims to create a modern, connected workspace for existing and new textile units, improving their operational and financial viability. The TCDS cluster development model offers several benefits, including cost-effective production, access to better technology, and a more competitive manufacturing environment. With a total budget of Rs. 853 crore allocated to finalize ongoing projects, this scheme aims to revitalize the Indian textile industry.
- **Integrated Processing Development Scheme (IPDS)**



The Ministry of Textiles has implemented the Integrated Processing Development Scheme (IPDS) to help the industry meet environmental standards. This program, initially launched during the 12th Five Year Plan, is being extended with modifications from 2021-22 to 2025-26 to focus on building new and upgrading existing common effluent treatment plants (CETPs) in both processing clusters and new parks, especially in coastal zones. This ongoing initiative aims to address environmental challenges faced by the textile processing sector.

## Competitive Landscape

### ➤ Trident Limited

Trident Limited, the leading arm of the Trident Group, is a global home textiles giant headquartered in Ludhiana, India. Founded in 1990, Trident has grown to become one of the world's largest integrated manufacturers in this sector. They produce a wide range of yarns, bed and bath linens, paper, and chemicals, with state-of-the-art facilities in Barnala and Budni.

#### Trident Limited– Company Profile

Information	Description
Company Name	Trident Limited
Website	<a href="https://www.tridentindia.com/">https://www.tridentindia.com/</a>
Establishment Year	1990

Source: Company Website

#### Trident Limited – Financial Information (Consolidated)

Particulars	Unit	FY21	FY22	FY23	9MFY24
Revenue	Rs. crore	4,531	6,998	6,332	5,051
Operating Profit	Rs. crore	823	1,512	947	727
Operating Profit Margin	Rs. crore	304	834	442	325
PAT	%	18.2%	21.6%	15.0%	14.4%
Net Profit Margin	%	7%	12%	7%	6%
Current Ratio	Times	1.0	1.3	1.4	NA
Debt to Equity	Times	1.7	1.7	1.6	NA
Return on Assets (ROA)	%	5%	13%	6%	NA
Return on Capital Employed (ROCE)	%	12%	26%	12%	NA
Return on Equity (ROE)	%	9%	22%	11%	NA

Source: Company Annual Reports

### ➤ KPR Mill Limited

KPR Mill, a public limited company with over 40 years of experience in the textile industry, has leveraged its strong foundation to establish itself as a leading vertically integrated manufacturer. Their diverse portfolio encompasses yarn, fabrics, garments, and even white crystal sugar. With a strong commitment to ethical practices, the company has diversified its offerings to include high-quality organic innerwear and athleisure apparel under the FASO brand. This expansion into the innerwear market capitalizes on KPR's three decades of garment-making expertise, ensuring a distinctive blend of style and comfort. Furthermore, KPR has established a garmenting facility and international business office in Singapore, marking its maiden foray into the global marketplace. This strategic move underscores KPR's commitment to growth and its position as a leading player within the textile industry.

### KPR Mill Limited– Company Profile

Information	Description
Company Name	KPR Mill Limited
Website	<a href="https://kprmilllimited.com/">https://kprmilllimited.com/</a>
Establishment Year	2003

Source: Company Website

### KPR Mill Limited – Financial Information (Consolidated)

Particulars	Unit	FY21	FY22	FY23	9MFY24
Revenue	Rs. Crore	3,527	4,822	6,186	4,363
Operating Profit	Rs. Crore	830	1,219	1,274	902
Operating Profit Margin	Rs. Crore	515	842	814	592
PAT	%	23.5%	25.3%	20.6%	20.7%
Net Profit Margin	%	15%	17%	13%	14%
Current Ratio	Times	2.55	2.53	2.25	NA
Debt to Equity	Times	1.39	1.53	1.51	NA
Return on Assets (ROA)	%	16%	17%	15%	NA
Return on Capital Employed (ROCE)	%	26%	28%	26%	NA
Return on Equity (ROE)	%	22%	26%	22%	NA

Source: Company Annual Reports

## OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 25 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 42, 236 and 342, respectively, 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.*

*Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements included in this Draft Red Herring Prospectus. Our Company’s Financial Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that particular year. For further information, see “Restated Financial Statements” beginning on page 236. Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, “our Company” or “the Company”, refers to Raghuvir Exim Limited.*

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, “Cotton Yarn and Home Textiles Industry” released in March, 2024 (“CARE Report”) prepared by CARE Analytics and Advisory Private Limited, appointed by our Company pursuant to an engagement letter dated November, 2024 and such CARE Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. For further information, see “Risk Factors 39– Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate. This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, Care Research, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks” on page 56. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 17. The CARE Report is available on the website of our Company at <https://www.raghuvirexim.com>. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### Overview

Our Company is engaged in the business of processing semi-finished fabrics into finished fabrics. Our Company has been in existence for over three decades and manufactures home textiles products such as bedsheets, pillowcase, duvet cover, comforter, quilts, curtains, which are sold to our customers in the form of pack sets. We are also involved in trading of grey cloth and finished fabrics. Our product are made using wide range of fabrics such as polyester, cotton, cotton/polyester blended, cotton modal, cotton tencel and poly cotton.

Major portion of our revenues are derived from exports. Our Company has been recognised as a “Star Export House” by the Directorate General of Foreign Trade, Ministry of Commerce and Industry in the year 2011 and “Two Star Export House” in the year 2021. In Fiscals 2021, 2022, 2023 and for the six-

month period ended September 30, 2023, our revenue from exports accounted for 94.89%, 97.38%, 81.07% and 96.97%, respectively of total revenue from operations. In each of the last three fiscals, our Company has exported to more than 25 countries with majority of the export sales being sourced from United States of America, Canada, United Kingdom, Israel and Australia. We sell our products through a network of distributors and direct sales to our customers.

Our revenue from operations have grown from ₹ 2,089.96 million in Fiscal 2021 to ₹ 2,475.58 million in Fiscal 2023, registering a CAGR of 5.81% in last three fiscal years. For the period ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, our PAT was ₹ 119.63 million, ₹ 192.38 million, ₹ 70.46 million and ₹ 89.18 million, respectively. Our PAT has grown from ₹ 89.18 million in Fiscal 2021 to ₹ 192.38 million in Fiscal 2023, registering a CAGR of 29.21% in last three fiscal years. Further, our EBITDA have grown from ₹ 214.98 million in Fiscal 2021 to ₹ 362.13 million in Fiscal 2023, registering a CAGR of 18.98% in three fiscal years .

Our Company is also involved in trading of products which includes grey cloth, finished fabrics, printed & dyed fabrics, and job work of fabrics. For carrying out job work operations, we have a cutting, stitching, finishing and packing facility with requisite machinery and facilities for servicing the order requirements.

Our raw materials are sourced from different vendors across India. Over the years, we have developed long-standing relationships with our vendors which allows us to source quality raw materials from the vendors. We regularly source yarn from our weavers/suppliers and group companies involved in similar line of business. We also import raw materials from countries like Hong-Kong, Italy and China. Details of raw materials purchases from domestic and international suppliers are as under:

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹)	(%)	(₹)	(%)	(₹)	(%)	(₹)	(%)
Domestic purchases	1,013.47	99.97	1,783.49	99.83	2,225.38	99.99	1,882.65	99.99
International purchases	0.26	0.03	3.12	0.17	0.17	0.01	0.20	0.01
<b>Total</b>	<b>1,013.72</b>	<b>100.00</b>	<b>1,786.61</b>	<b>100.00</b>	<b>2,225.55</b>	<b>100.00</b>	<b>1,882.85</b>	<b>100.00</b>

Our Product range includes bedsheets, pillowcase, duvet cover, comforter, quilts, curtains which are sold in Pack sets. Our Company's proficiency lies in understanding the specific requirement of our customers and based on which we place the order of our products to our suppliers. We place significant emphasis on quality control to ensure the quality and reliability of our products and have implemented a quality control system. As a part of our quality control certifications, we have implemented management system in accordance with ISO 9001:2008 for manufacturing and supply of home textiles and garments; and Environment Management System in accordance with ISO 14001:2015 for design, manufacturing and supply of home textiles and garments.

Our Company was incorporated in the year 1992 founded by Late Raghbirprasad Agarwal (the father of our Promoter, Sunil Agarwal) along with other family members in the name of "Raghuvir Exim Limited". In the initial years, we were engaged in the trading of finished goods of bedsheets. Leveraging the experience of our promoters, we transitioned towards manufacturing/processing of semi-finished fabrics in the year 2004 by setting up its first stitching unit (Unit I) at Survey No 80, Piplej Rirana Road, 270, Piplej Gam, Piplej, Ahmedabad, Gujarat. Our Unit I spans over approx. 43,705 sq. mtrs. area having set up of stitching and cutting machineries. Our Company further expanded in the year 2015 by setting up

another stitching unit (Unit II) at Block No 54, Opp Vinod Fabrics, Survey No 65 and 67, Laxmipura, Piplej, Ahmedabad. Our Unit II spans over approx. 24,079 sq. mtrs. area having set up of stitching and cutting machineries. Our Promoters have a cumulative experience of over 55 years in the textile industry. Our Promoter and Joint Managing Director, Sunil Agarwal has over 30 years of experience in the textile industry and has been responsible in augmenting relationships with various stakeholders which has helped our Company expand its product portfolio over the years. Our Promoter and Managing Director, Yash Agarwal and Promoter, Director and Chief Financial Officer, Hardik Agarwal has over 15 years and 10 years, respectively experience in the textile industry, all have considerable experience in the textile industry, which has contributed in the growth trajectory of our Company. For further details, see “*Our Promoters and Promoter Group*” on page 220.

We intend to expand production capacities by setting up of two Stitching Units situated at Village Vansva, Taluka Viramgam, Ahmedabad, Gujarat. As a part of such expansion, our Board has approved the acquisition of two land parcels to set-up two stitching units at Village Vansva, Taluka Viramgam, District Ahmedabad, Gujarat and for this purpose, we are required to make investment in *inter alia* civil & construction and various stitching equipment. For further information, see “*Strategies – Our business*” on pages 170 .

The following table sets forth a breakdown of our revenue from operations in terms of domestic and international market, in absolute terms and as a percentage of total revenues, for the periods indicated basis the location of the customers:

(₹ in million, except percentages)

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹)	(%)	(₹)	(%)	(₹)	(%)	(₹)	(%)
Domestic market	45.81	3.03	468.70	18.93	69.79	2.62	106.72	5.11
International market	1,467.88	96.97	2,006.91	81.07	2,598.42	97.38	1,983.24	94.89
<b>Total</b>	<b>1,513.69</b>	<b>100.00</b>	<b>2,475.61</b>	<b>100.00</b>	<b>2,668.21</b>	<b>100.00</b>	<b>2,089.96</b>	<b>100.00</b>

The table below sets forth certain key operational and financial metrics for the periods indicated:

(₹ in million, except percentages)

Metric	As of and for the six-month period ended September 30, 2023*	2023	As of and for the Fiscal 2022	2021
Revenue From operations	1,513.69	2,475.58	2,668.21	2,089.96
Total revenue	1,552.52	2,507.89	2,722.79	2,133.82
EBITDA	224.31	362.13	192.61	214.98
EBITDA Margin (%)	14.82%	14.63%	7.22%	10.29%
Profit after tax	119.63	192.38	70.46	89.18
PAT Margin (%)	7.90%	7.77%	2.64%	4.27%
Return on Equity (ROE) (%)	13.22%	25.70%	11.43%	16.63%
Debt To Equity Ratio	1.31	1.14	1.54	1.50
Interest Coverage Ratio	5.96	5.39	3.12	3.91

Metric	As of and for the six-month period ended September 30, 2023*	As of and for the Fiscal		
		2023	2022	2021
Return on Capital Employed (ROCE) (%)	9.59%	18.78%	9.42%	12.10%
Current Ratio	1.25	1.40	1.33	1.31
Net Capital Turnover Ratio	4.49	7.40	9.27	14.10
<b>Operating KPIs</b>				
Inventory Days	42.23	50.48	49.93	41.06
Trade Receivable Days	28.44	36.46	43.82	44.51
Trade Payable Days	3.50	9.23	8.89	8.64

**Notes:**

- a) As certified by G. K. Choksi & Co., Chartered Accountants pursuant to their certificate dated March 29, 2024. The Audit committee in its resolution dated March 11, 2024 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of this Draft Red Herring Prospectus other than as disclosed in this section.
- b) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- c) EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations and exceptional items. EBITDA excludes other income but includes reversal of provision of doubtful debts.
- d) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- e) Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes but before other comprehensive income by our revenue from operations.
- f) Return on equity (RoE) is equal to profit after tax for the year divided by the average total equity during that period and is expressed as a percentage.
- g) Debt to equity ratio is calculated by dividing the debt (excluding lease liabilities) by total equity (which includes issued capital and all other equity reserves).
- h) Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBITDA by finance cost payment.
- i) RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided capital employed. Where capital employed as tangible net worth plus total debt and deferred tax liabilities.
- j) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
- k) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).
- l) Inventory Turnover Ratio is calculated as the cost of goods sold divided average inventory.
- m) Trade Payable Turnover Ratio is calculated as the total purchases divided average trade payables.
- n) Trade Receivables Ratio is calculated total credit sales divided average trade receivables.

**Business Operations**

Raghuvir Exim Limited	
Pack Sets	Trading

<ul style="list-style-type: none"> <li>• Bedsheets</li> <li>• Pillowcase</li> <li>• Duvet Cover</li> <li>• Curtains</li> <li>• Comforter</li> <li>• Quilt Covers</li> <li>• Table linens</li> <li>• Kitchen Linens</li> </ul>	<ul style="list-style-type: none"> <li>• Bedsheets</li> <li>• Pillow Covers</li> <li>• Printed and Dyed Fabrics</li> <li>• Grey Fabric</li> <li>• Cotton Yarn</li> </ul>
---	--

For further details please see “Our Products” below on page no. 124 of this Draft Red Herring Prospectus

## Portfolio

The portfolio of our products and services can be classified into pack sets and trading.

The table given below sets out the sales turnover of our product categories for the periods indicated below:

Product Category	For the Period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹ in Million)	%	(₹ in Million)	%	(₹ in Million)	%	(₹ in Million)	%
Manufacturing of Pack Sets	1,078.39	71.24	1,722.31	69.57	2074.72	77.76	933.87	44.68
<b>Trading:</b>								
Pack Sets	251.41	16.61	132.12	5.34	331.50	12.42	860.68	41.18
Printed and Dyed Fabrics	14.83	0.98	28.45	1.15	1.39	0.05	43.83	2.10
Grey Fabric	-	-	369.05	14.91	-	-	-	-
Cotton Yarn	2.37	0.16	11.86	0.48	-	-	-	-
<b>Sub-Total</b>	<b>268.61</b>	<b>17.75</b>	<b>541.48</b>	<b>21.87</b>	<b>332.89</b>	<b>12.48</b>	<b>904.51</b>	<b>43.28</b>
Other operative income <sup>(1)</sup>	166.69	11.01	211.82	8.56	260.60	9.77	251.58	12.04
<b>Total</b>	<b>1,513.69</b>	<b>100.00</b>	<b>2,475.61</b>	<b>100.00</b>	<b>2,668.21</b>	<b>100.00</b>	<b>2,089.96</b>	<b>100.00</b>

<sup>(1)</sup> Other operative income includes export benefits, sales of fent and rags and stitching charges.

Set forth below is the bifurcation of our revenue from operations:

a. in terms of our top 10, top 5, top 3 customers:

Particulars	For the Period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹ in Million)	%	(₹ in Million)	%	(₹ in Million)	%	(₹ in Million)	%
Top 3 Customers	346.02	22.88	762.03	30.78	685.27	25.68	525.57	25.15
Top 5 Customers	512.62	33.87	1,031.84	41.68	990.76	37.13	715.54	34.24

Particulars	For the Period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹ in Million)	%	(₹ in Million)	%	(₹ in Million)	%	(₹ in Million)	%
Top 10 Customers	835.71	55.21	1,475.57	59.60	1,413.34	52.97	1,059.73	50.71

The details of country-wise bifurcation of our revenue from operations are as under:

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹)	%	(₹)	%	(₹)	%	(₹)	%
United States of America	626.67	41.40	806.68	32.59	1,331.53	49.90	897.90	42.96
Canada	258.22	17.06	81.19	3.28	346.34	12.98	293.95	14.06
United Kingdom	128.97	8.52	89.62	3.62	101.13	3.79	57.38	2.75
Israel	115.33	7.62	127.63	5.16	95.05	3.56	118.50	5.67
Australia	92.96	6.14	475.82	19.22	180.60	6.77	104.15	4.98
Italy	40.25	2.66	11.20	0.45	3.32	0.12	7.36	0.35
Germany	19.40	1.28	20.09	0.81	60.81	2.28	85.32	4.08
Others <sup>(1)</sup>	46.58	3.08	214.72	8.67	255.36	9.57	229.98	11.00

<sup>(1)</sup> Others includes New Zealand, El-Salvador, Spain, Switzerland, Finland, Guatemala, Chile, Colombia, Poland, Netherland, Venezuela, Peru, Romania, Belgium, Slovak Republic, Columbus, Czech Republic, Sweden and Hungary.

The details of provides state-wise break-up of domestic revenue from operations are as under:

Zone	State	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
		(₹)	%	(₹)	%	(₹)	%	(₹)	%
West	Gujarat	42.60	2.81	427.23	17.26	69.78	2.62	99.77	4.77
	Maharashtra	-	-	6.39	0.26	0.01	0.00	3.10	0.15
	<b>Sub Total (A)</b>	<b>42.60</b>	<b>2.81</b>	<b>433.62</b>	<b>17.52</b>	<b>69.79</b>	<b>2.62</b>		
South	Tamil Nadu	-	-	9.64	0.39	-	-		
	<b>Sub Total (B)</b>	<b>-</b>	<b>-</b>	<b>9.64</b>	<b>0.39</b>	<b>-</b>	<b>-</b>		
North	Delhi	-	-	21.21	0.86	-	-		
	Haryana	3.22	0.21	4.26	0.17	-	-		
	<b>Sub Total (C)</b>	<b>3.22</b>	<b>0.21</b>	<b>25.47</b>	<b>1.03</b>	<b>-</b>	<b>-</b>		
East	Odisha	-	-	-	-	-	-	3.85	0.18
	<b>Sub Total (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.85</b>	<b>0.18</b>
<b>Total (A+B+C+D)</b>		<b>45.82</b>	<b>3.03</b>	<b>468.73</b>	<b>18.93</b>	<b>69.79</b>	<b>2.62</b>	<b>106.72</b>	<b>5.11</b>

## Strengths

- *Diversified Customer Base*



Our Company has a diversified customer base, both in India and overseas. Our Company sells its products majorly through exports. Our Company has a diversified market spread across United States of America, Australia, Europe and Canada. The table below sets out our Company's geographical footprint in the overseas market:

(₹ in million, except percentages)

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹)	%	(₹)	%	(₹)	%	(₹)	%
United States of America	626.67	41.40	806.68	32.59	1,331.53	49.90	897.90	42.96
Canada	258.22	17.06	81.19	3.28	346.34	12.98	293.95	14.06
United Kingdom	128.97	8.52	89.62	3.62	101.13	3.79	57.38	2.75
Israel	115.33	7.62	127.63	5.16	95.05	3.56	118.50	5.67
Australia	92.96	6.14	475.82	19.22	180.60	6.77	104.15	4.98
Italy	40.25	2.66	11.20	0.45	3.32	0.12	7.36	0.35
Germany	19.40	1.28	20.09	0.81	60.81	2.28	85.32	4.08
Others <sup>(1)</sup>	46.58	3.08	214.72	8.67	255.36	9.57	229.98	11.00

<sup>(1)</sup> Others includes New Zealand, El-Salvador, Spain, Switzerland, Finland, Guatemala, Chile, Colombia, Poland, Netherland, Venezuela, Peru, Romania, Belgium, Slovak Republic, Columbus, Czech Republic, Sweden and Hungary.

• **Experienced Promoters and management team**

Our Promoter Sunil Agarwal and Joint Managing Director of our Company have been associated with our Company since incorporation. He has a rich experience of over more than two decades in the industry and has a deep understanding of the product and all its facets spanning from manufacturing to marketing and business development.

Our Promoter Yash Agarwal and Managing Director of our Company has been associated with our Company since 2007 and has an experience spanning over 15 years in the field of Exports of Textiles. He has developed several functions in the business sector from product development, business development, operations, and administration. He has been influential in developing network with our Suppliers in India and has consistently worked towards building efficiency across various departments of the business. He is currently responsible for overall textile and export market division of the Company.

Hardik Agarwal, Promoter, Executive Director and Chief financial officer have around 10 of experience in the industry. He is an essential part of the leadership team at the Company and is at the forefront of developing the business' processes. He oversees the overall administration of the Company.

We attribute our growth to the experience of our Promoters and senior management team. we believe that the experience of our management team and its in-depth knowledge of business will enable us to continue to take advantage of both current and future market opportunities. Our management team consists of professionals with several years of experience and knowledge in the industry and their respective fields such as sales, marketing, technical support, R&D, supply chain, production and finance.

- ***Established Client Relationships***

We have established long-standing relationship in the market from where we get orders on continuous basis. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and growing our business. Our relationships with suppliers and our customers have grown over the years and has been a core competitive strength for us. Due to the strength of the long-standing relationships with suppliers, our Company enjoys several benefits in terms of pricing, exclusivity in designs, and payment terms, all of which is passed on to its customers by the way of attractive prices, an exclusive product range, and high-quality products which we believe has been possible due to decades of association, delivery of quality products and by maintaining good quality standards. Our existing relationships help us to get repeat business from our customers. As on September 30, 2023, we had more than 80 customers and the share of the top 10 customers and the top 5 customers in the total revenue was 55.21% and 33.87%, respectively. Further, we have a wide network of suppliers across the country and internationally. Our facility has an inventory and receivable management system which has resulted in a healthy working capital cycle. We operate a standardised procurement system and procure most of our products on a purchase-order basis ensuring procurement flexibility at competitive prices.

This has helped us to maintain a long-term working relationship with our customers and improve our customer retention strategy.

***Existing supplier relationship***

Our existing supplier relationship protects the business with terms of supply and pricing of the products, the quality of the products offered etc. Our company enjoys existing relationship with our suppliers. Further we also leverage the past experience of our management in maintaining effective supplier relationship. For the fiscals 2021, 2022, 2023 and for the period ended September 30, 2023, the raw materials received from our Group Companies as a percentage of total purchases was 74.35%, 65.47%, 38.88% and 81.28%, respectively. Since the majority of our raw material and finished goods is supplied by our Group Companies, our suppliers deliver high-quality raw materials and components on time and in accordance with our specifications. This reliability ensures uninterrupted production schedules and enables us to meet customer demand consistently. Our Company also diversify our supplier base while maintaining strong relationships, thus mitigate the risk of overreliance on any single supplier or geographic region. This diversification strategy enhances resilience against supply chain disruptions, geopolitical uncertainties, or unforeseen events, safeguarding our operations and customer commitments.

**Strategies**

***Continue to expand our geographic reach***

India is one of the major exporters of home linen. The country exports majorly to the USA which accounts for 65% share of the global home linen market, followed by Canada (4%), UK (3%), Australia (3%) and Germany (1%) in 9M FY24. (Source: CARE Report).

The details of country-wise bifurcation of our revenue from operations are as under:

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹)	%	(₹)	%	(₹)	%	(₹)	%
United States of America	626.67	41.40	806.68	32.59	1,331.53	49.90	897.90	42.96
Canada	258.22	17.06	81.19	3.28	346.34	12.98	293.95	14.06
United Kingdom	128.97	8.52	89.62	3.62	101.13	3.79	57.38	2.75
Australia	92.96	6.14	475.82	19.22	180.60	6.77	104.15	4.98
Germany	19.40	1.28	20.09	0.81	60.81	2.28	85.32	4.08
<b>Total</b>	<b>1126.22</b>	<b>74.40</b>	<b>1473.40</b>	<b>59.52</b>	<b>2020.41</b>	<b>75.72</b>	<b>1438.70</b>	<b>68.83</b>

In Fiscals 2021, 2022, 2023 and for the six-month period ended September 30, 2023, our revenue from exports accounted for 94.89%, 97.38%, 81.07% and 96.97%, respectively of total revenue from operations. In each of the last three fiscals, our Company has exported to more than 25 countries with majority of the export sales being sourced from United States of America, Canada, United Kingdom, Israel and Australia. We intend to focus on penetrating further in existing markets with an appetite for increased demand and high growth potential. With about twenty years of experience and successful growth in our Core Markets, we believe that we are well positioned to take advantage of the growth potential and opportunities offered to further expand our market share. Our expansion into newer markets offers us potential for market share gains, increased brand recognition and economies of scale. We intend to achieve this by having dedicated sales and marketing teams whose primary focus will be on business development in international markets and in certain focus geographies like USA, Canada and UK. Our focus will also be to strengthen our sales team in India and outside India to ensure that we are able to deliver products to our customers in a timely manner.

### ***Strengthening the Product Portfolio***

The home textiles industry mainly comprises of segments like bed, toilet, kitchen and table linen. Our Company boasts of a versatile product portfolio encompassing a wide array of home textile products in bed linen such as bedsheets, pillowcase, duvet cover, comforter, quilts, curtains. It is our Company's endeavour to constantly develop and foray into other home textile products both within its traditional product framework as well as for new specialty fabrics. While our Company constantly endeavour to innovate and update our product offerings to align with evolving market trends and consumer preferences, ensuring that our portfolio remains relevant and competitive.

In proposed expansions, our Company has aims to acquire inputs and capabilities to produce high quality and diversified fabrics and textile products. Over a period of time these should greatly contribute to developing and enhancing our Company's product diversification strategies.

### ***Reduce debt and improve profitability***

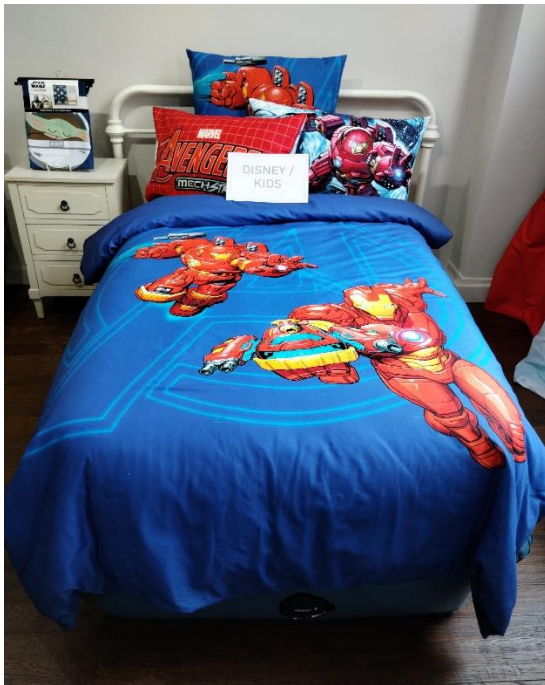
We, through proposed expansion intend to improve our operational efficiencies, to reduce debt burden while enhancing profitability, reflecting our commitment to sustainable financial management and long-term viability. Our gross profit margins have been consistently increasing from 17.16% in Fiscal 2021 to 14.17% in Fiscal 2022 to 21.38% in Fiscal 2023 to 17.45% in the six months ended September 30, 2023 through better management of resources, product merchandising, effective use of CRM as well as through efficiently plan our working capital requirements.

Our total borrowings amounted to ₹ 855.27 million, ₹ 950.81 million and ₹ 804.92 million as of six months ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. In six months ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, we incurred finance costs of ₹ 37.65 million, ₹ 67.13 million, ₹ 61.82 million and ₹ 54.97 million, during these periods. Increase in the growth of our business would lead to increase in the production thereby achieving economies of scale through which we aim to improve our production efficiency, inventory management and supply chain management and reduce our overhead costs. This would help us increase our EBITDA margin percentage. By executing this comprehensive focused on debt reduction, product expansion, operational efficiency, market growth, and performance monitoring, the company can enhance profitability, strengthen its competitive position, and achieve sustainable long-term success.

### **Our Products**

We are primarily engaged in the production and sale of bedsheet (sheet set), duvet cover, pillowcase, comforter, quilts and curtains as a Pack-set products which can be customized as per customers requirements.

#### **Bedsheet**



#### **PillowcaseDuvet Set**



**Quilt Sheet set**



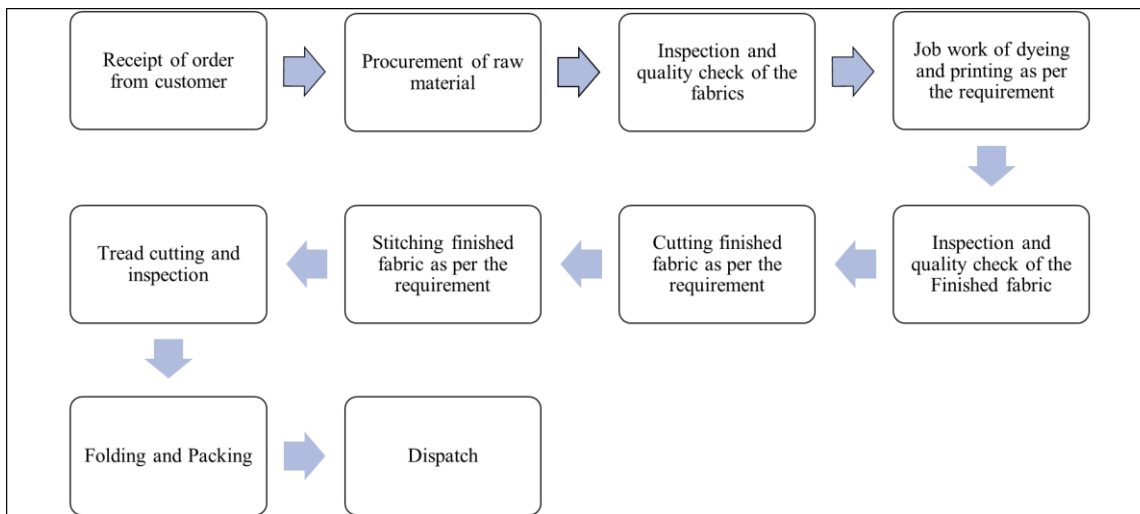
Our Company maintains an exclusively studio at our registered office 1035/A, Near Ayodhya Township, Rancharda Road, Shilaj, Daskroi, Ahmedabad- 380059 where our product range of bed lines and pillow covers are presented to our target customers. Our studio offers a spectrum of choices to complement any interior style which provides an opportunity to potential customers to have a complete home experience with distinctive customized offerings.



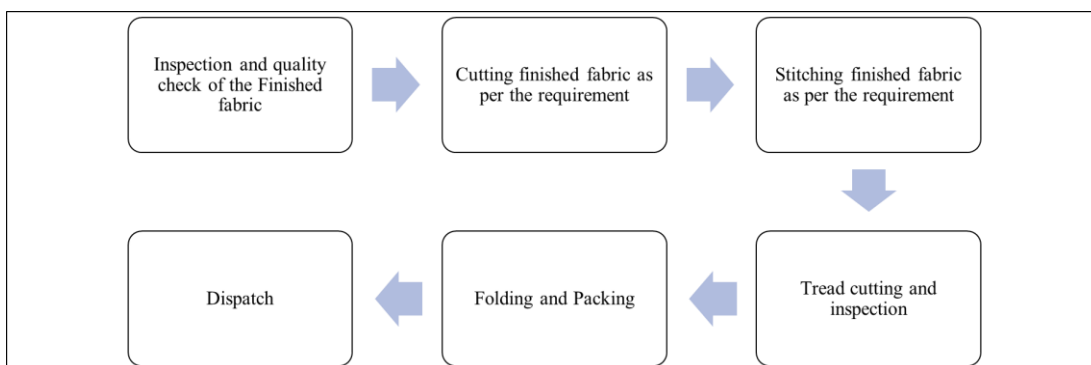


**Business Process:**

**Process of purchasing grey cloth and job work**



**Process of purchasing semi-finished products**



**Manufacturing Facilities**

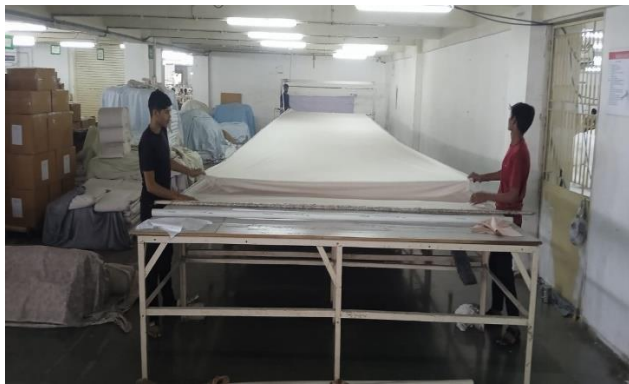
We carry our manufacturing operations out of two units. Our Unit I is located at Block No 54, Survey No. 65 and 67, Laximpura, Tulka Dascroi, Dist. Ahmedabad; and our Unit II is located at Survey No. 80, Piplej, Taluka Ahmedabad. Our Units are equipped with infrastructure to support raw materials receipt and storage, production plant, finished goods storage and dispatch.

We manufacture bedsheets, pillowcase, duvet cover, curtains, comforter, quilt covers, table linens and kitchen linens at Unit I and II. Our Units are supported by infrastructure for storage of raw materials, manufacturing of our products, storage of finished goods.

**Unit I:**



**Unit II**



**Production and Capacity utilization**

We manufacture our products at two facilities at Unit I and Unit II. The Company undertake process of cutting, stitching, finishing and packing of fabrics in both Units. As of March 31, 2023, our manufacturing facilities have aggregate production capacity of 3,000,000 pack sets. The capacity and capacity utilization of our facility for the last three Fiscals are illustrated below:

Units	Fiscal 2023			Fiscal 2022			Fiscal 2021		
	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization
Unit I	1,800,000	953,426	52.97%	1,800,000	1,500,624	83.37%	1,800,000	1,291,486	71.75%
Unit II	1,200,000	552,285	46.02%	1,200,000	875,416	72.95%	1,200,000	735,992	61.33%

*As certified by Forum K. Gajjar, Chartered Engineers, by way of their Certificate dated January 19, 2024*

The information relating to the installed production capacity of our Units, as included above and elsewhere in this Draft Red Herring Prospectus are based on various assumptions and estimates that have been considered by the chartered engineer for calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice of the textile industry after examining the calculations and explanations provided by us.



Actual production levels and utilization rates may vary from the capacity information of our Units included in this Draft Red Herring Prospectus and undue reliance should not be placed on such information. See “*Risk Factor No.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.*” on page 46 of this Draft Red Herring Prospectus.

### **Proposed Expansion Plans**

We aim to continue investing in expanding our manufacturing capacities to meet increasing demands for our products, along with the necessity to launch new products in the home textile category. As a part of such expansion, our Board in its meeting dated March 11, 2024 approved to acquire two land parcel to set-up two stitching units at Village Vansva, Taluka Viramgam, District Ahmedabad, State Gujarat and for these Proposed Facilities, we are required to make investment in inter alia land, civil & construction and various stitching equipment. The estimated production capacity will be 3,600,000 pack sets for both the land parcel 1 and 2.

This will be in addition to our already existing facilities situated at Survey No 80, Rirana Road, 270, Piplej, Ahmedabad, Gujarat, India and Block No 54, Opp Vinod Fabrics, Survey No 65 and 67, Laxmipura, Piplej, Ahmedabad, Gujarat, India

The information on our Proposed Facility is indicative and remain subject to the potential difficulties and uncertainties that construction projects face including cost overruns or delays. We are in the process of obtaining various consents, approvals and acknowledgements from regulatory authorities that are routine in nature in relation to the proposed expansion at the proposed New Facility.

Also see, “*Risk Factor No. 4 – If there are delays in setting up the Proposed Facilities or if the costs of setting up and the possible time or cost overruns related to the Proposed Facilities or acquisition of equipment for the Proposed Facilities are higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.*” on page 45 of this DRHP.

### **Inventory Management**

Our inventory at our manufacturing facilities comprises primarily raw materials and finished products. In order to ensure that we have adequate inventory of raw materials to quickly turn around products for our customers, we purchase and store the main raw materials such as grey fabrics, finished fabrics and Packaging Material at our Manufacturing Facilities. In addition, we also conduct physical review of our raw materials on a regular basis to ensure that we have a ready record of our raw materials. We have implemented ERP at our factories to track inventory. Our procurement team regularly reviews and assesses the sources of supply and prices of raw materials. This allows us to monitor our costs of production and ensure that the quality of our raw materials meets our requirements.

### **Utilities**

We consume a substantial amount of power and fuel for our business operations. Adequate and cost-effective supply of electrical power and fuel is critical to our manufacturing facilities. We rely on the state electricity boards through a power grid for the supply of electricity, solar panels and utilize diesel generators to ensure that our facilities are operational during power failures or other emergencies. The table below sets forth details relating to our expenses on power and fuel as a percentage of our total expenses for the period ended September 30, 2023, Fiscals 2023, 2022 and 2021:

Particulars	For the Period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹ in Million)	%	(₹ in Million)	%	(₹ in Million)	%	(₹ in Million)	%
Power and fuel	2.52	0.18	1.56	0.07	2.69	0.10	4.15	0.20

### Procurement of Raw Materials

We procure raw materials from our suppliers based on purchase orders and we do not have any purchase agreements or firm commitments executed with them. We reserve the right to reject defective materials. We primarily source grey fabrics, cotton yarn, finished fabrics and Packing Material etc. to manufacture our products. We source raw materials from our suppliers based on quality specifications and cost effectiveness. In the period ended September 30, 2023, Fiscals 2023, 2022 and 2021 the cost of raw materials and components consumed represented 73.29%, 53.47%, 67.39% and 50.87% respectively, of our revenue from operations. Raw materials are primarily transported to our Units and from one unit to another unit by road.

We source raw materials from our suppliers based on quality specifications and cost effectiveness. We currently import some portion of our raw materials from China, Hong Kong, United States of America and Canada. Details of source raw materials from our suppliers:

*(₹ in million)*

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹)	(%)	(₹)	(%)	(₹)	(%)	(₹)	(%)
Domestic Purchases	1,013.47	99.97	1,783.49	99.83	2,225.38	99.99	1,882.65	99.99
Imports	0.26	0.03	3.12	0.17	0.17	0.01	0.20	0.01
<b>Total</b>	<b>1,013.72</b>	<b>100.00</b>	<b>1,786.61</b>	<b>100.00</b>	<b>2,225.55</b>	<b>100.00</b>	<b>1,882.85</b>	<b>100.00</b>

### Product Pricing

We determine prices based on analysis of production costs, including raw materials, labor, overhead, and other associated expenses. We believe that through a strategic and customer-focused approach, we can build lasting relationships with our customers and foster sustainable growth for our Company. Our pricing will reflect the value we offer to customers in terms of product quality, and customer service.

We strive to ensure that our products remain aspirational yet of value for money for our customers. Our products are generally uniformly priced, however special consideration will be strategically identified depending on various factors like bulk purchases, long-term partnerships, frequently visited customer, etc.

### Sales and Marketing

We have a dedicated sales team that manages the relationship with distributors and customers. The experience of the sales team helps in penetrating the market and in reaching out to more customers. The marketing strategy of the Company is the combination of direct marketing, identifying sales opportunities to existing and prospective clients.

We also regularly participate in several trade fairs which help in networking, attracting potential customers, and updating our customers about the new products that we manufacture. We have also outsourced our social media marketing to a marketing firm.

### **Logistics**

Our products are primarily delivered to our customers through third party transport service providers. We outsource the delivery of our products to third-party logistics providers and rely on freight forwarders to deliver our products from our units to the customers. We do not have long-term contractual relationships with the logistics providers or freight forwarders.

### **Technical Collaborations**

Our Company does not have any technical collaborations as on the date of this Draft Red Herring Prospectus.

### **Information technology**

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. We utilize ERP Software for sales, purchase, inventory, and financial reporting, invoicing purposes.

### **Competition**

We face competition from various domestic as well as international players. This heightened competition, combined with market saturation, poses challenges in terms of brand differentiation, pricing strategies, and cultivating customer loyalty. We believe that the principal factors affecting competition in our business include customer relationships, reputation, the abilities of employees, market focus and the relative quality and price of the products.

We operate in a competitive market and face competition from both the organised and unorganised elements of our industry.

### **Quality Control**

Our Company focuses on maintaining quality of the products and to that end purchases from our trusted suppliers after meeting our requirement which is critical to our continued growth. The requirements of the products are communicated to our suppliers. The quality assurance measures taken by our Company include checking of raw materials and production process and care is taken to determine the standard of product dispatched.

All products received from suppliers are inspected for quality standards through a sample-based verification method. While our facilities are currently certified under Management system in accordance with ISO 9001:2008 for manufacturing and supply of home textiles and garments; and Environment Management System in accordance with ISO 14001:2015 for design, manufacturing and supply of home textiles and garments.

### **Insurance**

We have purchased insurance in order to manage the risk of losses from potentially harmful events, including: (i) insurance policy covering fire, damage to buildings, plant and machinery, stock, workmen insurance; (ii) motor insurance policies covering the vehicles and (iii) policy covering goods in transit. These insurance policies are renewed periodically to ensure that the coverage is adequate. Our principal types of insurance coverage include a fire industrial all risk insurance policy with respect to our manufacturing facility, insurance policies for our workmen, fire and special peril policies for the stock in our units. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we 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.

The table below shows the total amount of our insurance coverage and its percentage contribution to our total assets in the six months period ended September 30, 2023 and Fiscals 2023, Fiscal 2022, and Fiscal 2021, respectively:

<b>Fiscal/ period</b>	<b>Amount of insurance coverage (in ₹ million) (A)</b>	<b>Net Assets (*) (B)</b>	<b>Times of total Insurance Coverage with Net Assets (C)=(A)/(B)</b>
As of September 30, 2023	4,613.33	965.09	4.78
2023	1,340.00	845.15	1.59
2022	1,557.48	651.92	2.39
2021	3,511.50	580.85	6.04

\* Net Assets means the total of all assets minus all liabilities

We have not had any instances where our insurance claim amount exceeded our insurance coverage amount. These insurance policies are generally valid for a year and are renewed annually. In our experience, the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India. For further details, please see “Risk Factors 34 – We may not have adequate insurance coverage for protecting us against any material hazards.” on page 65 of this DRHP.

## **Employees**

As of February 29, 2024, we had an employee base of 99 employees. The following table sets forth a breakdown of our employees by function:

<b>Function</b>	<b>No. of Employees</b>
Production & Maintenance	52
Office & Administration	12
Accounts and Finance	4
Marketing	2
Merchant	10
Shipping and logistic	5
Purchase	7
Human Resource	3
IT	1
Quality Control	2

Legal and Compliance	1
<b>Total</b>	<b>99</b>

In addition, we contract with third- party manpower and services firms for the supply of contract labor for certain services at our manufacturing facilities. The number of contract laborers varies from time to time based on the nature and extent of workload. The average number of contract laborers hired by us in the last fiscal 2023 was 350 per month. As of the date of this Draft Red Herring Prospectus, there are no instances of non-payment or defaults in the payment of statutory dues by our Company except as disclosed under Risk Factor 22 - *We have delayed in payments of certain statutory dues and have also paid interest and fees towards such delayed payments in the past.* on page 59 of the DRHP.

The table below indicates the number of our permanent employees and contractual employees:

Particulars	As on February 29, 2024	2022-23	2021-22	2020-21
Permanent Employees	99	87	93	97
Contractual Employees	322	332	212	142
<b>Total</b>	<b>421</b>	<b>419</b>	<b>305</b>	<b>239</b>

The details of the statutory dues paid to the employees as of February 29, 2024 and the last three Fiscals, is as follows:

Fiscal/ period	Number of employees	Provident fund	ESIC	Income Tax
As of February 29, 2024	674	1.74	0.05	-
2023	343	1.76	0.10	63.21
2022	410	1.86	0.07	23.82
2021	410	2.98	0.07	25.51

### Corporate Social Responsibility

We have constituted a CSR committee as per the applicable laws. We have aligned our CSR programs with legal requirements under the applicable Indian laws. We have constituted a Corporate Social Responsibility Committee which is responsible for formulating and monitoring the CSR policy of our Company.


We have constituted a corporate and social responsibility (“**CSR**”) committee of our Board of Directors (the “**CSR Committee**”) and have adopted and implemented a CSR policy on September 28, 2019, pursuant to which we carry out our CSR activities.

For the Fiscals 2023, 2022 and 2021, our expenditure towards corporate social responsibility activities was ₹ 2.10 million, ₹ 3.50 million and ₹ 3.50 million, respectively.

For further information, see “*Our Management – Corporate Social Responsibility Committee*” on page 236

## Intellectual Property



Our Company uses the logo “  ” which has not been registered under the Trademark Act, 1999. As on the date of this DRHP, we do not have any trademarks registered or under the process of registration at the registry of trademarks. For more information, please refer chapter titled “*Government and other approvals– Intellectual property related approvals*” on page 236 of this Draft Red Herring Prospectus.

Our Company has on December 01, 2023 made an application vide no. 6203606 for registration of our logo ‘Raghuvir Exim Limited’ under Class 24 with the registrar of trademarks in India under the Trade Marks Act, 1999.

We have registered the domain name <https://www.raghuvirexim.com/>

## Material Properties

We operate out of following properties as on the date of this Draft Red Herring Prospectus:

Property description	Property Address	Leased from (Promoter/Promoter Group)	Tenure	Nature of arrangement
Registered Office	1035/A, Near Ayodhya Township, Rancharda Road, Shilaj, Shilaj, Ahmedabad, Daskroi, Gujarat, India, 380059	Sunil Agarwal	11 months and 29 days	Leave and License
Unit I	Block No 54 Paiki Survey No. 65 and 67 admeasuring 43,705 Sq. Meters, Laximpura, Tulka Dascroi, Dist. Ahmedabad	Sunil Agarwal	Five years	Leasehold basis
Unit II	Survey No. 80 Paiki-2 Admeasuring 5 Acres, 24,079 Sq. Meters, Piplej, Taluka Ahmedabad	Sunil Agarwal	Five years	Leasehold basis

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 378 Of this Draft Red Herring Prospectus.*

### **The Factories Act, 1948 (“Factories Act”)**

The term ‘factory’, as defined under the Factories Act, includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates the ‘occupier’ of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the “occupier” of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both

### **The Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019**

The Gujarat Shops & Establishments (Regulation of Employment and Conditions of Service) Act, 2019 (“2019 Act”) was published in the gazette of the State of Gujarat on Mar 7, 2019 and has been in force from May 1, 2019.

The shops and establishments already validly registered under the erstwhile 1948 Act are not required to register themselves afresh under the new Act until the expiry of the previous registration. Traders and businessmen having up to 9 workers are exempt from registration. Such employers are required to submit an online application along with self-certified documents within 60 days of commencement of business. As regards shops and establishments having 10 or more workers, an application for registration, self-declaration and self-certified documents must be submitted to the concerned Inspector along with prescribed fees within 60 days of commencement of business. Once registered under the 2019 Act, the shops/establishments shall remain validly registered until there is change in ownership or nature of business. This means the registration obtained shall not be required to be renewed.

### **Foreign Trade (Development and Regulation) Act, 1992 (the “Foreign Trade Act”)**

The Foreign Trade Act, read with the applicable provisions of the Indian Foreign Trade Policy 2023, authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The Central Government has also been given a wide power to

prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The Foreign Trade Act requires every importer as well as exporter to obtain the Importer Exporter Code Number (“IEC”) from the Director-General or the authorised officer. The Director General is authorised to suspend or cancel IEC in case of (i) contravention by any person any of the provisions of the Foreign Trade Act or any rules or orders made thereunder or the foreign trade policy or any other law for the time being in force relating to Central excise or customs or foreign exchange or person has committed any other economic offence under any other law for the time being in force as may be specified by the Central Government or (ii) making an export or import in a manner prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or has brought disrepute to the credit or the goods of, or services or technology provided from, the country; or (iii) importing or exporting specified goods or services or technology, in contravention of any provision of the Foreign Trade Act or any rules or orders made thereunder or the foreign trade policy. Where any IEC number granted to a person has been suspended or cancelled, the person shall not be entitled to import or export any goods or services or technology except under a special licence, granted by the Director General to that person in a manner and subject to conditions as may be prescribed.

### **Labour law legislations**

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws other than state-wise shops and establishments acts, which may be applicable to our Company due to the nature of our business activities:

- Factories Act, 1948;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- Code on Wages, 2019\*;
- Code on Social Security, 2020\*;
- The Employee’s Compensation Act, 1923;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employees’ State Insurance Act, 1948;
- The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- Industrial Employment (Standing Orders) Act, 1946;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Equal Remuneration Act, 1976; and
- The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986

*\*Certain provisions of the Code on Wages and the Code on Social Security have been notified as on date.*



In order to rationalise and reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely:

- (i) The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, Motor Transport Workers Act, 1961 and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979. This code proposes to provide for, among other things, standards for health, safety and working conditions for employees of establishments, and will come into effect on a date to be notified by the Central Government;
- (ii) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The Industrial Relations Code, 2020 will come into effect on a date to be notified by the Central Government;
- (iii) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the Government of India brought into force certain sections of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976; and
- (iv) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020. Through its notification dated April 30, 2021, the Government of India brought into force section 142 of the Code on Social Security, 2020. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. 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 Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972.

## **Intellectual Property Laws**

### **The Trade Marks Act, 1999 (the "Trademarks Act")**

The Trademarks Act governs the statutory protection of trademarks and prohibits any registration of deceptively similar trademarks, among others. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration are required to be restored. Further, pursuant to the

notification of the Trade Marks (Amendment) Act, 2010 (“Trademark Amendment Act”) simultaneous protection of trademarks in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark Amendment Act also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

## **Tax Laws**

### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every domestic or foreign company whose income is taxable under the provisions of this Act or rules made under it depending upon its “Residential Status” and “Type of Income” involved. Under section 139(1) every Company is required to file its income tax return for every previous year by October 31 of the assessment year. Other compliances like those relating to tax deduction at source, fringe benefit tax, advance tax, and minimum alternative tax and the like are also required to be complied with by every company.

### **Goods and Service Tax (“GST”)**

GST is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST is levied as Dual GST separately but concurrently by the Union (central tax CGST) and the States (including Union Territories with legislatures) (State tax SGST) / Union territories without legislatures (Union territory tax- UTGST). The Parliament has exclusive power to levy GST (integrated tax IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India.

### **Central Goods and Services Tax Act, 2017 (“CGST Act”)**

CGST Act regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs.

### **The Integrated Goods and Services Tax Act, 2017 (“IGST Act”)**

The IGST Act regulates the levy and collection of tax on the inter-State supply of goods and services by the Central Government or State Governments. It also includes the import and export of goods and services. The IGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as a public limited company under the Companies Act, 1956 with the name ‘Raghuvir Exim Limited’ pursuant to a certificate of incorporation dated October 28, 1992. The Corporate Identity Number of our Company is U51909GJ1992PLC018496.

### Corporate profile of our Company

For details in relation to our Company’s business profile, activities, services, managerial competence, and customers please refer to the chapters titled “*Our Management*” and “*Our Business*” on pages 200 and 146, respectively of this Draft Red Herring Prospectus.

### Changes in the Registered Office

The registered office of our Company is situated at 1035/A, Near Ayodhya Township, Rancharda Road, Shilaj, Daskroi, Ahmedabad- 380059, Gujarat, India.

Except as disclosed below, there have been no change in the registered office of our Company since the date of our incorporation:

Date of change of Registered Office	Details of the address of Registered Office	Reason
-*	Change in registered office from 216, New Cloth Market, Outside Raipur Gate, Ahmedabad – 380002 to Rakhial Road, Kashiram Mills Compound, Near Gujarat Bottling, Rakhial, Ahmedabad – 380023	-
September 30, 2023	Change in registered office with effect from September 30, 2023 from Rakhial Road, Kashiram Mills Compound, Near Gujarat Bottling, Rakhial, Ahmedabad – 380023 to 1035/A, Near Ayodhya Township, Rancharda Road, Shilaj, Shilaj, Daskroi, Ahmedabad- 380059, Gujarat	For operational efficiency

\* Form 18 for change in registered office is not traceable by our Company, or with the RoC. For further details, see “Risk Factors No.14 – We have been unable to locate certain of our historical corporate records.[●] on page no 53”

### Key events and milestones

The table below sets forth certain major events in the history of our Company:

Year	Key Events/ Milestone/ Achievements
1992	Incorporated as public limited company
2004	Setting up of Unit-1, situated at Survey No 80, Piplej Rirana Road, 270, Piplej Gam, Piplej, Ahmedabad
2012	Crossed turnover of ₹1000.00 million
2015	Crossed turnover of ₹2000.00 million
2015	Setting up of Unit-2, situated at Block No 54, Opp Vinod Fabrics, Survey No 65/67, Laxmipura, Piplej, Ahmedabad

2022	Crossed turnover of ₹2500.00 million
------	--------------------------------------

### Awards, accreditation & recognitions

Set forth below are some of the key awards, accreditations and recognitions received by our Company:

Year	Particulars
2011	Certificate of Recognition as “Star Export House” by the Directorate General of Foreign Trade, Ministry of Commerce and Industry
2021	Certificate of Recognition as “Two Star Export House” by the Directorate General of Foreign Trade, Ministry of Commerce and Industry

### Main objects of our Company

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

*To carry on in India or abroad, the business of manufacturing, processing, spinning, knitting, refining, carding, combing, gilling, regilling, mixing, doubling, twisting, cheese, winding, rewinding, raising, finishing, weaving, dyeing, printing, bleaching, importing, exporting, trading and otherwise dealing in wholesale or in retail in all kinds & types of cotton, yarns including fancy yarns, fibres whether synthetic, artificial or natural, cotton, wool, jute, worsted, shoddy, silk, nylon, polyester, acrylic, polypropylene, polynosic, blended materials or any other synthetic fibres, yarns or fibrous materials, textile substances, allied products, life style and home textile products such as ready-made garments, apparels, terry towels, made-ups, bed sets, pillow covers and other fabrics, waste products and substitutes for all or any of them and to treat and utilise any waste arising from any such manufacture production, process and further to carry on the business of ginning, pressing, bailing, job-working or otherwise packing of cotton, kapas, yarn, waste or all kinds of raw materials, whether synthetic, artificial or natural, yarn, waste, hemp, jute or other fibrous materials and cultivation of such raw material.*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out by it. For details relating to business activities carried put in the past, please See “Risk Factor No. 13– There have been some instances of incorrect filings with the Registrar of Companies and other non-compliances under the Companies Act in the past which may attract penalties.” on page 52 of this Draft Red Herring Prospectus.

### Amendments to our Memorandum of Association in the last ten years

Except as stated below, there has been no change in the Memorandum of Association of our Company, in the last ten years:

Sr. No.	Date of Shareholders’ Resolution	Details of Amendment
1.	May 27, 2023	Amendment to Clause V to reflect the increase in authorized share capital of our Company. The authorize capital of our Company was increased from ₹5,00,00,000 comprising of 50,00,000 Equity Shares of ₹10/- each to ₹85,00,00,000 comprising of 8,50,00,000 Equity Shares of ₹10/- each

Sr. No.	Date of Shareholders' Resolution	Details of Amendment
2.	May 27, 2023	<p>Amendment to Clause III of Main Object Clause by substitution of the existing main object of the Company with the following:</p> <p><i>To carry on in India or abroad, the business of manufacturing, processing, spinning, knitting, refining, carding, combing, gilling, regilling, mixing, doubling, twisting, cheese, winding, rewinding, raising, finishing, weaving, dyeing, printing, bleaching, importing, exporting, trading and otherwise dealing in wholesale or in retail in all kinds &amp; types of cotton, yarns including fancy yarns, fibres whether synthetic, artificial or natural, cotton, wool, jute, worsted, shoddy, silk, nylon, polyester, acrylic, polypropylene, polynosic, blended materials or any other synthetic fibres, yarns or fibrous materials, textile substances, allied products, life style and home textile products such as ready-made garments, apparels, terry towels, made-ups, bed sets, pillow covers and other fabrics, waste products and substitutes for all or any of them and to treat and utilise any waste arising from any such manufacture production, process and further to carry on the business of ginning, pressing, bailing, job-working or otherwise packing of cotton, kapas, yarn, waste or all kinds of raw materials, whether synthetic, artificial or natural, yarn, waste, hemp, jute or other fibrous materials and cultivation of such raw material.</i></p>

**Details regarding material acquisitions or divestment of business/ undertakings, mergers, amalgamation, any revaluation of assets etc. in last ten years**

There have been no mergers, amalgamation, revaluation of assets etc. with respect to our Company in the last 10 years.

**Defaults or rescheduling/restructuring of borrowing with financial institutions/ banks**

There have been no instances of defaults or rescheduling/restructuring of borrowings with any financial institutions/ banks as on the date of the Draft Red Herring Prospectus.

**Number of shareholders of our Company**

Our Company has 7 (Seven) equity shareholders as on the date of filing of this Draft Red Herring Prospectus.

**Shareholders' agreement and other agreements**

Our Company, our Directors, our Promoters, the members of the Promoter Group and / or, the Shareholders are not party to any agreements, including any deed of assignment, acquisition agreement, shareholders agreement, inter-se agreement/arrangement or agreements of like nature, with respect to securities of our Company and which provide any special rights to any Shareholders / Stakeholders. We confirm there are no other clauses or covenants which our Company, our Directors, our Promoters, the members of the Promoter Group or the Shareholder are a party to, in relation to securities of our Company, which are material and adverse or pre-judicial to the interest of the minority / public shareholders. Further as on the date of this Draft Red Herring Prospectus, there are no subsisting shareholders agreement among our shareholders vis-à-vis our Company. Further any special rights to any shareholders / stakeholders; post listing shall be subject to approval of the Shareholders by way of a special resolution, in a general meeting of the Company held post listing of the Equity Shares

### **Strategic and financial partnerships**

Except as disclosed below our Company does not have any strategic or financial partners.

### **Time and cost overruns in setting-up projects**

There have been no instances of time and cost over-runs in respect of our business operations.

### **Capacity/facility creation, location of plants**

For details regarding capacity/facility creation and location of plants of our Company, see “*Our Business*” beginning on page 170.

### **Material Agreements with strategic partners, joint venture partners and/ or financial partners and other agreements**

Except as disclosed below, there are no existing material agreements with strategic partner and/or financial partners or other material agreements entered into by our Company, as on the date of this Draft Red Herring Prospectus.

Pursuant to the Share Subscription Agreement dated February 21, 2023 (“SSA”) executed between our Company (“as Investor”) and HYS Industries Private Limited (“HYS”), our Company has agreed to subscribe to 2,72,47,956 optionally convertible redeemable preference shares (“OCRPS”) of HYS having face value ₹1.00 each for a consideration of ₹14.68 per OCPRS aggregating to ₹ 399.99 million. As per the SSA, the key terms of issuance of OCRPS inter alia include (a) non-cumulative dividend of 0.5% p.a; (b) tenure of 19 years and 11 months from the date of allotment; (c) OCPRS shall have no voting rights except as provided under section 47 of the Companies Act, 2013; (d) our Company shall have an option to convert OCRPS into equity shares of HYS in the ratio of 1:1 at any time within the tenure; (e) HYS shall have the option to redeem the OCRPS at its issue price at any time within the tenure; and (f) OCRPS will not be listed on any stock exchange unless required by the extant regulations.

### **Details of holding company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any holding company.

### **Joint Ventures of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any Joint Ventures of our company.

### **Associate**

As on the date of this Draft Red Herring Prospectus, our Company does not have any associate company.

### **Subsidiary of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary company.

### **Launch of key products or services, entry in new geographies or exit from existing markets**

For details of launch of key products or services, entry in new geographies or exit from existing markets, please refer to the chapter “*Our Business*” on page 170 of this Draft Red Herring Prospectus.

### **Guarantees provided by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters Sunil Agarwal, Yash Agarwal and Hardik Agarwal have jointly issued the following guarantees:

<b>Sr. No.</b>	<b>Name of Lender</b>	<b>Name of Borrower</b>	<b>Type of Borrowing Facility</b>	<b>Amount guaranteed (in ₹million)</b>
1.	HDFC Bank	Raghuvir Exim Ltd	Bank Guarantee, Letter of Credit, Pre Shipment Credit, Post Shipment Credit, Cash Credit, WC Term Loan, Foreign Bill Discounting, Capex LC	1,846.90
2.	HDFC Bank	Raghuvir Synthetics Ltd	Bank Guarantee, Derivative, WC Term Loan, Capex LC	700.40
3.	HDFC Bank	White Water Exim Pvt Ltd	Letter of Credit, SB LC for BC, PSR, TL for Gift City	300.00
4.	HDFC Bank	HYS Developers LLP	Term Loan, Cash Credit	205.00
5.	State Bank of India	HYS Industries Pvt Ltd	Cash Credit, Term Loan	2,250.00
6.	Bank Of Baroda	HYS Industries Pvt Ltd	Term Loan, Cash Credit	600.00
7.	HDFC Bank	HYS Industries Pvt Ltd	Term Loan, Cash Credit	1,100.00

The abovementioned guarantees are typically effective for a period till it is repaid the respective borrower. The financial implications in case of default by the relevant borrower would entitle the lenders to invoke the personal guarantee given by the Promoters to the extent of outstanding loan amount.

For details regarding the personal guarantee given by our Promoters on behalf of our Company please refer to chapter titled “*Financial Indebtedness*” on page 369 of this Draft Red Herring Prospectus.

### **Agreements with Key Managerial Personnel or Senior Management or Directors or Promoter or any other employee:**

As on the date of the Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel or Senior Management or Directors or Promoters 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.

### **Changes in the activities of our Company during the last five years**

There has been no change in the business activities of our Company during the last five years preceding the date of this Draft Red Herring Prospectus which may have had a material effect on the profits and loss

account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors. Pursuant to the board resolution passed by the board on May 18, 2023 and special resolution passed by the shareholders on May 27, 2023 our Company has altered our MOA. For further details, please refer to chapter titled “History and other certain corporate matters - *Amendments to our Memorandum of Association in the last ten years*” on page 170.

**Changes in accounting policies in last three (3) years**

There have been no changes in accounting policies of our Company in last three years.



## OUR MANAGEMENT

In terms of the Companies Act and our AoA, our Company is required to have not less than 3 (three) Directors and not more than 15 (fifteen) Directors. As on the date of this Draft Red Herring Prospectus, our Board has eight directors comprising of three Executive Directors and five Non-Executive Directors (including four Independent Directors) of which two are Woman Directors.

### Our Board

The following table sets forth details regarding our Board as on the date of filing of this Draft Red Herring Prospectus:

Name, designation, address, occupation, period of directorship, nationality, term, date of birth and DIN	Age (years)	Other Directorships
<p><b>Yash Agarwal</b></p> <p>Designation: Managing Director</p> <p>Address: 29-Hardik, B/H Orient Park-3, Sindhu bhavan Road, Shilaj, Ahmedabad – 380058, Gujarat, India</p> <p>Occupation: Business</p> <p>Period of Directorship: Director since June 16, 2007</p> <p>Term: 3 years with effect from April 01, 2022</p> <p>Nationality: Indian</p> <p>Date of Birth: January 08, 1989</p> <p>DIN: 02170408</p>	35	<p><b>Indian Companies:</b></p> <ul style="list-style-type: none"> <li>▪ White Water Exim Private Limited</li> <li>▪ Dreamsoft Bedsheets Private Limited</li> <li>▪ Raghuvir Synthetics Limited</li> <li>▪ The Sagar Textile Mills Private Limited</li> <li>▪ HYS Industries Private Limited</li> <li>▪ H. Dev Chemical Private Limited</li> </ul> <p><b>Foreign Companies:</b></p> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul>
<p><b>Sunil Agarwal</b></p> <p>Designation: Joint Managing Director</p> <p>Address: Hardik-29, B/H Ornet Park-3, Sindhubhavan Road, Shilaj, Dascroi, Shilaj Ahmedabad – 380058, Gujarat, India</p> <p>Occupation: Business</p> <p>Period of Directorship: Director since October 28, 1992</p>	59	<p><b>Indian Companies:</b></p> <ul style="list-style-type: none"> <li>▪ White Water Exim Private Limited</li> <li>▪ HYS Industries Private Limited</li> <li>▪ Dreamsoft Bedsheets Private Limited</li> </ul>

Name, designation, address, occupation, period of directorship, nationality, term, date of birth and DIN	Age (years)	Other Directorships
<p>Term: 5 years with effect from November 26, 2023</p> <p>Nationality: Indian</p> <p>Date of Birth: December 18, 1964</p> <p>DIN: 00265303</p>		<ul style="list-style-type: none"> <li>▪ H. Dev Chemical Private Limited</li> <li>▪ Raghuvir Synthetics Limited</li> </ul> <p><b>Foreign Companies:</b></p> <ul style="list-style-type: none"> <li>▪ NIL</li> </ul>
<p><b>Hardik Agarwal</b></p> <p>Designation: Executive Director and Chief Financial Officer</p> <p>Address: Hardik-29, B/H Orent Park-3, Sindhu bhavan Road, Shilaj, Ahmedabad – 380058, Gujarat, India</p> <p>Occupation: Business</p> <p>Period of Directorship: Director since July 08, 2011</p> <p>Term: Liable to retire by rotation</p> <p>Nationality: Indian</p> <p>Date of Birth: October 29, 1991</p> <p>DIN: 03546802</p>	32	<p><b>Indian Companies:</b></p> <ul style="list-style-type: none"> <li>▪ HYS Industries Private Limited</li> <li>▪ Dreamsoft Bedsheets Private Limited</li> <li>▪ H. Dev Chemical Private Limited</li> <li>▪ White Water Exim Private Limited</li> <li>▪ The Sagar Textile Mills Private Limited</li> <li>▪ Raghuvir Synthetics Limited</li> <li>▪ Vipronova Lifescience Private Limited</li> </ul> <p><b>Foreign Companies:</b></p> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul>
<p><b>Pamita Agarwal</b></p> <p>Designation: Non-executive Director</p> <p>Address: Hardik-29, B/H Ornet Park-3, Sindhu bhavan Road, Shilaj, Daskroi, Ahmedabad – 380058, Gujarat, India</p> <p>Occupation: Business</p> <p>Period of Directorship: Director since December 12, 2017</p>	57	<p><b>Indian Companies:</b></p> <ul style="list-style-type: none"> <li>▪ Raghuvir Synthetics Limited</li> </ul> <p><b>Foreign Companies:</b></p> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul>

Name, designation, address, occupation, period of directorship, nationality, term, date of birth and DIN	Age (years)	Other Directorships
<p>Term: Liable to retire by rotation</p> <p>Nationality: Indian</p> <p>Date of Birth: April 01, 1966</p> <p>DIN: 07135868</p>		
<p><b>Samirbhai Sheth</b></p> <p>Designation: Independent Director</p> <p>Address: 16, Kadamb Bungalows, Next to Aurobindo Society, Opp. Vastrapur Lake, Bodakdev, Ahmedabad - 380054 Gujarat, India</p> <p>Occupation: Business</p> <p>Period of Directorship: Director since October 01, 2014</p> <p>Term: 5 years with effect from December 28, 2019</p> <p>Nationality: Indian</p> <p>Date of Birth: April 21, 1957</p> <p>DIN: 01285752</p>	66	<p><b>Indian Companies:</b></p> <ul style="list-style-type: none"> <li>▪ Indian Weaving and Clothing Private Limited</li> <li>▪ Achal Engineering Private Limited</li> <li>▪ Aranya Engineering Private Limited</li> <li>▪ Genesis La Mode Private Limited</li> <li>▪ Genesis Colors Limited</li> <li>▪ GLF Lifestyle Brands Private Limited</li> <li>▪ Reliance Lifestyle Products Private Limited</li> <li>▪ Abeer Textile Private Limited</li> <li>▪ Neelvrat Foundation</li> </ul> <p><b>Foreign Companies:</b></p> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul>
<p><b>Pawansut Swami</b></p> <p>Designation: Independent Director</p> <p>Address: New Heaven Co. Op. Society Limited, 37/ 301, Tata Housing Vadsar, VTS Kalol, Gandhinagar - 382721, Gujarat, India.</p>	36	<p><b>Indian Companies:</b></p> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul> <p><b>Foreign Companies:</b></p> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul>

Name, designation, address, occupation, period of directorship, nationality, term, date of birth and DIN	Age (years)	Other Directorships
<p>Occupation: Professional</p> <p>Date of Original Appointment: Director since December 21, 2023</p> <p>Term: 5 years with effect from December 21, 2023</p> <p>Date of Birth: May 21, 1987</p> <p>DIN: 10441384</p>		
<p><b>Sweta Panchal</b></p> <p>Designation: Independent Director</p> <p>Address: D-104 Swaminarayan Castle-1, Nirnaynagar, Ahmedabad - 382481, Gujarat, India</p> <p>Occupation: Professional</p> <p>Period of Directorship: Director since December 21, 2023</p> <p>Term: 5 years with effect from December 21, 2023</p> <p>Date of Birth: March 01, 1995</p> <p>DIN: 10298714</p>	28	<p><b>Indian Companies:</b></p> <ul style="list-style-type: none"> <li>▪ Mercury Trade Links Limited</li> <li>▪ Mihika Industries Limited</li> </ul> <p><b>Foreign Companies:</b></p> <ul style="list-style-type: none"> <li>▪ Nil</li> </ul>
<p><b>Mayank Agarwal</b></p> <p>Designation: Independent Director</p> <p>Address: A-408, Gitanjali Residency, Near Vitthal Plaza, Dahegam Road, South International School, Nava Naroda, Ahmedabad - 382330, Gujarat, India</p> <p>Occupation: Professional</p> <p>Date of Original Appointment: Director since March 11, 2024</p> <p>Term: 5 years with effect from March 11, 2024</p> <p>Date of Birth: March 11, 1987</p> <p>DIN: 07179292</p>	36	<p><b>Indian Companies:</b></p> <ul style="list-style-type: none"> <li>▪ Rajgor Proteins Limited</li> </ul> <p><b>Foreign Companies:</b></p> <ul style="list-style-type: none"> <li>▪ NIL</li> </ul>

### **Brief profiles of our directors:**

**Yash Agrawal** aged 35 years, is the Managing Director of our Company. He has appeared for third year Bachelor's of Commerce at Gujarat University. He has been associated with our Company since June 16, 2007 in the capacity of Director. He has more than 15 years of experience in the industry we operate. He is responsible for overall Textile and Export Market division of the Company.

**Sunil Agarwal** aged 59 years, is the Joint Managing Director of our Company. He has been associated with our Company since Incorporation and have more than 30 years of experience in the industry we operate. He oversees the strategic planning decisions and ensures sustainability of our Company. Additionally, he is responsible for fulfilling any other duties entrusted by the Board from time to time.

**Hardik Agrawal** aged 32 years, is the Executive Director and Chief Financial Officer of our Company. He has appeared for third year Bachelor's of Commerce at Gujarat University. He has been associated with our Company since July 8, 2011 in the capacity of director. He has more than 10 years of experience in the industry we operate. Currently he is responsible for administration works which includes day to day affairs of the Company, policy matters, budgeting, planning, market development of the Company.

**Pamita Agrawal** aged 57 years, is the Non-Executive Director of our Company. She has been associated with our Company since December 12, 2017 in the capacity of director. She has experience of more than 30 Years in the field of Textile Industry. She engages in formulating policies and strategic plans aimed at nurturing the growth of the Company.

**Samirbhai Sheth** aged 66 years, is the Independent Director of our Company. He has been on our Board of our Company since October 01, 2014. He has appeared for third year Bachelor's of Commerce at Gujarat University. He has an experience of more than 35 year in the textile sector.

**Sweta Panchal** aged 28 years, is the Independent Director of our Company. She has been associated with our Company since December 21, 2023. She holds Bachelor's' degree in Commerce (Accounting and Finance) from Mumbai University. She has been associated with our Company since December 21, 2023. She is presently also acting as Independent Director on the Board of Mercury Trades Links Limited and Mihika Industries Limited.

**Pawansut Swami** aged 36 years, is the Independent Director of our Company. He has been associated with our Company since December 21, 2023. He holds Company Secretary degree from Institute of Company Secretaries of India and he has appeared for third year Bachelor's of Commerce at Gujarat University.

**Mayank Agarwal** aged 36 years is the Independent Director of our Company. He has been associated with our Company since March 11, 2024. He holds Bachelor's' degree in Commerce degree from MGSU Bikaner University. He has been associated with our Company since March, 2024. He has over 11 years of experience in secretarial operations and compliance aspects.

### **Arrangements with major shareholders, customers, suppliers or others**

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the directors, Key Managerial Personnel or Senior Management Personnel were

selected as a Director, Key Managerial Personnel or member of a senior management as on the date of this Draft Red Herring Prospectus

### **Relationships between our Directors and Key Managerial Personnel and Senior Management**

Except as stated below, none of our directors are related to each other, or to any of the Key Managerial Personnel or Senior Management.

<b>Name of Director</b>	<b>Name of Relative</b>	<b>Nature of Relationship</b>
Sunil Agarwal	Yash Agarwal	Father of Yash Agarwal
Sunil Agarwal	Hardik Agarwal	Father of Hardik Agarwal
Sunil Agarwal	Pamita Agarwal	Spouse of Pamita Agarwal
Yash Agarwal	Sunil Agarwal	Son of Sunil Agarwal
Yash Agarwal	Hardik Agarwal	Brother of Hardik Agarwal
Yash Agarwal	Pamita Agarwal	Son of Pamita Agarwal
Hardik Agarwal	Sunil Agarwal	Son of Sunil Agarwal
Hardik Agarwal	Yash Agarwal	Brother of Yash Agarwal
Hardik Agarwal	Pamita Agarwal	Son of Pamita Agarwal
Pamita Agarwal	Sunil Agarwal	Spouse of Sunil Agarwal
Pamita Agarwal	Hardik Agarwal	Mother of Hardik Agarwal
Pamita Agarwal	Yash Agarwal	Mother of Yash Agarwal

### **Remuneration details of our Directors:**

#### ***Remuneration details of our Executive Directors***

1. Yash Agarwal is the Managing Director of our Company. He has been associated with our Company since June 16, 2007 and has been reappointed as Managing Director of our Company for a period of 3 (three) years commencing from April 01, 2022. The terms and conditions of his appointment have been approved by the members of the Company on September 30, 2022. Our Company has also entered into an agreement with him on February 02, 2024 for providing the terms and conditions of his appointment.

As per the aforementioned agreement and the resolutions passed by the shareholders of our Company, he is entitled to receive the following remuneration and other employee benefits with effect from April 01, 2022:

<b>Particulars</b>	<b>Remuneration (₹)</b>
Salary	₹ 4.2 Millions p.a.*
Perquisites and Allowances	₹ 31.8 Millions p.a.
*Other benefits like Gratuity, Reimbursement Expenses, Provident Fund, Car with Driver, Telephone Expenses, Leave encashment, Medical Insurance, other perquisites, benefits, allowances, reimbursement etc. as applicable to the employees of the company	

He has received a remuneration of ₹ 36.00 Million in the financial year 2022-23 in the capacity of Managing Director of our Company.

2. Sunil Agarwal is the Joint Managing Director of our Company. He has been associated with our Company since October 28, 1992 and has been reappointed as Joint Managing Director of our Company for a period of 5 (five) years commencing from November 26, 2023. The terms and conditions of his

appointment have been approved by the Board on October 30, 2023 and consequently by the members of the Company on November 23, 2023. Our Company has entered into an Agreement with Sunil Agarwal on February 02, 2024 under which he has agreed not to receive any remuneration from our Company.

He has received NIL remuneration in the financial year 2022-23 in the capacity of Joint Managing Director of our Company. For further details, please see “*Financial Information- Note 37 – Related Party Transactions*” on page 300 of this Draft Red Herring Prospectus”

3. Hardik Agarwal is the Executive Director of our Company. He has been associated with our Company since July 08, 2011 and has been redesignated as Executive Director of our Company on May 29, 2023.

He is entitled to receive the following remuneration and other employee benefits from our Company:

Particulars	Remuneration (₹)
Salary	₹ 4.2 Millions p.a.*
Perquisites and Allowances	₹ 31.8 Millions p.a.
*Other benefits like Gratuity, Reimbursement Expenses, Provident Fund, Car with Driver, Telephone Expenses, Leave encashment, Medical Insurance, other perquisites, benefits, allowances, reimbursement etc. as applicable to the employees of the company	

He has received a remuneration of ₹36.00 Million in the financial year 2022-23 in the capacity of Managing Director of our Company.

There is no contingent or deferred compensation or commission payable to any of our Directors which accrued in Financial Year 2022-23.

#### **Sitting fees and Commission to Non-Executive Directors and Independent Directors**

Pursuant to a resolution passed by our Board on October 22, 2014, our Independent directors are entitled to receive a sitting fee of ₹5,000/- for attending each meeting of our Board and ₹2,000/- for attending each committee meeting.

The details of sitting fees paid to our Non-Executive Directors and Independent Directors during financial year 2022-23 are as follows:

Sr. No.	Name of the Director	Sitting fees paid (₹ in Millions)
1.	Pamita Agrawal	NIL
2.	Samirbhai Sheth	NIL
3.	Sweta Panchal*	NIL
4.	Pawansut Swami*	NIL
5.	Mayank Agarwal**	NIL

\*Appointed as Independent Director on December 21, 2023.

\*\* Appointment as Independent Director on March 11, 2024.

#### **Contingent and deferred compensation payable to our Directors, Key Management Personnel and**

## Senior Management

None of our Directors, Key Managerial Personnel and Senior Management were entitled for any contingent or deferred compensation for the financial year 2022-23.

## Remuneration paid or payable from our Subsidiaries or Associates.

Our Company does not have any Subsidiary or Associate Company as per the financial year 2022-23.

## Loans to Directors

A sum of ₹4.77 Million is outstanding as loans advanced to the Directors of our Company as on the financial year ended March 31, 2023. The details of loans taken by the Directors of our Company is provided below:

Sr. No.	Name of Director	Amount (₹ in million)
1	Hardik Agarwal	2.66
2	Yash Agarwal	2.11

The Beneficiaries of loans, advances and sundry debtors of our Company are related to the Directors, For further details, please refer to “*Financial Information- Note 37 – Related Party Transactions*” on page 300 of this Draft Red Herring Prospectus.

## Bonus or profit-sharing plan for the Directors

Our Company does not have a bonus or profit-sharing plan for the Directors.

## Shareholding of our Directors in our Company

Our AoA does not require our Directors to hold any qualification shares.

Except as mentioned below, none of our Directors hold equity shares in our Company as on the date of this Draft Red Herring Prospectus:

Particulars	Pre-Offer	
	Number of Shares	Percentage (%) holding
Yash Agarwal	3,485,937	6.64
Sunil Agarwal	39,228,000	74.72
Hardik Agarwal	3,486,000	6.64
Pamita Agarwal	6,300,000	12.00
Samirbhai Sheth	21	Negligible
<b>Total</b>	<b>5,24,99,958</b>	<b>99.99*</b>

\* The remaining 2 shareholders are holding negligible shareholding

## Service contracts with directors

There are no service contracts entered into with any of our directors which provide for any benefit upon termination of employment.

## Payment or benefits to officers of our Company (non-salary related)



Except as stated under “*Remuneration details of our executive directors*” and “*Remuneration details of our non-executive directors and independent directors*” and “*Bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management*”, no amount or benefit has been paid or given in the last 2 (two) years preceding the date of this Draft Red Herring Prospectus to any officer of our Company including our Directors, Key Management Personnel and Senior Management.

For further details, please refer to the chapter titled “*Financial Information- Note 37 – Related Party Transactions*” on page 300 of this Draft Red Herring Prospectus.

### **Appointment of relatives of our directors to any office or place of profit**

Other than as disclosed in this Draft Red Herring Prospectus, none of the relatives of our directors currently hold any office or place of profit in our Company.

### **Interest of our directors**

Except for Sunil Agarwal, Hardik Agarwal, Yash Agarwal and Pamita Agarwal who may be deemed to be interested in the promotion or formation of our Company, none of our Directors have any interest in promotion or formation of our Company. For further details, please refer to chapter titled “*Our Promoter and Promoter Group*” beginning on page 222 of this Draft Red Herring Prospectus.

All our Non –Executive Directors including the Independent Directors may be deemed to be interested to the extent of sitting fees and commission payable, if any, to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them and their relatives on our Board or in the ordinary course of their employment with us, if any

The Directors may also be regarded as interested in our Company to the extent of the Equity Shares held by them or by their relatives, if any or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any, held by them or their relatives or to companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters and also to the extent of contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

For further details, please refer to chapter titled “*Our Management – Shareholding of our directors in our Company*” and “*Capital Structure*” on pages 207 and 89 respectively of this Draft Red Herring Prospectus.

Some of our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any entity which is promoted by them or in which they are members or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business, including for purchase of packaging materials. For further details, please see “*Financial Information- Note 37 – Related Party Transactions*” on page 300.

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.

### **Interest in land and property**

Except as disclosed in this Draft Red Herring Prospectus, none of our Directors are interested in any property acquired by our Company or proposed to be acquired by our Company.

Except as disclosed in this Draft Red Herring Prospectus, none of our Directors have any interest in any transaction with our Company for acquisition of land, construction of building and supply of machinery, etc.

### **Business Interest**

Except as stated in “*Financial Information- Note 37– Related Party Transactions*” on page 300 and otherwise disclosed in this section, our Directors do not have any other business interest in our Company.

### **Confirmations**

None of our Directors are and have not been, during the five years preceding the date of this Draft Red Herring Prospectus, a Director on the board of any listed company whose shares have been or were suspended from being traded on the BSE or NSE during their term of directorship in such company.

None of our Directors were or are directors on the board of listed companies which have been or were delisted from any stock exchange(s) during their term of directorship in such company.

### **Changes in our Board during the last three years**

<b>Name of Director</b>	<b>Date of Change</b>	<b>Reason for Change</b>
Pawansut Swami	March 12, 2024	Change in designation from Additional Independent Director to Independent Director
Sweta Panchal	March 12, 2024	Change in designation from Additional Independent Director to Independent Director
Mayank Agarwal	March 12, 2024	Change in designation from Additional Independent Director to Independent Director
Mayank Agarwal	March 11, 2024	Appointment as Additional Independent Director
Kamalbhai Patel	February 12, 2024	Cessation as Independent Director
Ravikumar Jalan	December 21, 2023	Cessation as Independent Director
Harshad Shah	December 21, 2023	Cessation as Independent Director
Sweta Panchal	December 21, 2023	Appointment as Additional Independent Director
Pawansut Swami	December 21, 2023	Appointment as Additional Independent Director

<b>Name of Director</b>	<b>Date of Change</b>	<b>Reason for Change</b>
Sunil Agarwal	November 26, 2023	Re-appointment as Joint Managing Director
Hardik Agarwal	November 18, 2023	Change in designation from Non-Executive Director to Executive Director
Ravikumar Jalan	September 30, 2023	Change in designation from Additional Independent Director to Independent Director.
Harshad Shah	September 30, 2023	Change in designation from Additional Independent Director to Independent Director.
Harshad Shah	July 31, 2023	Appointment as Additional Independent Director.
Ravikumar Jalan	July 31, 2023	Appointment as Additional Independent Director.
Hardik Agarwal	May 29, 2023	Change in designation from Joint Managing Director to Non-Executive Director
Yash Agarwal	April 01, 2022	Re-appointment as Managing Director
Hardik Agarwal	April 01, 2022	Re-appointment as Joint Managing Director

### **Borrowing Powers of our Directors**

Pursuant to our Articles of Association, resolution passed by our Board at their meeting held on March 11, 2024 and resolution passed by our Shareholders at their meeting held on March 12, 2024, our Board is authorized to borrow, enhance and grant facility for the general, working capital and such other corporate purposes, from time to time as deemed by it to be requisite and proper, such that the monies to be borrowed together with the monies already borrowed by our Company do not exceed ₹ 10,000 million (₹ 10,000 million) in excess of the aggregate of the paid share capital and free reserves of our Company as per its latest annual audited financial statements, apart from temporary loans obtained from the bankers of our Company in the ordinary course of business.

Further, pursuant to the resolution passed by our Board at their meeting held on March 11, 2024 and resolution passed by our Shareholders at their meeting held on March 12, 2024, the Board has been authorized to mortgage/ charge/ hypothecate all or any of the immovable or moveable properties of the Company including under hire purchase scheme both present and future and/ or whole or substantially the whole of the undertaking or undertakings of the Company on such terms and conditions as the Board may deem fit, for securing any loans and/or advances already obtained or that may be obtained from bank(s), financial institution(s), others, entities or any combination thereof from time to time and at any time and in one or more tranches. However, the total underlying charge created/to be created shall not exceed ₹ 10,000 million (₹ 10,000 million) at any time.

### **Corporate Governance**

In addition to the Companies Act, 2013, the provisions of the SEBI Listing Regulations with respect to corporate governance, will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the corporate governance requirements prescribed under SEBI Listing Regulations and the Companies Act, particularly, in relation to composition of our Board of Directors and constitution of board level committees.

Our Board of Directors is constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

**Committee of the Board:**

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

**Audit Committee**

The Audit Committee was constituted by our Board at its meeting held on October 01, 2014. It was re-constituted on March 11, 2024 and the same meeting the terms of reference of the Audit Committee were revised by our Board. The Audit Committee is in compliance with Section 177 and other applicable provisions of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

<b>Name</b>	<b>Position in the Committee</b>	<b>Designation</b>
Sweta Panchal	Chairman	Independent Director
Pawansut Swami	Member	Independent Director
Sweta Panchal	Member	Independent Director
Sunil Agarwal	Member	Joint Managing Director

**Powers of Audit Committee:**

1. *to investigate any activity within its terms of reference.*
2. *to seek information from any employee of our Company.*
3. *to obtain outside legal or other professional advice; and*
4. *to secure attendance of outsiders with relevant expertise, if it considers necessary; and*
5. *to approve the disclosure of the Key Performance Indicators to be disclosed in the documents in relation to the initial public offering of the equity shares of the Company.*

**Role of Audit Committee:**

The role of the Audit Committee shall include the following:

1. oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and fixation of the audit fee;
3. approve payment to statutory auditors for any other services rendered by the statutory auditors;

4. review, 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;
  - g) modified opinion(s) in the draft audit report;
5. review, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
6. review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. formulating a policy on related party transactions, which shall include materiality of related party transactions and the definition of material modifications of related party transactions;
9. Subject to and conditional upon approval of our Board, approval of related party transactions or subsequent modifications thereto and omnibus approval for related party transactions proposed to be entered into by our Company, subject to conditions as may be prescribed;  
 Provided that only those members of the committee, who are Independent Directors, shall approve related party transactions;  
***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.*
10. approval of related party transactions to which the subsidiary(ies) of the Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, subject to such other conditions prescribed under the SEBI Listing Regulations;
11. scrutinize 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. review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. review 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. review 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. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. to review the functioning of the whistle blower mechanism;
21. monitoring the end use of funds through public offers and related matters;
22. oversee the vigil mechanism established by our Company, with the chairman of Audit Committee directly hear grievances of victimization of employees and directors, who use vigil mechanism to report genuine concerns in appropriate and exceptional cases;
23. approve the 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;
24. review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
25. consider and comment on rationale, cost-benefit and impact of schemes involving merger, de-merger, amalgamation etc., on the Company and its shareholders;
26. carrying out any other function as is mentioned in the terms of reference of the audit committee and any other terms of references as may be decided by the board of directors of our company or specified/provided under the Companies Act, 2013 or by the SEBI LODR Regulations or by any other regulatory authority;
27. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.
28. oversee the procedures and processes established to attend to issues relating to the maintenance of books of accounts, administrations procedures, transactions and other matters having a bearing on the financial position of our company, whether raised by the auditors or by any other person;
29. Act as a compliance committee to discuss the level of compliance in our Company and any associated risks and to monitor and report to the Board on any significant compliance breaches;

The Audit Committee shall mandatorily review the following information:

- a) management discussion and analysis of financial condition and results of operations;
- b) management letters / letters of internal control weaknesses issued by the statutory auditors;
- c) internal audit reports relating to internal control weaknesses; and
- d) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
- e) statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted by our Board at its meeting held on October 01, 2014. The Nomination and Remuneration Committee was re-constituted by our Board at its meeting held on March 11, 2024 and at the same meeting the terms of reference of the Nomination and Remuneration

Committee were approved by our Board. The Nomination and Remuneration Committee is in compliance with Section 178 and other applicable provisions of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

Name	Position in the Committee	Designation
Mayank Agarwal	Chairperson	Independent Director
Pawansut Swami	Member	Independent Director
Sweta Panchal	Member	Independent Director
Pamita Agarwal	Member	Non-Executive Director

#### Scope and terms of reference:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

1. formulating of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees ;
2. for appointment of an independent directors, evaluation of the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of 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 Nomination and Remuneration 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.
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
6. 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;
7. recommend to the board, all remuneration, in whatever form, payable to senior management.
8. the Nomination and Remuneration Committee, while formulating the Remuneration 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 and long term performance objectives appropriate to the working of our Company and its goals.
9. perform such functions as required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:
  - a. administering the employee stock option plans of our Company, as may be required;
  - b. determining the eligibility of employees to participate under the employee stock option plans of our Company;

- c. granting options to eligible employees and determining the date of grant;
  - d. determining the number of options to be granted to an employee;
  - e. making allotment pursuant to the employee stock option plans;
  - f. determining the exercise price under the employee stock option plans of our Company; and
  - g. construing and interpreting the employee stock option plans of our Company and any agreements defining the rights and obligations of our Company and eligible employees under the employee stock option plans of our Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of our Company.
10. frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended 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, our Company and its employees, as applicable.
11. performing such other activities as may be delegated by the Board or specified or provided under the Companies Act or the SEBI LODR Regulations, and the rules and regulations made thereunder or other applicable law, including any amendments thereto as may be made from time to time.

### **Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee was constituted by our Board at its meeting held on March 11, 2024. The Stakeholders' Relationship Committee is in compliance with Section 178 and other applicable provisions of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises of:

<b>Name</b>	<b>Position in the Committee</b>	<b>Designation</b>
Pawansut Swami	Chairman	Independent Director
Sweta Panchal	Member	Independent Director
Sunil Agarwal	Member	Managing Director

The Stakeholders' Relationship Committee shall oversee all the matters pertaining to investors of our Company. The scope and function of the Stakeholders' Relationship Committee and its terms of reference shall include the following:

- a) consider and look into various aspects of interest of shareholders, debenture holders and other security holders;
- b) consider and resolve the grievances of security holders of the Company including compliance related
- c) to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividend,
- d) issue of new/duplicate certificates, general meetings etc;
- e) formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- f) giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- g) issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- h) monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares and debentures;



- i) reference to statutory and regulatory authorities regarding investor grievances;
- j) reviewing the measures taken for effective exercise of voting rights by the shareholders,
- k) reviewing adherence to the service standards adopted by the Company with respect to all the services rendered by the Registrar and Share Transfer Agent;
- l) to dematerialize or rematerialize the issued shares;
- m) reviewing the measures and initiatives taken by the Company to reduce the quantum of unclaimed dividends;
- n) Ensuring timely receipt of dividend warrants/ Annual Reports/ Statutory Notices by the Shareholders of the Company; and
- p) carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

### **Corporate Social Responsibility**

The Corporate Social Responsibility Committee was constituted by our Board at its meeting held on September 28, 2019. The Corporate Social Responsibility Committee was re-constituted by our Board at its meeting held on March 11, 2024 and at the same meeting the terms of reference of the Nomination and Remuneration Committee were approved by our Board. The Corporate Social Responsibility Committee is in compliance with Section 135 and other applicable provisions of the Companies Act. Corporate Social Responsibility Committee currently comprises:

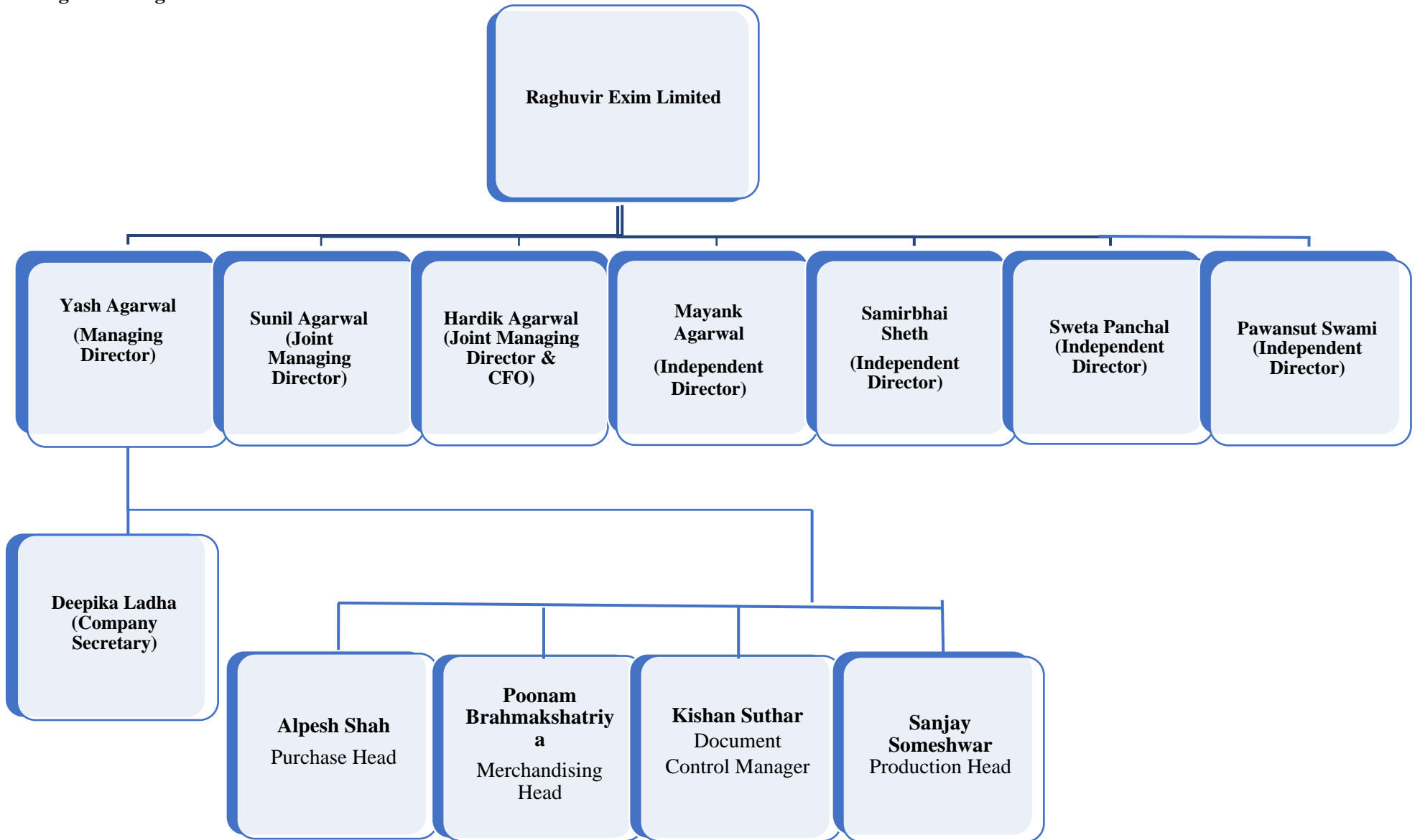
<b>Name</b>	<b>Position in the Committee</b>	<b>Designation</b>
Sunil Agarwal	Chairman	Joint Managing Director
Pawansut Swami	Chairman	Independent Director
Yash Agarwal	Chairman	Managing Director

The terms of reference, powers and scope of the Corporate Social Responsibility Committee of our Company is in accordance with Section 135 of the Companies Act:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities to be undertaken by the company as specified in schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
2. To identify corporate social responsibility policy partners and corporate social responsibility policy programs;
3. To recommend the amount of expenditure to be incurred for the corporate social responsibility activities, being at least two-percent of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its corporate social responsibility and the distribution of the same to various corporate social responsibility programs undertaken by the Company
4. To formulate and recommend to the Board, an annual action plan in pursuance to the Corporate Social Responsibility Policy, which shall include the following, namely:
  - a. the list of Corporate Social Responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act;

- b. the manner of execution of such projects or programmes as specified in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
  - c. the modalities of utilization of funds and implementation schedules for the projects or programmes;
  - d. monitoring and reporting mechanism for the projects or programmes; and
  - e. details of need and impact assessment, if any, for the projects undertaken by the company.
  - f. Provided that the Board may alter such plan at any time during the financial year, as per the recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect.
5. To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
6. To review and monitor the implementation of corporate social responsibility programs and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programs; and
7. To perform such other duties and functions as the Board may required the Corporate social Responsibility Committee to undertake to promoter the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of section 135 of the Companies Act.

## Management Organization Structure



## **Key Management Personnel**

### **Brief profiles of our Key Management Personnel**

For a brief profile of Sunil Agarwal, Yash Agarwal and Hardik Agarwal, see “*Our Management – Brief Profiles of our Directors*” on page 200 of this Draft Red Herring Prospectus.

**Deepika Ladha** is the Company Secretary and Compliance Officer of our Company. She is a Qualified Company Secretary from Institute of Company Secretaries of India (ICSI) and holds the degree in Bachelor of Commerce from Vikram University Ujjain. She has over three years of experience in secretarial, compliance and corporate governance field. She has been appointed since May 29, 2023. She has received remuneration of ₹ 0.24 million.

### **Senior Management Personnel:**

#### **Brief Profile of our Senior Management Personnel:**

**Alpesh Shah** is the Purchase Head of our Company. He holds a Bachelor’s degree in Commerce from Gujarat University and has been associated with our Company since February 16, 2022. He has over twenty years of experience in textile industry and has been associated with processing functions. In Financial Year 2023, he was paid a remuneration of ₹ 0.74 million by our Company.

**Poonam Brahmakshatriya** is the Merchandising Head of our Company. She holds a Bachelors degree in Commerce from Mumbai University and has been associated with our Company since June 01, 2023. She has over 15 years of experience in Textile and fashion Industry. In Financial year 2023, she was paid a remuneration of NIL by our Company.

**Kishan Suthar** is the Document Control Manager of our Company. His role is to look after documentation in respect of export related matters. He holds a Bachelors degree in Commerce from Gujarat University and has been associated with our Company since April 24, 2023. He has work experience of over 25 years with various companies like Zenith Group, Harbour Shipping LLP, Rankas Textfab Private Limited and Mahalaxmi Group. In Financial year 2023, he was paid a remuneration of NIL by our Company.

**Sanjay Someshwar** is the Production Head of our Company. He holds a Diploma in Automobile Engineering from Government Polytechnic College, Ahmedabad, Gujarat and has been associated with our Company since April 24, 2023. He has over 16 years of experience in textile industry and has been associated with production functions. In Financial year 2023, he was paid a remuneration of ₹ 0.79 million by our Company.

### **Status of Key Managerial Personnel and Senior Management**

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

### **Relationship between our Key Management Personnel and Senior Management**

Except as disclosed in “*-Relationships between our Directors and Key Managerial Personnel and Senior Management*” on page 205 of this Draft Red Herring Prospectus, none of our Key Managerial Personnel or Senior Management are related to each other or any of our Directors.

### **Bonus or profit-sharing plan for the Key Management Personnel and Senior Management**

There is no bonus or profit-sharing plan for the Key Managerial Personnel or Senior Management of our Company.

### **Contingent and deferred compensation payable to Key Management Personnel and Senior Management**

None of our Key Managerial Personnel and Senior Management were entitled for any contingent or deferred compensation for financial year 2022-23.

### **Shareholding of Key Management Personnel and Senior Management**

Except as disclosed, none of our Key Management Personnel and Senior Management hold any equity shares as on the date of this Draft Red Herring Prospectus.

<b>Sr. No.</b>	<b>Name of the Key Managerial Personnel</b>	<b>Shareholding</b>	<b>Percentage of Shareholding</b>
1.	Sunil Agarwal	39,228,000	74.72
2.	Yash Agarwal	3,485,937	6.64
3.	Hardik Agarwal	3,486,000	6.64

### **Service Contracts with Key Managerial Personnel and Senior Management**

Our Key Managerial Personnel and Senior Management have not entered into any other service contracts with our Company.

Further, no officer of our Company is entitled to any benefit upon termination of employment or superannuation, other than statutory benefits.

### **Interest of Key Management Personnel and Senior Management**

Except as provided in “– *Interest of our Directors*” on page 208 and to the extent of the remuneration, benefits, interest of receiving dividends on the Equity Shares held by them, if any, reimbursement of expenses incurred in the ordinary course of business, our Key Managerial Personnel and Senior Management are not interested in any other form of remuneration.

Certain of our Key Managerial Personnel and Senior Management may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they are members or any partnership firm in which they are partners in the ordinary course of business. For further details, please see “*Note 37– Related Party Transactions*” in the chapter titled “*Restated Financial Statements*” on page 300.

### **Arrangements and understanding with major shareholders, customers, suppliers or others**

None of our Directors have been appointed pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others. There are no contracts appointing or fixing the

remuneration of the Directors of our Company entered into within, or prior to the two years immediately preceding the date of this Draft Red Herring Prospectus.

### **Employee stock option scheme**

Our Company does not have any employee stock option plan neither has it issued any shares pursuant to employee stock option scheme.

### **Changes in Key Management Personnel and Senior Management during the last three years**

Changes in our Key Management Personnel and Senior Management during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

<b>Name</b>	<b>Date of Change</b>	<b>Reasons for Change</b>
Sunil Agarwal	November 26, 2023	Re-appointment as Joint Managing Director
Poonam Brahmakshatriya	June 01, 2023	Appointment as Merchandising Head
Deepika Ladha	May 29, 2023	Appointed as Company Secretary and Compliance Officer
Hardik Agarwal	May 29, 2023	Appointed as Chief Financial Officer
Hardik Agarwal	May 29, 2023	Change in designation from Joint Managing Director to Non-Executive Director
Kishan Suthar	April 24, 2023	Appointment as Documentation Head
Sanjay Someshwar	April 24, 2023	Appointment as Production Head
Yash Agarwal	April 13, 2022	Re-appointed as Managing Director
Alpesh Shah	February 16, 2022	Appointment as Purchase Head
Yash Agarwal	April 01, 2022	Re-appointment as Managing Director
Hardik Agarwal	April 01, 2022	Re-appointment as Joint Managing Director

### **Payment or benefit to officers of our Company**

No non-salary related amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

## OUR PROMOTER AND PROMOTER GROUP

### Our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters are Sunil Agarwal, Pamita Agarwal, Yash Agrawal and Hardik Agarwal.

As on the date of this Draft Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

Category	Number of Equity Shares held	Percentage of pre-Offer paid up capital (%)
Sunil Agarwal	39,228,000	74.72
Pamita Agarwal	6,300,000	12.00
Yash Agarwal	3,485,937	6.64
Hardik Agarwal	3,486,000	6.64
<b>Total (A)</b>	<b>52,499,937</b>	<b>99.99*</b>

\* The remaining 3 shareholders are holding negligible shareholding.

For further details of shareholding of our Promoters and Promoter Group, see “Capital Structure – Details of shareholding of our Promoters and members of the Promoter Group in our Company” on page 114.

### Individual Promoter(s)



**Sunil Agarwal**, aged 59 years, is the Promoter and Joint Managing Director of our Company.

Permanent Account Number: AAWPA5590P

For a complete profile of Sunil Agarwal, i.e., his date of birth, residential address, educational qualification, professional experience, positions held in the past and other directorships, special achievements, please refer to section titled “Our Management” beginning on page 200 of this Draft Red Herring Prospectus.



**Pamita Agarwal**, aged 57 years, is the Promoter and Non-Executive Director of our Company.

Permanent Account Number: AAWPA5619D

For a complete profile of Pamita Agarwal, i.e., her date of birth, residential address, educational qualification, professional experience, positions held in the past and other directorships, special achievements, please refer to section titled “Our Management” beginning on page 200 of this Draft Red Herring Prospectus.



**Yash Agarwal**, aged 35 years, is the Promoter, and Managing Director of our Company.

Permanent Account Number: AKKPA6482E

For a complete profile of Yash Agarwal, i.e., his date of birth, residential address, educational qualification, professional experience, positions held in the past and other directorships, special achievements, please refer to section titled “*Our Management*” beginning on page 200 of this Draft Red Herring Prospectus.



**Hardik Agarwal**, aged 32 years, is the Promoter, and Executive Director and Chief Financial Officer of our Company.

Permanent Account Number: ARXPA8121C

For a complete profile of Hardik Agarwal, i.e., his date of birth, residential address, educational qualification, professional experience, positions held in the past and other directorships, special achievements, please refer to section titled “*Our Management*” beginning on page 200 of this Draft Red Herring Prospectus.

*Our Company confirms that the details of the PAN, Bank Account Number(s), Aadhar card number, driving license number and passport number of our Promoter shall be submitted to the Stock Exchange(s) at the time of filing the Draft Red Herring Prospectus.*

### **Other ventures of our Promoters**

Other than as disclosed in “*Our Promoter and Promoter Group*” and “*Our Management*” on pages 222 and 200, our Promoters are not involved in any other venture.

### **Interests of our Promoters**

Our Promoters are interested in our Company (i) to the extent that they have promoted our Company; (ii) to the extent of their direct and indirect shareholding in our Company, the shareholding of their relatives and entities in which our Promoters are interested and which hold Equity Shares in our Company; (iii) any dividends payable to them and any other distributions in respect to their shareholding in our Company or shareholding of their relatives or such entities. For details pertaining to our Promoter’s shareholding, please see “*Details of shareholding of our Promoters and members of the Promoter Group in our Company*” on page 102 of this Draft Red Herring Prospectus.

Our Promoters, Sunil Agarwal, Pamita Agarwal, Yash Agarwal, Hardik Agarwal, who are also Directors on the Board of the Company are interested to the extent of remuneration, commission and reimbursement of expenses payable to them by our Company. For further information, please refer to chapter titled “*Our Management*” beginning on page 200 of this Draft Red Herring Prospectus.



### ***Interest in property, land, construction of building and supply of machinery, etc.***

Except as stated above and further as disclosed under “Note 37 – Related Party Transactions” in the chapter titled “Restated Financial Statements” on page 300, our Promoters have no interest in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Further, except as stated in this Draft Red Herring Prospectus our Promoters have no interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

### ***Interest of our Promoters in our Company arising out of being a member of a firm or company***

Our Promoter is not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoter or to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoter or by such firm or company in connection with the promotion of our Company.

### ***Other Interest and Disclosures***

Except as stated under "Note 37 – Related Party Transactions" in the chapter titled “Restated Financial Statements” on page 300 of this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to him in respect of the contracts, agreements or arrangements which are proposed to be made with him.

Our Promoters are not related to any sundry debtors of our Company except as disclosed in Restated Financial Statements.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters do not have any interest in any venture.

### **Promoter Group of our Company**

In addition to our Promoters, the individuals and entities that form part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

#### **(a) Natural Persons who are part of the Promoter Group**

<b>S. No.</b>	<b>Name of the Individual</b>	<b>Relationship</b>
	<b>Sunil Agarwal</b>	
1.	Pamita Agarwal	Spouse
2.	Late Raghubirprasad Agarwal	Father
3.	Kaushalyadevi Agarwal	Mother
4.	Girish Agarwal	Brother
5.	Kamlesh Agarwal	Brother
6.	Kusum Saraf	Sister
7.	Saroj Agarwal	Sister
8.	Yash Agarwal	Son
9.	Hardik Agarwal	Son
10.	Om Prakash Agarwal	Spouse's Father

11.	Dayavanti Agarwal	Spouse's Mother
12.	Kanta Agarwal	Spouse's Sister
13.	Sunita Choudhary	Spouse's Sister
14.	Anita Gupta	Spouse's Sister
15.	Manju Jhaweri	Spouse's Sister
16.	Payal Goenka	Spouse's Sister
17.	Soniya Agarwal	Spouse's Sister
18.	Shalini Saraf	Spouse's Sister
19.	Usha Jain	Spouse's Sister

#### **Pamita Agarwal**

1.	Sunil Agarwal	Spouse
2.	Om Prakash Agarwal	Father
3.	Dayawanti Agarwal	Mother
4.	-	Brother
5.	Kanta Agarwal	Sister
6.	Sunita Chaudhary	Sister
7.	Anita Gupta	Sister
8.	Manju Jhaweri	Sister
9.	Payal Goenka	Sister
10.	Soniya Agarwal	Sister
11.	Shalini Saraf	Sister
12.	Usha Jain	Sister
13.	Yash Agarwal	Children
14.	Hardik Agarwal	Children
15.	Raghubirprasad Agarwal	Spouse's Father
16.	Kaushalyadevi Agarwal	Spouse's Mother
17.	Girish Agarwal	Spouse's Brother
18.	Kamlesh Agarwal	Spouse's Brother
19.	Saroj Agarwal	Spouse's Sister
20.	Kusum Saraf	Spouse's Sister

#### **Yash Agarwal**

1.	Aditi Agarwal	Spouse
2.	Sunil Agarwal	Father
3.	Pamita Agarwal	Mother
4.	Hardik Agarwal	Brother
5.	Yuvansh Agarwal	Son
6.	Ashvik Agarwal	Son
7.	Ram Chandra Sanghai	Spouse's Father
8.	Vandana Sanghai	Spouse's Mother
9.	Sailesh Sanghai	Spouse's Brother
10.	Anisha Sanghai	Spouse's Sister

#### **Hardik Agarwal**

1.	Subhi Agarwal	Spouse
2.	Sunil Agarwal	Father
3.	Pamita Agarwal	Mother
4.	Yash Agarwal	Brother
5.	Aryaan Agarwal	Son
6.	Pritam Goyal	Spouse's Father
7.	Shilpa Goyal	Spouse's Mother

**(b) Entities forming a part of Promoter Group**

As on the date of filing of this Draft Red Herring Prospectus, the following entities form part of our Promoter Group:

<b>Sr. No.</b>	<b>Name of Entities</b>
1.	Akansha Ship Breaking India
2.	Amar Pristine Landmarks LLP
3.	Amar Pristine Properties Pvt Ltd
4.	Archana Metals Private Limited
5.	M/s Archit Corporation
6.	Ashish Vessel Demolition Private Limited
7.	Atheris Developers LLP
8.	M/s AYA Traders
9.	Bhagalaxmi Developers
10.	BV Metals Private Limited
11.	M/s Darshana Textiles
12.	Dreamsoft Bedsheets Private Limited
13.	Girish Raghuvirprasad Agarwal HUF
14.	Goodwill Ventures LLP
15.	Goyal Agencies
16.	Goyal Shreeman Developers
17.	M/s Greenwell Orchard
18.	Grow Max Ventures LLP
19.	Gujarat Packaging
20.	H. Dev Chemical Private Limited
21.	Hardik Sunil Agrawal HUF
22.	M/s Harsh Enterprise
23.	Highspot Developers LLP
24.	Highspot Housing LLP
25.	M/s Highspot Properties & others
26.	Highspot Properties LLP
27.	Highspot Real Estate Pvt Ltd
28.	Highspot Realtors LLP
29.	Highspot Realty LLP
30.	M/s HS Traders
31.	HYS Developers LLP
32.	HYS Industries Private Limited
33.	HYS Lifecare LLP
34.	Kamlesh Agrawal HUF
35.	Krishna Bans LLP
36.	Magapillar Realty LLP
37.	Na Greystone Premises Pvt Ltd
38.	Nav Bharat Corrugating Industries Private Limited
39.	Nirajkumar Associates Pvt Ltd
40.	Nysa Exim Pvt Ltd
41.	Patel Goyal Associates
42.	M/s PM Associates
43.	M/s Pristine Associates
44.	Pristine Buildcon Pvt.Ltd
45.	Pristine Hospitalities Pvt Ltd
46.	Pristine Mit Associates

47.	M/s Pristine Montvert Associates
48.	M/s Pristine Montvert Township
49.	M/s Pristine Promoters
50.	M/s Pristine Properties
51.	M/s Raghkaushal Farm
52.	Raghukaushal Charitable Trust
53.	Raghukaushal Textile Private Limited
54.	Raghuvir Bio Fuel & Energy LLP
55.	M/s Raghuvir Ferrow Alloys
56.	Raghuvir Knowledge Charitable Trust
57.	Raghuvir Life Style Private Limited
58.	Raghuvir Research Foundation Trust
59.	Raghuvir Synthetics Limited
60.	M/s Rajendra Air Products
61.	Rivera Digitec. (I) Pvt. Ltd.
62.	RSL Dyecot Private Limited
63.	M/s RSYN Traders
64.	M/s Shere Farms
65.	Sunil Raghbirprasad Agarwal HUF
66.	Texspun India Pvt. Ltd.
67.	The Sagar Textile Mills Limited
68.	Titania Industrial Development LLP
69.	Vejalkha Lifespaces LLP
70.	Vipronova Lifescience Private Limited
71.	White Water Exim Private Limited
72.	Yash Sunil Agrawal HUF
73.	Yellowstone Nirmiti LLP

Other than as disclosed above, our Company has no other companies or entities that form part of our Promoter Group.

### **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 Red Herring Prospectus please see chapter titled “*Capital Structure*” on page 89 of this Draft Red Herring Prospectus.

### **Confirmations**

The Company hereby confirms that:

- Our Promoters have not been declared as a Wilful Defaulters or Fraudulent Borrower.
- Our Promoters and members of the Promoter Group are not prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- Our Promoters have not been declared as fugitive economic offender under section 12 of the Fugitive Economic Offender Act, 2018.

- Our Promoters are not and have never been promoters, directors or persons in control of any other company which is prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

### **Related Party Transactions**

For details of related party transactions entered into by our Promoters, Promoter Group and our Company during the last financial three years, the nature of transactions and the cumulative value of transactions, please refer to “*Note 37 – Related Party Transactions*” in the chapter titled “*Restated Financial Statements*” on page 300 of this Draft Red Herring Prospectus.

### **Payment or benefits to the Promoters and Promoter Group**

Except as stated otherwise under “*Note 37 – Related Party Transactions*” in the chapter titled “*Restated Financial Statements*” on page 300 of this Draft Red Herring Prospectus about the related party transactions entered into during the last three (3) financial years as per IND AS 24 and in “*Interest of our Promoters*” disclosed in this Chapter, there has been no other payment or benefit to our Promoters or Promoter Group nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

### **Disassociation by the Promoters from entities in last three (3) years**

Our Promoters have not disassociated themselves from any company or firm during the three years preceding the date of filing of the Draft Red Herring Prospectus:

### **Change in the management and control of our Company**

There has been no change in the management or control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus. Our Board has pursuant to the resolution dated November 10, 2023, identified Sunil Agarwal, Pamita Agarwal, Yash Agarwal, Hardik Agarwal as Promoters of our Company.

### **Material Guarantees**

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

### **Outstanding Litigation**

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 373 of this Draft Red Herring Prospectus.

## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term ‘*Group Companies*’ includes (i) such Companies (other than promoter(s) and subsidiaries, if any) with which there were related party transactions during the period for which financial information is disclosed in this Draft Red Herring Prospectus, as covered under applicable accounting standards, and (ii) such other company, as considered material by our Board pursuant to the materiality policy.

Accordingly, all such companies with which our Company had related party transactions, as per the Restated Financial Statements as covered under the applicable accounting standards have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Additionally, for the purposes of (ii) above, the Board pursuant to the materiality policy adopted by the Board pursuant to its resolution dated December 09, 2023 has determined that a company (other than the Company 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 companies’ in the draft offer document and offer documents, if (a) it is a member of the Promoter Group (Company) (other than the Promoters) in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and (b) our Company has entered into one or more transactions with such company during the last completed Fiscal (or relevant Stub period, if applicable), which individually or cumulatively in value exceeds 10% of the restated revenue from operations of our Company for the last completed fiscal as per the Restated Financial Statements.

Based on the parameters outlined above, the Board has identified the following companies as Group Companies of the Company:

1. Raghuvir Synthetics Limited
2. Raghuvir Lifestyle Private Limited
3. Raghukaushal Textile Private Limited
4. HYS Industries Private Limited
5. RSL Dyecot Private Limited
6. White Water Exim Private Limited
7. H. Dev Chemicals Private Limited
8. Dreamsoft Bedsheets Private Limited
9. The Sagar Textile Mills Limited

Financial information in relation to our Group Companies for the previous three financial years, extracted from their respective audited financial statements (as applicable) is available at the website indicated below. Such financial information of the Group Companies on the Company’s website does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider before making any investment decision.

### **Details of our Group Companies:**

Details of our top five Group Companies are provided below:

#### **1. Raghuvir Synthetics Limited (“RSL”)**

## Registered Office

The registered office of RSL is situated at Rakhial Road, Rakhial, Ahmedabad- 380023, Gujarat, India.

## Financial information

The financial information derived from the audited financial statements of RSL for Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively:

Particulars	For the Financial year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Reserves (excluding revaluation reserve)	176.09	273.69	239.09
Sales	959.94	2185.75	1797.04
Profit after tax	-98.18	34.10	58.94
Earnings per share (in Rs.)	-2.53	0.88	1.53
Diluted earnings per share (in Rs.)	-2.53	0.88	1.53
Net Asset Value per shares (in Rs.)	5.54	8.06	71.65

## 2. Raghuvir Lifestyle Private Limited (“RSPL”)

### Corporate Identification Number

U17211GJ2011PTC066331

### Registered Office

The registered office of BIPL is situated at 216, New Cloth Market, Outside Raipur Gate, Ahmedabad, Gujarat-380002, India

### Financial information

Certain financial information derived from the audited financial statements of RSPL for Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021:

Particulars	For the Financial year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Reserves (excluding revaluation reserve)	72.23	64.19	62.36
Sales	655.65	504.94	707.58
Profit after tax	8.04	1.83	2.97
Earnings per share (in Rs.)	0.45	1.01	1.65
Diluted earnings per share (in Rs.)	0.45	1.01	1.65
Net Asset Value per shares (in Rs.)	5.01	45.62	44.61

### 3. Raghukaushal Textile Private Limited (“RTPL”)

#### Corporate Identification Number

U17120GJ2011PTC066309

#### Registered Office

The registered office of RTPL is situated at Plot No. 107, Near Maniar Trailor Rakhial Road, Rakhial, Ahmedabad-380023, Gujarat, India.

#### Financial information

Certain financial information derived from the audited financial statements of RTPL for Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021:

Particulars	For the Financial year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Reserves (excluding revaluation reserve);	79.14	65.13	61.41
Sales	528.37	551.97	599.99
Profit after tax	14.01	3.73	22.37
Earnings per share (in Rs.)	66.71	17.75	106.50
Diluted earnings per share (in Rs.)	66.71	17.75	106.50
Net Asset Value per shares (in Rs.)	386.85	320.15	302.4

### 4. HYS Industries Private Limited (“HIPL”)

#### Corporate Identification Number

U17299GJ2020PTC118189

#### Registered Office

The registered office of HIPL is situated at 1035/A, Near Ayodhya Township, Rancharda Road, Shilaj, Ahmedabad - 380058, Gujarat, India.

#### Financial information

Certain financial information derived from the audited financial statements of HIPL for Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021:

Particulars	For the Financial year ended		
	March 31, 2023	March 31, 2022	March 31, 2021



Reserves (excluding revaluation reserve);	354.21	9.44	-0.38
Sales	182.23	476.32	-
Profit after tax	15.46	9.82	-0.38
Earnings per share (in Rs.)	0.41	0.26	-0.04
Diluted earnings per share (in Rs.)	0.41	0.26	-0.04
Net Asset Value per shares (in Rs.)	2.37	1.12	9.62

## 5. RSL Dyecot Private Limited (“RDPL”)

### Corporate Identification Number

U65910GJ1983PTC006538

### Registered Office

The registered office of RDPL is situated at Near Maniar Traylor Rakhial, Ahmedabad, Ahmedabad, Gujarat - 380023, India.

### Financial information

Certain financial information derived from the audited financial statements of RDPL for Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021:

Particulars	For the Financial year ended		
	March 2023	31, 2022	31, 2021
Reserves (excluding revaluation reserve);	7.41	18.40	30.13
Sales	237.76	378.62	309.10
Profit after tax	-10.98	-11.73	4.47
Earnings per share (in Rs.)	-6.50	-6.94	2.64
Diluted earnings per share (in Rs.)	-6.50	-6.94	2.64
Net Asset Value per shares (in Rs.)	14.38	20.88	27.83

### Details of our Other Group Companies

#### 1. White Water Exim Private Limited (“WWEPL”)

### Corporate Identification Number

U52500GJ2021PTC123035

### Registered Office

The registered office of WWEPL is situated at 1035/A, Near Ayodhya Township, Rancharda Road, Shilaj, Ahmedabad - 380058, Gujarat, India.

**2. H. Dev Chemicals Private Limited (“HDCPL”)**

**Corporate Identification Number**

U24290GJ2021PTC122935

**Registered Office**

The registered office of HDCPL is situated at 1035/A Nr. Ayodhya Township, Ta Ghatlod Shilaj, Ahmedabad, Ahmedabad - 380058, Gujarat, India.

**3. Dreamsoft Bedsheets Private Limited (“DBPL”)**

**Corporate Identification Number**

U17299GJ2021PTC127840

**Registered Office**

The registered office of DBPL is situated at 1035/A, Near Ayodhya Township, Rancharda Road, Shilaj, Ahmedabad-380058, Gujarat, India.

**4. The Sagar Textiles Mills Limited (“STML”)**

**Corporate Identification Number**

U17119GJ1957PTC000876

**Registered Office**

The registered office of STML is situated Ramkumar Mills Compounds Araspur, Ahmedabad - 380018, Gujarat, India.

Our Company has provided links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. The information provided on the websites given above should not be relied upon or used as a basis for any investment decision.

**Outstanding Litigation involving the Group Companies**

For details relating to the legal proceedings involving the Group Company, see the section titled “*Outstanding Litigation and Material Developments*” on Page 373.

**Common Pursuits of Group Companies**

Some of our Group Companies have common pursuits with our Company such as, Raghuvir Synthetic Limited, Raghuvir Lifestyle Private Limited, Raghukaushal Textile Private Limited, Dreamsoft Bedsheets Private Limited, HYS Industries Private Limited, RSL Dyecot Private Limited and The Sagar Textile Mills Limited are authorized by their respective constitutional documents to engage in business similar to that of our Company as on the date of this Draft Red Herring Prospectus. Our Company will adopt the necessary procedure and practices as permitted by law to address any conflict situation, if and when they arise. For further details in relation to risks involving the common pursuits, see “*Risk Factor No. 9- Our Directors, Promoters and members of the Promoter Group members may enter into ventures that may lead to real or potential conflicts of interest with our business.*” on page 49 of this Draft Red Herring Prospectus.

### **Related business transactions within our Group Companies and significance on the financial performance of the Company**

Other than the transactions as disclosed under *Note 37 – Related Party Transactions*” under the chapter “*Restated Financial Statements*” on page 300 there are no other related business transactions between our Company and our Group Companies which are significant for the financial performance of our Company.

### **Business and other interests**

Except as disclosed under “*Note 37 – Related Party Transactions*” under the chapter “*Restated Financial Statements*” on page 300, none of our Group Companies have any business or interest in our Company.

### **Nature and extent of interests of our Group Companies**

As on the date of this Draft Red Herring Prospectus, our Group Companies do not have any interest in the promotion or formation of our Company.

Our Group Companies do not have any interest in the properties which has been acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of this Draft Red Herring Prospectus.

Except as stated in “*Restated Financial Information – Note 37- Related Party Transactions*” on page 300 of this Draft Red Herring Prospectus, our Group Companies do not have any interest in any transaction for the acquisition of land, construction of building.

Except as stated in “*Restated Financial Information – Note 37 - Related Party Transactions*” on page 300 of this Draft Red Herring Prospectus, none of our Group Companies have any business interest in our Company.

### **Certain Other Confirmations**

Except Raghuvir Synthetics Limited, which has its equity shares listed on BSE, none of our Group Companies have any securities listed on a stock exchange. None of our Group Companies have listed debt securities. None of our Group Companies have made any public or rights issue in the three immediately preceding years.

## DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, the Company does not have a formal dividend policy. The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, read with the rules notified thereunder, each as amended. We may retain all our future earnings, if any, for purposes to be decided by our Company, subject to compliance with the provisions of the Companies Act.

The quantum of dividend, if any, will depend on a number of factors, including but not limited to profits earned and available for distribution during the relevant Financial Year/Fiscal, accumulated reserves including retained earnings, expected future capital/expenditure requirements, organic growth plans/expansions, proposed long-term investment, capital restructuring, debt reduction, crystallization of contingent liabilities, cash flows, current and projected cash balance, and external factors, including but not limited to the macro-economic environment, regulatory changes, technological changes and other factors like statutory and contractual restrictions.

Particulars	Fiscals		
	2023	2022	2021
Face value per shares	10.00	10.00	10.00
Dividend	NIL	NIL	NIL
Dividend per share (₹)	NIL	NIL	NIL
Rate of Dividend (%)	NIL	NIL	NIL

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under our current or future loan or financing documents. The amounts declared as dividends in the past are not necessarily indicative of our dividend amounts, if any, in the future. For more information on restrictive covenants under our current loan agreements, see “*Financial Indebtedness*” on page 369. There is no guarantee that any dividends will be declared or paid. For details, see “Risk Factors no.41 – *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*” on page 68 of this Draft Red Herring Prospectus.

For further details, please refer to section titled “*Financial Information*” beginning on page 236 of this Draft Red Herring Prospectus.

## SECTION V – FINANCIAL INFORMATION

### RESTATED FINANCIAL STATEMENTS

#### INDEPENDENT AUDITOR’S EXAMINATION REPORT ON RESTATED FINANCIAL STATEMENTS

To  
The Board of Directors  
Raghuvir Exim Limited  
1035/A, Near Ayodhya Township,  
Rancharda Road, Shilaj,  
Ahmedabad,  
Gujarat- 380058

Dear Sirs/Madam,

1. We have examined the attached Restated Financial Information of Raghuvir Exim Limited (the "Company" or the "Issuer"), comprising the Restated Statement of Assets and Liabilities as at 30<sup>th</sup> September, 2023, 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021, the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the period ended 30<sup>th</sup> September, 2023 and year ended 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021, the Summary Statement of material 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 11<sup>th</sup> March, 2024, for the purpose of inclusion in the Draft Red Herring Prospectus ("**DRHP**"), Updated Draft Red Herring Prospectus ("**UDRHP**"), Red Herring Prospectus ("**RHP**") and Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("**IPO**") 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**").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DRHP, UDRHP, RHP and Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies, Gujarat in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company as per "Basis of Preparation" paragraph stated in note 3.2 to the Restated Financial Information. The Board of Directors of the Company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations, and the Guidance Note.
3. 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 11<sup>th</sup> November, 2023 in connection with the proposed IPO of equity shares of the Company;
  - (b) The Guidance Note. Further 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.
4. These Restated Financial Information have been compiled by the management from:
- (a) Audited Special Purpose Interim Ind AS Financial Statement of the Company as at and for the six months ended 30<sup>th</sup> September, 2023, prepared in accordance with Indian Accounting Standard (Ind As) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 11<sup>th</sup> March 2024.
  - (b) Audited Ind AS Financial Statements of the Company as at 31<sup>st</sup> March, 2023, prepared in accordance with Indian Accounting Standard, specified under section 133 of the act and other accounting principles generally accepted in india, which have been approved by the board of directors at their meeting held on 04<sup>th</sup> September, 2023.
  - (c) Audited special purpose Ind As Financial Statements of the company as at 31<sup>st</sup> March, 2022 and for the year ended 31<sup>st</sup> March, 2021 have been approved by the Board of Directors at their meeting held on 11<sup>th</sup> March, 2024. These Special Purpose Ind AS financial statements have been prepared by making Ind AS adjustments to the audited financial statements of the company as at 31<sup>st</sup> March, 2022 and for the year ended 31<sup>st</sup> March, 2021, prepared in accordance with the Accounting Standards notified under Section 133 of the Act, ("Indian GAAP") which were approved by the board of directors at their meeting held on 27<sup>th</sup> September,2022 and 28<sup>th</sup> November, 2021.
5. For the purpose of our examination, we have relied on:
- (a) Auditors' report issued by us dated 11<sup>th</sup> March, 2024 on the special purpose interim Ind As financial statements of the Company as at and for the six month period ended 30<sup>th</sup> September, 2023, as referred in paragraph 4 above;
  - (b) Auditors' report issued by us dated 04<sup>th</sup> September, 2023 on the financial statements of the Company as at and for the year ended 31<sup>st</sup> March, 2023 and
  - (c) Auditors' report issued by us dated 11<sup>th</sup> March, 2024 on the Special Purpose Ind AS financial statements of the Company as at and for the years ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 as referred in Paragraph [4] above.
6. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:

- (a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six month period ended 30<sup>th</sup> September,2023;
  - (b) have been prepared after incorporating Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 as described in Note 45 to the Restated Financial Information;
  - (c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
7. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Ind AS financial statements and audited special purpose Ind AS financial statements mentioned in paragraph [4] above.
8. 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.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP, UDRHP, RHP and Prospectus with the Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies at Gujarat in connection with the Proposed Offer. 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 G. K. CHOKSI & CO.  
Firm Registration No. 101895W  
Chartered Accountants

ROHIT K. CHOKSI  
Partner  
Mem. No. 31103  
UDIN : 24031103BKDQDN9892

Place : Ahmedabad  
Date : March 11, 2024

**RAGHUVIR EXIM LIMITED**

**Annexure I**  
**Restated Statement of Assets and Liabilities**

[₹ in Millions]

Particulars	Notes	As at			
		30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	456.02	445.56	519.63	523.99
Capital work-in-progress	6	72.23	-	0.00	6.44
Right to use assets	7	4.74	150.96	160.83	212.60
Financial assets					
Investments	8	250.00	230.00	0.00	0.00
Other financial assets	9	1.38	1.38	1.59	1.59
Other non-current assets	10	67.85	55.01	57.99	47.12
		<b>852.22</b>	<b>882.91</b>	<b>740.04</b>	<b>791.74</b>
<b>Current assets</b>					
Inventories	11	345.62	279.60	346.27	312.67
Financial assets					
Investments	8	56.05	54.26	52.24	49.48
Trade receivables	12	271.08	149.60	302.72	275.33
Cash and cash equivalents	13	54.13	98.94	116.99	35.58
Loans	14	120.76	4.97	0.08	2.40
Other financial assets	9	134.43	95.69	162.31	123.29
Current Tax Assets	15	9.79	9.45	11.81	8.73
Other current assets	10	458.35	399.38	210.21	134.12
		<b>1,450.21</b>	<b>1,091.89</b>	<b>1,202.63</b>	<b>941.60</b>
<b>Total assets</b>		<b>2,302.43</b>	<b>1,974.80</b>	<b>1,942.67</b>	<b>1,733.34</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	16	525.00	25.00	25.00	25.00
Other equity	17	440.09	820.15	626.92	555.85
		<b>965.09</b>	<b>845.15</b>	<b>651.92</b>	<b>580.85</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Financial liabilities					
Borrowings	18	116.00	139.59	168.04	168.37
Lease liabilities	19	9.99	172.66	178.51	224.16
Provisions	20	4.52	4.37	4.14	4.00
Deferred tax liabilities (net)	33	43.08	35.08	35.08	36.35
		<b>173.59</b>	<b>351.70</b>	<b>385.77</b>	<b>432.88</b>
<b>Current liabilities</b>					
Financial liabilities					
Borrowings	18	1,067.58	715.68	782.77	636.55
Lease liabilities	19	2.02	5.84	5.34	5.47
Trade payable	21				
Due to micro and small enterprise		0.56	0.39	0.87	1.01
Due to others		22.83	27.57	76.47	37.73
Other financial liabilities	22	13.97	7.94	16.66	11.32
Other current liabilities	23	26.85	9.28	21.02	18.70
Provisions	20	0.60	0.59	0.64	0.48
Current tax liabilities (net)	24	29.34	10.66	1.21	8.35
		<b>1,163.75</b>	<b>777.95</b>	<b>904.98</b>	<b>719.61</b>
<b>Total equity and liabilities</b>		<b>2,302.43</b>	<b>1,974.80</b>	<b>1,942.67</b>	<b>1,733.34</b>
Notes forming part of the restated financial information	1 to 4				

**Note:**  
The above statement should be read with Summary of material accounting policies and other explanatory information forming part of the restated financial information in Annexure V, statement of adjustments to restated financial information in Annexure VI and notes to restated financial information.

As per our attached report of even date.

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

Sd/-

**ROHIT K. CHOKSI**  
Partner  
Mem. No. 31103

**FOR AND ON BEHALF OF BOARD**

Sd/-

Sd/-

**SUNIL R. AGARWAL** **YASH S. AGARWAL**  
Managing Director Managing Director  
DIN: 00265303 DIN: 02170408

Sd/-

Sd/-

**HARDIK S. AGARWAL** **DEEPIKA LADHA**  
Chief Financial Officer Company Secretary

Place: Ahmedabad  
Date: 11th March, 2024

Place: Ahmedabad  
Date: 11th March, 2024



**RAGHUVIR EXIM LIMITED**

**Annexure II**  
**Restated Statement of Profit and Loss**

[₹ in Millions]

Particulars	For the period ended		For the year ended		
	Notes	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>REVENUE</b>					
Revenue from operations	25	1,513.69	2,475.58	2 668.21	2 089.96
Other income	26	38.83	32.31	54.58	43.86
<b>Total income</b>		<b>1,552.52</b>	<b>2,507.89</b>	<b>2 722.79</b>	<b>2 133.82</b>
<b>EXPENSES</b>					
Cost of materials consumed	27	1,011.75	1,202.66	1 772.74	1 025.98
Purchase of Stock-in-trade		171.07	529.16	284.68	788.52
Change in inventories of finished goods, stock-in-trade and work-in-progress	28	(65.42)	(42.94)	39.71	( 203.52)
Employee benefit expenses	29	56.58	107.85	107.91	102.37
Finance cost	30	37.65	67.13	61.82	54.97
Depreciation and amortisation	31	14.14	36.22	38.37	42.93
Other expenses	32	154.23	349.03	325.14	205.49
<b>Total expenses</b>		<b>1,380.00</b>	<b>2,249.11</b>	<b>2 630.37</b>	<b>2 016.74</b>
<b>Profit/(Loss) before exceptional items &amp; tax</b>		<b>172.52</b>	<b>258.78</b>	<b>92.42</b>	<b>117.08</b>
Exceptional items		-	-	0.00	0.00
<b>Profit/(loss) before tax</b>		<b>172.52</b>	<b>258.78</b>	<b>92.42</b>	<b>117.08</b>
<b>Tax Expenses</b>	33				
Current tax		45.00	65.00	23.40	25.00
Tax in respect of earlier years		-	1.42	0.00	1.35
Deferred tax		7.89	(0.02)	( 1.44)	1.55
<b>Total tax expenses</b>		<b>52.89</b>	<b>66.40</b>	<b>21.96</b>	<b>27.90</b>
<b>Profit/(Loss) for the year, net of tax from continuing operato</b>	<b>[A]</b>	<b>119.63</b>	<b>192.38</b>	<b>70.46</b>	<b>89.18</b>
<b>Other comprehensive income</b>					
<b>(i) Items that will not be reclassified to profit or loss</b>					
Remeasurement of the defined benefit plans		0.42	0.87	0.78	0.12
Equity instruments through other comprehensive income		-	-	-	-
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>					
Tax relating to remeasurement of the defined benefit plans		0.11	0.02	0.17	0.03
Tax relating to equity instruments through other comprehensive income		-	-	-	-
<b>Other comprehensive income for the year.</b>	<b>[B]</b>	<b>0.31</b>	<b>0.85</b>	<b>0.61</b>	<b>0.09</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>[A + B]</b>	<b>119.94</b>	<b>193.23</b>	<b>71.07</b>	<b>89.27</b>
<b>Earnings per equity share (for continuing operations)</b>	34				
Basic and diluted earnings per share of face value of ₹10 each (Adjusted for Bonus Issue) (in ₹)		2.28	3.66	1.34	1.70
Notes forming part of the restated financial information	1 to 4				

**Note:**  
The above statement should be read with Summary of material accounting policies and other explanatory information forming part of the restated financial information in Annexure V, statement of adjustments to restated financial information in Annexure VI and notes to restated financial information in Annexure VII.

As per our attached report of even date.

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

**FOR AND ON BEHALF OF BOARD**

Sd/-

Sd/-

Sd/-

**ROHIT K. CHOKSI**  
Partner  
Mem. No. 31103

**SUNIL R. AGARWAL YASH S. AGARWAL**  
Managing Director Managing Director  
DIN: 00265303 DIN: 02170408

Sd/-

Sd/-

**HARDIK S. AGARWAI DEEPIKA LADHA**  
Chief Financial Officer Company Secretary

Place: Ahmedabad  
Date: 11th March, 2024

Place: Ahmedabad  
Date: 11th March, 2024

**RAGHUVIR EXIM LIMITED**

**Annexure III**

**Restated Statement of Cashflow**

[₹ in Millions]

Particulars	For the period ended	For the year ended		
	30th September, 2023	2023	31st March, 2022	31st March, 2021
<b>A Cash flow from operating activities</b>				
Profit / (Loss) for the year before taxation and exceptional items	172.52	258.78	92.42	117.08
<b>Adjustments for:</b>				
Depreciation on property, plant and equipments	13.66	26.35	27.03	31.20
Depreciation on right of use assets	0.48	9.87	11.34	11.73
Interest income	(1.13)	(5.36)	( 4.44)	( 2.61)
Loss / (Profit) on sale of fixed assets / asset impaired	-	(1.23)	0.00	0.00
Remeasurement of the gain/(loss) of defined benefit plans	0.42	0.87	0.78	0.12
Gain due to lease modification and reduction in tenure	(20.39)	-	0.00	0.00
Net gain / (loss) on fair value changes	(1.79)	(10.91)	( 2.76)	( 21.22)
Sundry balance written off (net)	1.60	3.45	0.00	0.14
Finance cost	37.65	67.13	61.82	54.97
<b>Operating profit before working capital changes</b>	<b>203.02</b>	<b>348.95</b>	<b>186.19</b>	<b>191.41</b>
<b>Adjustments for Changes in working capital</b>				
Decrease / (Increase) in inventories	(66.02)	66.67	( 33.60)	( 211.78)
Decrease / (Increase) in other non current financial assets	-	0.21	0.00	1.26
Decrease / (Increase) in other current financial assets	(38.74)	75.51	( 36.38)	26.69
Decrease / (Increase) in other non Current assets	(12.84)	2.98	( 10.87)	6.81
Decrease / (Increase) in other current assets	(58.97)	(189.17)	( 76.09)	99.41
Decrease / (Increase) in loans Given	(115.79)	(4.89)	2.32	60.03
Decrease / (Increase) in trade receivables	(123.08)	146.11	( 27.39)	( 102.59)
Increase / (Decrease) in trade payables	(4.57)	(45.83)	38.60	( 17.88)
Increase / (Decrease) in other financial liabilities	4.81	(8.33)	4.53	( 12.80)
Increase / (Decrease) in other liabilities	17.57	(11.74)	2.32	( 4.15)
Increase / (Decrease) in provision	0.16	0.18	0.30	0.79
	(397.47)	31.70	( 136.26)	( 154.21)
<b>Cash generated from operations</b>	<b>(194.45)</b>	<b>380.65</b>	<b>49.93</b>	<b>37.20</b>
Direct taxes refund/(paid)	(26.66)	(54.61)	( 33.62)	( 17.86)
<b>Net cash from operating activities</b>	<b>[A] (221.11)</b>	<b>326.04</b>	<b>16.31</b>	<b>19.34</b>
<b>B Cash flow from investing activities:</b>				
Purchase of property, plant and equipments	(24.12)	48.95	( 22.71)	( 26.55)
Purchase of capital work-in-progress	(72.23)	-	6.44	( 6.44)
Investment in Preference Shares	(20.00)	(230.00)	0.00	0.00
Interest received	1.13	5.31	1.80	2.67
<b>Net cash from / (used in) investing activities</b>	<b>[B] (115.22)</b>	<b>(175.74)</b>	<b>( 14.47)</b>	<b>( 30.32)</b>
<b>C Cash flow from financing activities:</b>				
Procurement/(Repayment) of long/ short term borrowings	328.31	(95.48)	145.93	60.54
Principal repayment of lease liabilities	(0.36)	(5.35)	( 5.35)	( 4.98)
Interest on lease liabilities	(1.16)	(16.98)	( 20.40)	( 21.66)
Interest paid	(35.27)	(50.54)	( 40.61)	( 32.83)
<b>Net cash flow from financial activities</b>	<b>[C] 291.52</b>	<b>(168.35)</b>	<b>79.57</b>	<b>1.07</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>[A+B+C] (44.81)</b>	<b>(18.05)</b>	<b>81.41</b>	<b>( 9.91)</b>
Cash and cash equivalents opening	98.94	116.99	35.58	45.49
Cash and cash equivalents closing	<b>54.13</b>	<b>98.94</b>	<b>116.99</b>	<b>35.58</b>
<b>Components of cash and cash equivalents</b>				
Cash in hand	0.91	0.63	0.37	0.46
Balances with bank	53.22	98.31	116.62	35.12
	<b>54.13</b>	<b>98.94</b>	<b>116.99</b>	<b>35.58</b>

**Explanatory Notes to Cash Flow Statement**

- The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Ind AS 7.
- In Part A of the Cash flow statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.
- Disclosure of changes in liabilities arising from financing activities, including both changes arising form Cash flow and non-cash / business combination changes are Given below:

**As at 30th September, 2023**

[₹ in Millions]

Particulars	As at 2023	Net Cash flow	As at 30th September, 2023
Borrowings	855.27	328.31	1 183.58

..Continued..

**RAGHUVIR EXIM LIMITED**

Annexure III

Restated Statement of Cashflow ... Continued..

**As at 31st March, 2023**

[₹ in Millions]

Particulars	As at 31st March, 2022	Net Cash flow	As at 31st March, 2023
Borrowings	950.81	( 95.54)	855.27

**As at 31st March, 2022**

[₹ in Millions]

Particulars	As at 31st March, 2021	Net Cash flow	As at 31st March, 2022
Borrowings	804.92	145.89	950.81

**As at 31st March, 2021**

[₹ in Millions]

Particulars	As at 31st March, 2020	Net Cash flow	As at 31st March, 2021
Borrowings	744.45	60.48	804.92

Notes forming part of the restated financial information

**Note:**  
The above statement should be read with significant accounting policies forming part of the restated consolidated financial information in Annexure V, statement of adjustments to restated financial information in Annexure VI and notes forming part of the restated financial information in Annexure VII.

As per our report of even date attached

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No. 101895W]  
Chartered Accountants

**FOR AND ON BEHALF OF BOARD**

Sd/-

**ROHIT K. CHOKSI**  
Partner  
Mem. No. 31103

Sd/-

**SUNIL R. AGARWAL**  
Managing Director  
DIN: 00265303

Sd/-

**YASH S. AGARWAL**  
Managing Director  
DIN: 02170408

Sd/-

**HARDIK S. AGARWAL**  
Officer

Sd/-

**DEEPIKA LADHA**  
Company Secretary

Place: Ahmedabad  
Date: 11th March, 2024

Place: Ahmedabad  
Date: 11th March, 2024

**RAGHUVIR EXIM LIMITED**

**Annexure IV**

**Statement of change in equity**

**A. Equity share capital**

[₹ in Millions]

Particulars	No. of Shares	Amount
<b>Equity shares of ₹ 10/- each, issued, subscribed and fully paid-up:</b>		
<b>As at 1st April, 2020</b>	25 00 000	25.00
Add: Issued during the year ending 31st March, 2021	0	0.00
<b>As at 31st March, 2021</b>	25 00 000	25.00
Add: Issued during the year ending 31st March, 2022	0	0.00
<b>As at 31st March, 2022</b>	25 00 000	25.00
Add: Issued during the year ending 31st March, 2023	0	0.00
<b>As at 31st March, 2023</b>	25 00 000	25.00
Add: Issued during the period ending 30th September, 2023	5 00 00 000	500.00
<b>As at 30th September, 2023</b>	5 25 00 000	525.00

**B. Other equity**

[₹ in Millions]

Particulars	Reserves and surplus				Other comprehensive income	Total other equity
	Securities premium	Capital reserve(*)	General Reserve	Retained earnings		
<b>Balance as at 01st April, 2020</b>	140.00	0.00	7.83	318.79	( 0.04)	466.58
Profit for the year	0.00	0.00	0.00	89.18	0.00	89.18
Remeasurements of defined benefit asset (net of tax)	0.00	0.00	0.00	0.00	0.09	0.09
Gain on measurement of preference instruments at fair	0.00	0.00	0.00	0.00	0.00	0.00
<b>Balance as at 31st March, 2021</b>	<b>140.00</b>	<b>0.00</b>	<b>7.83</b>	<b>407.97</b>	<b>0.05</b>	<b>555.85</b>
Profit for the year	0.00	0.00	0.00	70.46	0.00	70.46
Remeasurements of defined benefit asset (net of tax)	0.00	0.00	0.00	0.00	0.61	0.61
Gain on measurement of preference instruments at fair	0.00	0.00	0.00	0.00	0.00	0.00
<b>Balance as at 31st March, 2022</b>	<b>140.00</b>	<b>0.00</b>	<b>7.83</b>	<b>478.43</b>	<b>0.66</b>	<b>626.92</b>

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure IV**

**Statement of change in equity**

**B. Other equity ... Continued..**

[₹ in Millions]

Particulars	Reserves and surplus				Other comprehensive	Total other equity
	Securities premium	Capital reserve(*)	General Reserve	Retained earnings		
<b>Balance as at 31st March, 2022</b>	<b>140.00</b>	<b>0.00</b>	<b>7.83</b>	<b>478.43</b>	<b>0.66</b>	<b>626.92</b>
Profit for the year	0.00	0.00	0.00	192.38	0.00	192.38
Remeasurements of defined benefit asset (net of tax)	0.00	0.00	0.00	0.00	0.85	0.85
Gain on measurement of preference instruments at fair	0.00	0.00	0.00	0.00	0.00	0.00
<b>Balance as at 31st March, 2023</b>	<b>140.00</b>	<b>0.00</b>	<b>7.83</b>	<b>670.81</b>	<b>1.51</b>	<b>820.15</b>
Profit for the period	0.00	0.00	0.00	119.63	0.31	119.94
Issue of Bonus Shares	0.00	0.00	( 7.83)	( 492.17)	0.00	( 500.00)
Remeasurements of defined benefit asset (net of tax)	0.00	0.00	0.00	0.00	0.00	0.00
Gain on measurement of preference instruments at fair	0.00	0.00	0.00	0.00	0.00	0.00
<b>Balance as at 30th September 2023</b>	<b>140.00</b>	<b>0.00</b>	<b>0.00</b>	<b>298.27</b>	<b>1.82</b>	<b>440.09</b>

(\*) Amount of Capital Reserve is below ₹ 1,000/-

As per our attached report of even date.

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]

*Chartered Accountants*

Sd/-

**ROHIT K. CHOKSI**

*Partner*

Mem. No. 31103

**FOR AND ON BEHALF OF BOARD**

Sd/-

**SUNIL R. AGARWAL**

*Managing Director*

DIN: 00265303

Sd/-

**YASH S. AGARWAL**

*Managing Director*

DIN: 02170408

Sd/-

**HARDIK S. AGARWAL**

*Chief Financial Officer*

Sd/-

**DEEPIKA LADHA**

*Company Secretary*

Place: Ahmedabad

Date: 11th March, 2024

Place: Ahmedabad

Date: 11th March, 2024

Annexure V

Notes forming part of the Restated Financial Information

---

**Note 1: Company Overview**

Raghuvir Exim Limited (the 'Company') is a company incorporated under the provision of Companies Act, 1956 as unlisted public company and is domiciled in India. The Company is primarily engaged in Manufacturing, Processing, Trading and Job Work of Textile Products. The Company sales its products in domestic and overseas markets. The registered office of the Company is located at 1035/A, Near Ayodhya Township, Rancharda Road, Shilaj, Shilaj, Ahmedabad, Daskroi, Gujarat, India, 380059. The Restated financial Information were considered by the Board of Directors and approved for issue in accordance with a resolution passed in board meeting held on 11<sup>th</sup> March, 2024

**Note 2: New standards or interpretations issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Restated Financial Information is required to be disclosed.

**Note 3: Summary of material accounting policies and other explanatory information**

**3.1 Statement of Compliance**

The Restated Financial Information of the Company have been prepared in accordance with and comply in all material respects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended.

**3.2 Basis of Preparation**

The Restated Financial Information of the Company comprise of the Restated Statement of Assets and Liabilities as at 30<sup>th</sup> September, 2023, 31<sup>st</sup> March, 2023 , 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021, the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the six month period ended 30<sup>th</sup> September 2023 , financial year ended 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021, the Summary Statement of material accounting policies and other explanatory information, (collectively, the "Restated Financial Information").

This Restated financial information has been prepared by the management of the company for the purpose of inclusion in the Updated Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus (Collectively "**Offer Document**") prepared by the company in connection with its proposed Initial Public Offer ("**IPO**"). The Restated financial information has been prepared by the company 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) (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

This Restated Financial Information has been compiled by the management of the company from:

- (a) Audited special purpose Interim Ind AS Financial Statement of the Company for the six months period ended 30<sup>th</sup> September, 2023 is prepared in accordance with Indian Accounting Standard, specified under section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 11<sup>th</sup> March, 2024

**Annexure V****Notes forming part of the Restated Financial Information**

---

- (b) Audited Ind AS Financial Statement of the Company as at 31st March, 2023, prepared in accordance with Indian Accounting Standard, specified under section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 4<sup>th</sup> September, 2023.
- (c) Audited Special Purpose Ind AS Financial Statements of the Company as at and for the years ended 31st March, 2022 and 2021 which have been approved by the Board of Directors at their meeting held on 11<sup>th</sup> March, 2024. These Special Purpose Ind AS financial statements have been prepared by making Ind AS adjustments to the audited financial statements of the company as at and for the year ended 31st March, 2022 and 31st March, 2021, prepared in accordance with the Accounting Standards notified under Section 133 of the Act, ("Indian GAAP") which were approved by the board of directors at their meeting held on 11<sup>th</sup> March, 2024 and 11<sup>th</sup> March, 2024 respectively. These Special Purpose Ind AS financial statements were prepared consequent to SEBI regulations and the reconciliation between previous GAAP and Ind AS for the transitional balance sheet as on 1st April, 2019 relevant to Special Purpose Ind AS financial statements and for the financial years ended 31st March, 2022 and 31st March, 2021 has been disclosed in Note 45.

The Special Purpose Ind AS financial statements, as at and for the year ended 31st March, 2022 and 31st March, 2021, have been prepared following accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (1st April, 2019) and as per accounting policies, grouping / classifications and the presentation including revised Schedule III disclosures adopted and followed as at 30<sup>th</sup> September, 2023 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.

The Restated Financial Information have been prepared on a going concern basis.

**3.3 Basis of measurement**

This restated financial information has been prepared on an accrual basis under the historical cost convention except for the following:

- Certain financial assets and liabilities classified as Fair value through Profit and Loss (FVTPL) or Fair value through Other Comprehensive Income (FVTOCI)
- The defined benefit asset/(liability) is recognised as the present value of defined benefit obligation less fair value of plan assets

The above items have been measured at Fair value and methods used to measure fair value are disclosed further in Note 39.3.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**3.4 Functional and presentation currency**

Items included in the restated financial information of the Company is measured using the currency of the primary economic environment in which the Company operates (i.e., the "functional currency"). The restated financial information is presented in Indian Rupee, which is the functional as well as presentation currency of the Company.

All amounts in these restated financial information and notes have been presented in ₹ Millions rounded to two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to this restated financial information.

## Annexure V

Notes forming part of the Restated Financial Information

---

**3.5 Material Accounting Policy**

This note provides a list of Material accounting policy adopted in the preparation of the Restated Financial Information. These policies have been consistently applied to all the prior years presented, unless otherwise stated.

**3.5.1 Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

**(a) Financial Assets**

Financial Assets comprises of Investment, trade receivables, cash and cash equivalents and other financial assets.

**Initial Recognition:**

All financial assets which are not recorded at fair value through Profit and Loss are recognized initially at fair value plus transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company committed to purchase or sell the asset.

**Subsequent Measurement:****(i) Financial assets measured at amortized Cost:**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and where contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):**

Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognized in Other Comprehensive Income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

**(iii) Fair Value through Profit or Loss (FVTPL):**

Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

**De-recognition of Financial Assets:**

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for de-recognition. On de-recognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.



**(b) Financial Liabilities****Initial Recognition and Measurement**

Financial Liabilities are initially recognized at fair value plus any transaction costs, (if any) which are attributable to acquisition of the financial liabilities.

**Subsequent Measurement:**

Financial Liabilities are classified for subsequent measurement into following categories:

**(i) Financial liabilities at Amortized Cost:**

The Company is classifying the following under amortized cost:

- Borrowing from Banks
- Borrowing from Others
- Trade Payables
- Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective interest method of any differences between the initial amount and maturity amount.

**(ii) Financial liabilities at Fair Value through Profit or Loss:**

Financial liabilities held for trading are measured at Fair Value through Profit or Loss

**De-recognition of Financial Liabilities:**

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

**(c) Offsetting of Financial assets and Financial Liabilities**

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

**(d) Reclassification of Financial Assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI, and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines the change in a business model as a result of external or internal changes which are significant to the Company's Operations. A Change in business occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively effective from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## Annexure V

## Notes forming part of the Restated Financial Information

**(e) Derivative financial instruments****Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as cross currency swaps and interest rate swaps to hedge interest rate risks. Such derivative financial instruments are initially recognised at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument or on settlement of such derivative financial instruments are recognised in statement of profit and loss and are classified as Foreign Exchange (Gain) / Loss.

**3.5.2 Share Capital**

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

**3.5.3 Property, Plant and Equipment**

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Properties in the course of construction for supply of services or administrative purpose are carried at cost, less any recognised impairment loss. Cost includes professional fees and other directly attributable cost and for qualifying assets, borrowing cost capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of Property Plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives as prescribed under Part C of Schedule II to the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use. The Company has estimated the following useful life to provide depreciation on its certain Property, Plant and Equipment based on assessment made by expert and / or management estimate.

**Estimated useful lives of the assets are as follows:**

Type of Asset	Useful Life
Solar Plant	20 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised net within "other income / other expenses" in the Statement of profit and loss.

Annexure V

Notes forming part of the Restated Financial Information

---

**3.5.4 Intangible assets**

**Intangible Assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is de-recognised.

**3.5.5 Inventories**

Raw Materials, Stock-in-process, Finished Goods are valued at lower of cost or net realizable value. Stores, Colours & Chemicals and Coal are valued at cost. Cost of stock-in-process and finished goods include materials, labour, manufacturing overhead and other cost incurred in bringing the inventories to their present location.

Items of Colour and Chemicals, Stores and Spares are charged to revenue at the stage of purchase and stock of such items as at the end of the year is accounted at cost.

The stock of scrap / waste materials are valued at estimated net realizable value.

**3.5.6 Impairment**

**(a) Financial assets (other than at fair value)**

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

**(b) Non-financial assets**

**Tangible and Intangible assets**

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

## Annexure V

## Notes forming part of the Restated Financial Information

**Reversal of impairment loss**

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

**3.5.7 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the contract.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

**3.5.8 Revenue Recognition****Revenue:**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

*Variable Consideration*

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the time of completion of performance obligation and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognized.

- (i) Sale of Goods Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 1 to 90 days upon delivery, usually backed by financial arrangements.
- (ii) Revenue from job work processes are recognized as and when the related jobs are performed, the cost incurred up to reporting date for the in-completed jobs are carried to balance sheet under the head cost on job work in process.

Annexure V

Notes forming part of the Restated Financial Information

---

- (iii) The Company accounts for pro forma credits, refunds of duty of customs or refunds of GST in the year of admission of such claims by the concerned authorities. Benefits in respect of Export Licenses are recognized on accrual basis. Export benefits are accounted for as other operating income in the year of export based on eligibility and when there is no uncertainty on receiving the same
- (iv) Interest Income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable. Interest income is included under the head "other income" in the Statement of Profit and Loss.

**3.5.9 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**The Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets ("ROU Assets) at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in 4.6 Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

## Annexure V

Notes forming part of the Restated Financial Information

---

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities has been presented under the head "Other Financial Liabilities".

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 3.5.10 Foreign Currency Translation

The functional currency of the company is the Indian Rupee (₹)

(i) Initial Recognition

Transactions denominated in foreign currencies entered into by the Company are normally recorded at the exchange rates prevailing on the date of transaction.

(ii) Measurement at the Balance Sheet date

Monetary items denominated in foreign currency at year end date are restated at exchange rate prevailing on that date.

(iii) Treatment of exchange differences

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

### 3.5.11 Borrowing Costs

Borrowing costs include

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

**3.5.12 Employee benefits****(a) Short-term obligations**

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(b) Post-employment obligations**

The Company operates the following post-employment schemes: a) defined contribution plans - provident fund b) defined benefit plans - gratuity plans.

**(i) Defined contribution plans**

The Company has defined contribution plan for the post-employment benefits namely Provident Fund, Employees Death Linked Insurance and Employee State Insurance and the contributions towards such funds and schemes are recognised as employee benefits expense and charged to the Statement of Profit and Loss when they are due. The Company does not carry any further obligations with respect to this, apart from contributions made on a monthly basis.

**(ii) Defined benefit plans**

The Company has defined benefit plan, namely gratuity for eligible employees in accordance with the Payment of Gratuity Act, 1972 the liability for which is determined on the basis of an actuarial valuation (using the Projected Unit Credit method) at the end of each year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the tenor of the related obligation. The liability or asset recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item 'Employee benefits expense'.

Remeasurements of the net defined liability, comprising of actuarial gains and losses, return on plan assets (excluding amounts included in net interest on the net defined benefit liability) and any change in the effect of asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Change in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

## Annexure V

Notes forming part of the Restated Financial Information

---

**3.5.13 Income Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax

## (i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

## (ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Restated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## (iii) Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**3.5.14 Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**3.6 Current / non- current classification**

An asset is classified as current if:

- (a) it is expected to be realized or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;



Annexure V

Notes forming part of the Restated Financial Information

---

- (c) it is expected to be realized within twelve months after the reporting period; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of assets for processing / trading / assembling and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**Note 4: Significant accounting judgments, estimates and assumptions**

The preparation of Restated financial Information in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

In the process of applying the Company's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the financial statements.

**4.1 Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

**4.2 Taxes**

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

## Annexure V

Notes forming part of the Restated Financial Information

---

**4.3 Employee Benefits**

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

**4.4 Fair Value Measurement**

A number of Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

- (a) Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.
- (b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (c) Level 3 - unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the Restated financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

- (a) Investment in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting date. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

- (b) Trade and other receivables

The fair value of trade and other receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However in respect of such financial instruments, fair value generally approximates the carrying amount due to short term nature of such assets.

Annexure V

Notes forming part of the Restated Financial Information

---

(c) Non derivative financial liabilities

Fair Value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

**4.5 Impairment of Property, Plant & Equipment**

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss which is material in nature is accounted for.

**4.6 Litigations**

The provision is recognized based on the best estimate of the amount desirable to settle the present obligation arising at the reporting period and of the income is recognized in the cases involving high degree of certainty as to realization.

**4.7 Allowance for uncollectible trade receivables**

Provision matrix takes into accounts historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates as given in the provision matrix

**RAGHUVIR EXIM LIMITED**

**Annexure VI**

**Statement of Adjustments of Restated Financial Information**

There is no difference between Restated Financial Statements for the financial year ended 31st March, 2023 included in Restated Financial Information and Audited IND AS Financial Statements for the financial year ended 31st March, 2023 of the Company. However, the reconciliations between the Restated Financial Statements for the financial year ended 31st March 2022 and 2021 included in Restated Financial Information and Statutory Financial Statements for year ended 31st March, 2022 and 2021 (prepared under previous GAAP) of the Company are as set out in the following tables and notes.

**Part A Reconciliations between the Restated Financial Information and Statutory Financial Statements of the**

**1 Reconciliation of Total Equity**

	[₹ in Millions]	
Particulars	As at 31st March, 2022	As at 31st March, 2021
Total Equity (as per previous GAAP)	658.30	585.92
Add / (Less) :		
Adjustment on account of transition as per Ind AS 101 (Refer Part B Note 2 below and Note 46 for detailed disclosure)	(6.38)	(5.07)
Prior Period Adjustments	-	-
Audit Qualifications	-	-
Other Restatement Adjustments	-	-
Total equity as per restated statement of assets and liabilities	651.92	580.85

**2 Reconciliation between audited profit and restated profit**

	[₹ in Millions]	
Particulars	For the year ended 31st March, 2022    31st March, 2021	
Profit for the year reported earlier under previous GAAP	72.39	74.23
Add / (Less) :		
Adjustment on account of transition as per Ind AS 101 (Refer Part B Note 2 below and Note 46 for detailed disclosure)	(1.32)	15.04
Prior Period Adjustments	-	-
Audit Qualifications	-	-
Other Restatement Adjustments	-	-
Total Comprehensive Income under Restated Statement of Profit or Loss	71.07	89.27

**Statement of Adjustments of Restated Financial Information**

---

**Part B Restatement adjustments**

**A Changes in Accounting Policies in the Periods / Years Covered in the Restated Financials**

There is no change in significant accounting policies adopted by the Company except as mentioned below.

**B Notes on Restatement made in the Restated Financial Information**

- 1 Appropriate re-groupings 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 as per the Ind AS financial information of the Company for the financial year ended 31st March, 2023 respectively prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.
- 2 The company has prepared the statutory financial statements for the financial year ended 31st March, 2022, and 2021 as per accounting standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounting) Rules, 2014("Previous GAAP"). The company has prepared Special Purpose Ind AS financial statements by making Ind AS adjustments to the statutory audited financial statements of the company as per the requirement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. The reconciliation for the same has been provided in note 46.

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**5 Property, plant and equipment**

**5.1 As at 30th September, 2023**

[₹ in Millions]

Particulars	Gross carrying amount (at cost)				Accumulated depreciation				Net carrying amount
	As at 01st April, 2023	Additions	Deductions / Adjustments	As at 30th September, 2023	Up to 31st March, 2023	For the period	Deductions / Adjustments	As at 30th September, 2023	As at 30th September, 2023
<b>Tangible assets</b>									
Land (refer note 3)	35.92	21.20	0.00	57.12	0.00	0.00	0.00	0.00	57.12
Buildings	348.93	0.00	0.00	348.93	22.96	5.76	0.00	28.72	320.21
Plant and Machinery	68.38	2.14	0.00	70.52	14.40	3.53	0.00	17.93	52.59
Furniture and Fixtures	19.44	0.00	0.00	19.44	6.37	1.63	0.00	8.00	11.44
Office Equipments	2.91	0.48	0.00	3.39	0.68	0.22	0.00	0.90	2.49
Computers and Printers	0.81	0.00	0.00	0.81	0.24	0.08	0.00	0.32	0.49
Vehicles (refer note 2)	13.92	0.30	0.00	14.22	0.10	2.44	0.00	2.54	11.68
<b>Total :</b>	490.31	24.12	0.00	514.43	44.75	13.66	0.00	58.41	456.02

**Note**

- 1 The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- 2 Vehicles aggregate amounting to ₹ 7.60 Millions (Net of accumulated depreciation) are held in the name of directors of the company
- 3 The land, bearing various survey numbers located at Oganj and Vansva, have been provided as collateral security against borrowings availed by Entity over which Key Management Personnel individually / jointly gaining control or exercise significant influence

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**5 Property, plant and equipment ... Continued..**

**5.2 As at 31st March, 2023**

[₹ in Millions]

Particulars	Gross carrying amount (at cost)				Accumulated depreciation				Net carrying amount
	As at 01st April, 2022	Additions	Deductions / Adjustments	As at 31st March, 2023	Up to 31st March, 2022	For the year	Deductions / Adjustments	As at 31st March, 2023	As at 31st March, 2023
<b>Tangible assets</b>									
Land	89.86	33.10	87.04	35.92	0.00	0.00	0.00	0.00	35.92
Buildings	348.93	0.00	0.00	348.93	11.47	11.49	0.00	22.96	325.97
Plant and Machinery	67.76	0.62	0.00	68.38	7.13	7.27	0.00	14.40	53.98
Furniture and Fixtures	17.43	2.01	0.00	19.44	3.13	3.24	0.00	6.37	13.07
Office Equipments	2.49	0.73	0.31	2.91	0.40	0.58	0.30	0.68	2.23
Computers and Printers	0.81	0.00	0.00	0.81	0.08	0.16	0.00	0.24	0.57
Vehicles (refer note 2)	19.38	4.05	9.51	13.92	4.82	3.61	8.33	0.10	13.82
<b>Total :</b>	546.66	40.51	96.86	490.31	27.03	26.35	8.63	44.75	445.56

**Note**

- 1 The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- 2 Vehicles aggregate amounting to ₹ 9.78 Millions (Net of accumulated depreciation) are held in the name of directors of the company

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**5 Property, plant and equipment ... Continued..**

**5.3 As at 31st March, 2022**

[₹ in Millions]

Particulars	Gross carrying amount (at cost)				Accumulated depreciation				Net carrying amount
	As at 01st April, 2021	Additions	Deductions / Adjustments	As at 31st March, 2022	Up to 31st March, 2021	For the year	Deductions / Adjustments	As at 31st March, 2022	As at 31st March, 2022
<b>Tangible assets</b>									
Land	80.93	8.93	0.00	89.86	0.00	0.00	0.00	0.00	89.86
Buildings	347.66	1.27	0.00	348.93	0.00	11.47	0.00	11.47	337.46
Plant and Machinery	57.42	10.34	0.00	67.76	0.00	7.13	0.00	7.13	60.63
Furniture and Fixtures	16.44	0.99	0.00	17.43	0.00	3.13	0.00	3.13	14.30
Office Equipments	1.69	0.80	0.00	2.49	0.00	0.40	0.00	0.40	2.09
Computers and Printers	0.43	0.38	0.00	0.81	0.00	0.08	0.00	0.08	0.73
Vehicles (refer note 2)	19.38	0.00	0.00	19.38	0.00	4.82	0.00	4.82	14.56
<b>Total :</b>	<b>523.95</b>	<b>22.71</b>	<b>0.00</b>	<b>546.66</b>	<b>0.00</b>	<b>27.03</b>	<b>0.00</b>	<b>27.03</b>	<b>519.63</b>

**Notes**

- The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- Vehicles aggregate amounting to ₹ 14.46 Millions (Net of accumulated depreciation) are held in the name of directors of the company

... Continued..



**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**5 Property, plant and equipment ... Continued..**

**5.3 As at 31st March, 2022**

- 3 In pursuance of optional exemption available under Ind AS 101, the company has opted to continue with net carrying value of property, plant and equipment as recognised in the financial statements under previous GAAP as deemed cost as on date of transition to Ind AS (i.e. 1st April, 2021) for the purpose of Ind AS financial statements included in restated financial information. The basis for deriving net carrying value treated as deemed cost is as stated here under.

[₹ in Millions]

Particular	Gross Carrying Amount as at 1st April, 2021	Accumulated depreciation	Net carrying amount As at 1st April, 2021
<b>Tangible assets</b>			
Land	80.93	0.00	80.93
Buildings	440.32	92.66	347.66
Plant and Machinery	119.58	62.16	57.42
Furniture and Fixtures	35.46	19.02	16.44
Office Equipments	20.17	18.48	1.69
Computers and Printers	7.63	7.20	0.43
Vehicles	40.72	21.34	19.38
	<b>744.81</b>	<b>220.86</b>	<b>523.95</b>

**Note:** The company has not revalued any of its Property, Plant and Equipments as on transition date.

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**5 Property, plant and equipment**

**5.4 As at 31st March, 2021**

[₹ in Millions]

Particulars	Gross carrying amount (at cost)					Accumulated depreciation					Net carrying amount
	As at 01st April, 2020	Additions	Deductions / Adjustement	Transaction on account of Ind AS	As at 31st March, 2021	Up to 31st March, 2020	For the year	Deductions / Adjustement	Transaction on account of Ind AS	As at 31st March, 2021	As at 31st March, 2021
<b>Tangible assets</b>											
Land	59.39	21.54	0.00	0.00	80.93	0.00	0.00	0.00	0.00	0.00	80.93
Buildings	357.75	1.36	0.00	11.43	347.68	0.00	11.43	0.00	11.43	0.00	347.68
Plant and Machinery	63.09	3.29	0.00	8.95	57.43	0.00	8.95	0.00	8.95	0.00	57.43
Furniture and Fixtures	19.66	0.00	0.00	3.22	16.44	0.00	3.23	0.00	3.23	0.00	16.44
Office Equipments	4.01	0.34	0.00	2.65	1.70	0.00	2.66	0.00	2.66	0.00	1.70
Computers and Printers	0.51	0.03	0.00	0.11	0.43	0.00	0.11	0.00	0.11	0.00	0.43
Vehicles	24.20	0.00	0.00	4.82	19.38	0.00	4.82	0.00	4.82	0.00	19.38
<b>Total :</b>	<b>528.61</b>	<b>26.56</b>	<b>0.00</b>	<b>31.18</b>	<b>523.99</b>	<b>0.00</b>	<b>31.20</b>	<b>0.00</b>	<b>31.20</b>	<b>0.00</b>	<b>523.99</b>

**Notes:**

- 1 The depreciation on property, plant and equipment for the financial years ended on 31st March, 2021, as computed and disclosed at note 5.4 above, has not been accumulated but adjusted against the gross block of respective assets so as to arrive at net carrying value of property, plant and equipment (which is in agreement with the net carrying value of property, plant and equipment under previous GAAP) adopted as deemed cost as on date of transition (i.e. 1st April, 2021) relevant to Ind AS financial statements for the financial year ended 31st March, 2023 and comparative financial year ended 31st March, 2022.
- 2 Refer Note 44(a) for title deeds of the immovable property and 44(b) for revaluation of property, plant & equipment.

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**5 Property, plant and equipment ...Continued..**

**5.4 As at 31st March, 2021 ... Continued..**

3 In pursuance of optional exemption available under Ind AS 101, the company has opted to continue with net carrying value of property, plant and equipment as recognised in

[₹ in Millions]

Particular	Gross Carrying Amount as at 1st April, 2020	Accumulated depreciation	Net carrying amount As at 1st April, 2020
<b>Tangible assets</b>			
Land	59.39	0.00	59.39
Buildings	369.21	11.46	357.75
Plant and Machinery	72.58	9.49	63.09
Furniture and Fixtures	22.90	3.24	19.66
Office Equipments	7.14	3.13	4.01
Computers and Printers	0.68	0.17	0.51
Vehicles	24.38	0.18	24.20
	556.28	27.67	528.61

4 Vehicles aggregate amounting to ₹ 19.30 Million (Net of accumulated depreciation) are held in the name of directors of the company

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**6 Capital work in progress**

**As at 30th September, 2023**

[₹ in Millions]

Particulars	As at 1st April, 2023	Addition	Capitalized during the period	Adjustment	As at 30th September, 2023
Dormitory Building	0.00	72.23	0.00	0.00	72.23
	0.00	72.23	0.00	0.00	72.23

**As at 31st March, 2023**

[₹ in Millions]

Particulars	As at 1st April, 2022	Addition	Capitalized during the year	Adjustment	As at 31st March, 2023
Plant & Machinery	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00

**As at 31st March, 2022**

[₹ in Millions]

Particulars	As at 1st April, 2021	Addition	Capitalized during the year	Adjustment	As at 31st March, 2022
Plant & Machinery	6.44	0.00	6.44	0.00	0.00
	6.44	0.00	6.44	0.00	0.00

**As at 31st March, 2021**

[₹ in Millions]

Particulars	As at 1st April, 2020	Addition	Capitalized during the year	Adjustment	As at 31st March, 2021
Plant & Machinery	0.00	6.44	0.00	0.00	6.44
	0.00	6.44	0.00	0.00	6.44

**Note :** Refer note 43(d) for detailed disclosure

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**7 Right to use asset**

[₹ in Millions]

Particulars	Land and Building
<b>Gross carrying amount (Deemed Cost)</b>	
<b>Balance as at 1st April, 2020</b>	111.64
Additions during the year	117.16
Deletions during the year	0.00
Transaction on account of Ind AS (Refer note 1 below)	( 16.20)
<b>Balance as at 31st March, 2021</b>	212.60
Additions during the year	0.00
Deletions during the year (Refer note 2 below)	44.28
<b>Balance as at 31st March, 2022</b>	168.32
Additions during the year	0.00
Deletions during the year	0.00
<b>Balance as at 31st March, 2023</b>	168.32
Additions during the year	
Deletions during the year	163.36
<b>Balance as at 30th September, 2023</b>	4.96
<b>Amortisation expense</b>	
<b>Balance as at 1st April, 2020</b>	4.47
Amortisation during the year	11.73
Deletions during the year	0.00
Transaction on account of Ind AS (Refer note 1 below)	( 16.20)
<b>Balance as at 31st March, 2021</b>	( 0.00)
Amortisation during the year	11.34
Deletions during the year	3.85
<b>Balance as at 31st March, 2022</b>	7.49
Amortisation during the year	9.87
Deletions during the year	0.00
<b>Balance as at 31st March, 2023</b>	17.36
Amortisation during the period	0.48
Deletions during the period	17.62
<b>Balance as at 30th September, 2023</b>	0.22
<b>Net Carrying amount</b>	
Balance as at 31st March, 2021	212.60
Balance as at 31st March, 2022	160.83
Balance as at 31st March, 2023	150.96
<b>Balance as at 30th September, 2023</b>	4.74

**Note:**

- The amortization of right to use asset for the financial years ended on 31st March, 2021, as computed and disclosed as above, has not been accumulated but adjusted against the gross block of respective assets so as to arrive at net carrying value of right to use asset adopted as deemed cost as on date of transition (e.e. 1st April, 2021) relevant to Ind AS financial statements for the financial year ended 31st March, 2023 and comparative financial year ended 31st March, 2022
- In pursuance of termination of long term lease deed, the company has derecognized Right of Use Asset and corresponding Lease Liability during Financial Year ended 31st march, 2022.
- Refer note no. 40 for detailed disclosures

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**8 Investments**

[₹ in Millions]

Particulars	As at		As at	
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>Non- Current Investment measured at Fair Value through Other Comprehensive Income</b>				
<b>In Preference Shares</b>				
HYS Industries Private Limited 0.5% Non -Participating Non-Cummlative Optionally Convertible Redeemable Preference Shares of ₹ 1/- each fully paid up at premium of ₹ 13.68 per share.	250.00	230.00	0.00	0.00
[30th September, 2023 : 1,70,29,975, 31st March, 2023 : 1,56,67,575, 31st March, 2022: NIL and 31st March, 2021: NIL)				
	250.00	230.00	0.00	0.00
<b>Current Investments measured at Fair Value Through Profit or Loss</b>				
<b>In Mutual Bonds (Unquoted)</b>				
Bandhan Bond Fund - Regular Grow	25.90	25.12	24.23	23.29
5,21,403.619, 31st March, 2023 : 5,21,403.619, 31st March, 2022 : 5,21,403.619 and 31st March, 2021: 5,21,403.619 Units]				
HDFC Credit Rist Debt Fund - Regular Growth	30.15	29.14	28.01	26.19
[30th September, 2023 : 14,38,607.711, 31st March, 2023 : 14,38,607.711, 31st March, 2022: 14,38,607.711 and 31st March, 2021: 14,38,607.711 Units]				
	56.05	54.26	52.24	49.48
<b>Notes:</b>				
(i) Aggregate carrying value of quoted investments	NIL	NIL	NIL	NIL
(ii) Aggregate market value of quoted investments	NIL	NIL	NIL	NIL
(iii) Aggregate carrying value of unquoted investments	306.05	284.26	52.24	49.48
(iv) Aggregate amount of impairment in value of investments	NIL	NIL	NIL	NIL
(v) The Current Investment have been placed as security against borrowings from banks.				

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**9 Other financial assets**

[₹ in Millions]

Particulars	As at		As at	
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>Non-current</b>				
Security Deposit	1.38	1.38	1.59	1.59
	<u>1.38</u>	<u>1.38</u>	<u>1.59</u>	<u>1.59</u>
<b>Current</b>				
Refund Receivables				
Goods and Service Tax	36.52	10.73	12.96	23.94
Capital Advances	40.00	42.50	50.00	50.00
Others	0.03	0.00	9.81	0.31
Export Incentive Receivables	57.88	42.46	89.54	49.04
	<u>134.43</u>	<u>95.69</u>	<u>162.31</u>	<u>123.29</u>

**10 Other assets**

[₹ in Millions]

Particulars	As at		As at	
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>Non-current</b>				
Capital advances	67.85	55.01	57.99	47.12
	<u>67.85</u>	<u>55.01</u>	<u>57.99</u>	<u>47.12</u>
<b>Current</b>				
Advances to Vendors, Contractors and others				
Related Party	438.83	381.42	196.53	109.65
Others	5.49	6.87	4.93	3.56
Balance with revenue authorities	0.92	4.57	1.83	15.57
Prepaid expenses	10.61	4.02	4.42	2.84
Deposit with Court (Refer note 35)	2.50	2.50	2.50	2.50
	<u>458.35</u>	<u>399.38</u>	<u>210.21</u>	<u>134.12</u>
<b>Due From</b>				
Directors	NIL	0.15	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	438.83	381.27	196.53	109.65

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**11 Inventories**

(Valued at lower of cost and net realizable value)

[₹ in Millions]

Particulars	As at		As at	
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Raw Material	0.00	0.00	109.52	4.81
Finished Goods	131.58	71.13	110.66	134.18
Stock-in-process	209.10	159.91	120.20	136.11
Stock-in-trade	0.43	44.65	1.89	2.17
Packing Material	4.51	3.91	4.00	35.40
	<u>345.62</u>	<u>279.60</u>	<u>346.27</u>	<u>312.67</u>

**Notes:**

1. The above carrying amount of inventories has been hypothecated to secure borrowings of the company. [Refer note 18]
2. Refer note 3.5.5 for valuation of Inventories

**12 Trade receivables**

[₹ in Millions]

Particulars	As at		As at	
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>Trade receivables</b>				
Unsecured, Considered Good				
Related Party	2.71	23.04	35.82	3.51
Others	268.37	126.56	266.90	271.82
Trade Receivables which have significant increase in credit risk	0.00	0.00	0.00	0.00
Credit Impaired	15.07	15.07	15.07	15.07
	<u>286.15</u>	<u>164.67</u>	<u>317.79</u>	<u>290.40</u>

**Impairment Allowance**

(Allowance for bad and doubtful debts)

Unsecured, Considered Good	0.00	0.00	0.00	0.00
Trade Receivables which have significant increase in credit risk	0.00	0.00	0.00	0.00
Credit Impaired	15.07	15.07	15.07	15.07
	<u>15.07</u>	<u>15.07</u>	<u>15.07</u>	<u>15.07</u>
	<u>271.08</u>	<u>149.60</u>	<u>302.72</u>	<u>275.33</u>

**Due From**

Directors	NIL	NIL	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	2.71	23.04	35.82	3.51

**Notes:**

1. Refer note 39.5.1 for credit risk related disclosures
2. The above Trade Receivables have been placed as security against borrowings of the company (Refer note 18)
3. Trade receivables are non-interest bearing and are generally on credit terms of 1 to 90 days.
4. Expected credit loss allowance is below ₹ 1,000/-.



**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**12A. Trade Receivable Ageing**

**As at 30th September, 2023**

[₹ in Millions]

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months	1-2 Years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>							
considered good	259.69	11.31	0.00	0.00	0.00	0.00	<b>271.00</b>
considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Disputed Trade Receivables</b>							
considered good	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
considered doubtful	0.00	0.00	0.00	0.00	0.00	15.07	<b>15.07</b>
<b>Less:Provisions for Doubtful Debts</b>	0.00	0.00	0.00	0.00	0.00	( 15.07)	<b>( 15.07)</b>
	<b>259.69</b>	<b>11.31</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>271.00</b>

**As at 31st March, 2023**

[₹ in Millions]

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months	1-2 Years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>							
considered good	149.60	0.00	0.00	0.00	0.00	0.00	<b>149.60</b>
considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Disputed Trade Receivables</b>							
considered good	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
considered doubtful	0.00	0.00	0.00	0.00	0.00	15.07	<b>15.07</b>
<b>Less:Provisions for Doubtful Debts</b>	0.00	0.00	0.00	0.00	0.00	( 15.07)	<b>( 15.07)</b>
	<b>149.60</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>149.60</b>

**As at 31st March, 2022**

[₹ in Millions]

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months	1-2 Years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>							
considered good	302.58	0.00	0.14	0.00	0.00	0.00	<b>302.72</b>
considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Disputed Trade Receivables</b>							
considered good	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
considered doubtful	0.00	0.00	0.00	0.00	0.00	15.07	<b>15.07</b>
<b>Less: Provisions for Doubtful Debts</b>	0.00	0.00	0.00	0.00	0.00	( 15.07)	<b>( 15.07)</b>
<b>Total :</b>	<b>302.58</b>	<b>0.00</b>	<b>0.14</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>302.72</b>

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**As at 31st March, 2021**

[₹ in Millions]

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -	1-2 Years	2-3 years	More than 3 years	
<b>Undisputed Trade receivables</b>							
considered good	275.29	0.00	0.04	0.00	0.00	0.00	<b>275.33</b>
considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Disputed Trade Receivables</b>							
considered good	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
considered doubtful	0.00	0.00	0.00	0.00	0.00	15.07	<b>15.07</b>
Less: Provisions for Doubtful Debts	0.00	0.00	0.00	0.00	0.00	( 15.07)	<b>( 15.07)</b>
<b>Total</b>	<b>275.29</b>	<b>0.00</b>	<b>0.04</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>275.33</b>

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**13 Cash and cash equivalents**

[₹ in Millions]

Particulars	As at		As at	
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Balances with banks				
In Current Accounts	53.22	98.31	116.62	35.12
Cash on hand	0.91	0.63	0.37	0.46
	<u>54.13</u>	<u>98.94</u>	<u>116.99</u>	<u>35.58</u>

**14 Loans**

[₹ in Millions]

Particulars	As at		As at	
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>Unsecured (considered goods)</b>				
<b>Current</b>				
Loans Granted				
Related Party	120.55	4.77	0.00	2.32
Employees	0.21	0.20	0.08	0.08
	<u>120.76</u>	<u>4.97</u>	<u>0.08</u>	<u>2.40</u>
<b>Due From</b>				
Directors	120.55	4.77	NIL	2.32
Officers either severally or jointly with other persons	NIL	NIL	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	NIL	NIL	NIL	NIL

**15 Current tax assets (Net)**

[₹ in Millions]

Particulars	As at		As at	
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Advance tax	98.19	32.85	80.61	29.13
Less: Provision for tax	88.40	23.40	68.80	20.40
	<u>9.79</u>	<u>9.45</u>	<u>11.81</u>	<u>8.73</u>

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**16 Equity share capital**

[₹ in Millions]

Particulars	As at	As at	As at	As at
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>16.1 Authorised</b>				
8,50,00,000 [31st March,2023: 50,00,000, 31st March,2022: 50,00,000, 1st April 2021: 50,00,000] Equity Shares of ₹ 10/- each	850.00	50.00	50.00	50.00
	<u>850.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
<b>16.2 Issued, subscribed and paid-up</b>				
5,25,00,000 [31st March,2023: 25,00,000, 31st March,2022: 25,00,000, 1st April, 2021: 25,00,000] Equity shares of ₹ 10/- each fully paid - up	525.00	25.00	25.00	25.00
	<u>525.00</u>	<u>25.00</u>	<u>25.00</u>	<u>25.00</u>

**16.3 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year.**

Particulars	As at	As at	As at	As at
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>At the beginning of the year</b>	25 00 000.00	25 00 000.00	25 00 000.00	25 00 000.00
<b>Add : Shares issued for cash</b>	500 00 000.00	0.00	0.00	0.00
<b>Add : Bonus share issue</b>	0.00	0.00	0.00	0.00
<b>Less : Shares bought back / redemption etc.</b>	0.00	0.00	0.00	0.00
<b>Outstanding at the end of the year</b>	<u>525 00 000.00</u>	<u>25 00 000.00</u>	<u>25 00 000.00</u>	<u>25 00 000.00</u>

**16.4 Rights, preferences and restrictions**

- (i) All shares issued are fully paid up ordinary shares. The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-.
- (ii) The holders of equity shares are entitled to receive dividends as declared from time to time. No dividend shall be payable except out of profits of the Company arrived at in the manner provided for in Section 123 of the Companies Act, 2013.
- (iii) All shares rank equally with regard to Company's residual assets. The distribution will be in proportion to the number of equity shares held by shareholders.

**16.5 Details of shareholders holding more than 5% shares in the company**

Particulars	As at		As at		As at		As at	
	30th September 2023		31st March, 2023		31st March, 2022		31st March, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Sunil R. Agarwal	392 28 000	74.72%	18 68 000	74.72%	18 68 000	74.72%	18 68 000	74.72%
Pamita S. Agarwal	63 00 000	12.00%	3 00 000	12.00%	3 00 000	12.00%	3 00 000	12.00%
Yash S. Agarwal	34 85 937	6.63%	1 65 997	6.63%	1 65 997	6.63%	1 65 997	6.63%
Hardik S. Agarwal	34 86 000	6.64%	1 66 000	6.64%	1 66 000	6.64%	1 66 000	6.64%
	<u>524 99 937</u>	<u>99.99%</u>	<u>24 99 997</u>	<u>99.99%</u>	<u>24 99 997</u>	<u>99.99%</u>	<u>24 99 997</u>	<u>99.99%</u>

... Continud..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**16 Equity share capital ... Continued..**

**16.6 Disclosures relating to promoter's holding in the company  
Shares held by promoters**

Particulars	As at 30th September, 2023		As at 31st March, 2023		%Change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Sunil R. Agarwal	392 28 000	74.72%	18 68 000	74.72%	0.00%
Yash S. Agarwal	34 85 937	6.63%	0	0.00%	6.63%
Hardik S. Agarwal	34 86 000	6.64%	0	0.00%	6.64%
Pamita S. Agarwal	63 00 000	12.00%	0	0.00%	12.00%
<b>Total :</b>	<b>524 99 937</b>		<b>18 68 000</b>		

Particulars	As at 31st March, 2023		As at 31st March, 2022		%Change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Sunil R. Agarwal	18 68 000	74.72%	18 68 000	74.72%	0.00%
Yash S. Agarwal	0	0.00%	1 65 997	6.64%	-6.64%
Hardik S. Agarwal	0	0.00%	1 66 000	6.64%	-6.64%
Pamita S. Agarwal	0	0.00%	3 00 000	12.00%	-12.00%
Aditi Yash Agarwal	0	0.00%	1	0.00%	0.00%
<b>Total :</b>	<b>18 68 000</b>		<b>24 99 998</b>		

Particulars	As at 31st March, 2022		As at 31st March, 2021		%Change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Sunil R. Agarwal	18 68 000	74.72%	18 68 000	74.72%	0.00%
Yash S. Agarwal	1 65 997	6.64%	1 65 997	6.64%	0.00%
Hardik S. Agarwal	1 66 000	6.64%	1 66 000	6.64%	0.00%
Pamita S. Agarwal	3 00 000	12.00%	3 00 000	12.00%	0.00%
Aditi Yash Agarwal	1	0.00%	1	0.00%	0.00%
<b>Total :</b>	<b>24 99 998</b>		<b>24 99 998</b>		

**16.7 Note to Equity Share Capital**

- (i) In pursuance of resolution passed at EGM held on 17/07/2023 , the company has issued and allotted 5,00,00,000 fully paid up equity shares by way of bonus issue on 31/07/2023, in the proportion of 20 number of equity shares for every 1 number of equity shares held by each shareholders.
- (ii) The Company has not allotted any equity shares pursuant to any contract without payment being received in cash;
- (ii) The Company has not bought back any equity shares

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**17 Other equity**

[₹ in Millions]

Particulars	As at			
	30th September, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Securities premium (Refer note 17.1)	0.00	140.00	140.00	140.00
Capital Reserve (Refer note 17.2)	0.00	0.00	0.00	0.00
General Reserve (Refer note 17.3)	0.00	7.83	7.83	7.83
Retained earnings (Refer note 17.4)	438.27	670.81	478.43	407.97
Other comprehensive income (Refer note 17.5)	1.82	1.51	0.66	0.05
	440.090	820.15	626.92	555.85

**17.1 Securities premium**

[₹ in Millions]

Particulars	As at			
	30th September, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Balance as per previous financial statements	140.00	140.00	140.00	140.00
Add/(Less): Addition / (Deduction) during the year	( 140.00)	0.00	0.00	0.00
<b>Balance at the end of the period/year</b>	0.00	140.00	140.00	140.00

**17.2 Capital Reserve**

[₹ in Millions]

Particulars	As at			
	30th September, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Balance as per previous financial statements(*)	0.00	0.00	0.00	0.00
Add/(Less): Addition / (Deduction) during the year	0.00	0.00	0.00	0.00
<b>Balance at the end of the period/year</b> (*amount below INR 1000)	0.00	0.00	0.00	0.00

**17.3 General Reserve**

[₹ in Millions]

Particulars	As at			
	30th September, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Balance as per previous financial statements	7.83	7.83	7.83	7.83
Add/(Less): Addition / (Deduction) during the year	-	0.00	0.00	0.00
Less: Utilized for Bonus issue of shares	(7.83)	0.00	0.00	0.00
<b>Balance at the end of the period/year</b>	-	7.83	7.83	7.83

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**17 Other equity ... Continued..**

**17.4 Retained earnings**

[₹ in Millions]

Particulars	As at	As at	As at	As at
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Balance as per financial statements	670.81	478.43	407.97	318.79
Add: Profit/(Loss) for the year	119.63	192.38	70.46	89.18
	790.44	670.81	478.43	407.97
Less: Utilized for Bonus issue of shares	(352.17)	0.00	0.00	0.00
<b>Balance at the end of the year</b>	<b>438.27</b>	<b>670.81</b>	<b>478.43</b>	<b>407.97</b>

**17.5 Other comprehensive income**

[₹ in Millions]

Particulars	As at	As at	As at	As at
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Balance as per financial statements	1.51	0.66	0.05	( 0.04)
Add / (Less) : Remeasurement of the defined benefit plans (Net of Taxes)	0.31	0.85	0.61	0.09
Add / (Less) : Gain on measurement of equity instruments at fair value (Net of Taxes)	0.00	0.00	0.00	0.00
Total Addition During the year	0.31	0.85	0.61	0.09
Add / (Less) : Income taxes on remeasurement of the defined benefit	0.00	0.00	0.00	0.00
Add / (Less) : Income taxes on gain on measurement of equity instruments at fair value (Net of taxes)	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00
<b>Balance at the end of the year</b>	<b>1.82</b>	<b>1.51</b>	<b>0.66</b>	<b>0.05</b>

**Notes:**

**1 Securities premium :**

Securities premium reflects issuance of the shares by the Company at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "securities premium account" as per the provisions of the Companies Act, 2013. The reserve can be utilised in accordance with the provisions of the Act.

**2 General Reserve**

General Reserve is a free reserve created by the company by transfer from retained earnings for appropriation purposes and is available for distribution of dividend.

**3 Retained earnings**

The retained earnings reflect the profit of the company earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013.

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**18 Borrowings**

[₹ in Millions]

Particulars	As at			
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>Non-current</b>				
<b>Secured loans - at amortised cost</b>				
<b>From Banks</b>				
Working Capital Term Loan	112.49	134.96	164.58	164.52
Other Term Loans	1.84	2.43	3.54	2.51
	<u>114.33</u>	<u>137.39</u>	<u>168.12</u>	<u>167.03</u>
Add / (Less) : Amortization of Processing Fees	( 0.05)	( 0.06)	( 0.08)	( 0.04)
<b>Total (A):</b>	<u>114.28</u>	<u>137.33</u>	<u>168.04</u>	<u>166.99</u>
<b>Unsecured loans - at amortised cost</b>				
<b>From Banks</b>				
Vehicle Loans	1.72	2.27	0.00	1.38
Add / (Less) : Amortization of Processing Fees	0.00	( 0.01)	0.00	0.00
<b>Total (B):</b>	<u>1.72</u>	<u>2.26</u>	<u>0.00</u>	<u>1.38</u>
<b>Total Non-Current Borrowings (A+B):</b>	<u>116.00</u>	<u>139.59</u>	<u>168.04</u>	<u>168.37</u>
<b>Current</b>				
<b>Secured loans - at amortised cost</b>				
<b>Repayable on demand</b>				
<b>From Bank</b>				
Working Capital / Cash Credit loans	968.48	665.05	672.62	536.82
<b>Unsecured Loans</b>				
<b>Repayable on Demand</b>				
Directors and relatives	25.54	1.66	3.04	27.83
Inter corporate deposit	0.00	0.00	0.00	6.44
	<u>25.54</u>	<u>1.66</u>	<u>3.04</u>	<u>34.27</u>
<b>From NBFC</b>				
Bill Discounting Facility	33.64	17.10	40.56	15.85
<b>Current maturity of long term debt</b>				
<b>Secured</b>				
Term Loans	38.86	30.86	65.76	47.94
Add / (Less) : Amortization of Processing Fees	( 0.02)	( 0.02)	( 0.57)	( 1.49)
	<u>38.84</u>	<u>30.84</u>	<u>65.19</u>	<u>46.45</u>
<b>Unsecured</b>				
Vehicle Loans	1.09	1.04	1.36	3.16
Add / (Less) : Amortization of Processing Fees	( 0.01)	( 0.01)	0.00	0.00
	<u>1.08</u>	<u>1.03</u>	<u>1.36</u>	<u>3.16</u>
<b>Total Current Borrowings</b>	<u>1 067.58</u>	<u>715.68</u>	<u>782.77</u>	<u>636.55</u>
<b>Total Borrowings</b>	<u>1 183.58</u>	<u>855.27</u>	<u>950.81</u>	<u>804.92</u>

... Continued..



**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**18 Borrowings ... Continued..**

**Nature of security**

**HDFC Bank Ltd- Working Capital / Cash Credit and other Term Loans**

**Primary Security**

The above borrowings are primarily secured by :

- (i) Hypotheciation by way of the first Charge on all the stock in trade both present and future consisting of raw materials, finished goods, goods in process of manufacturing, and other merchandise and fixed assets being movable Properties, Book Debts, money receivable, claims and bills etc and charge over Movable Plant and Machinery.
- (ii) Hypothecation by way of Exclusive Charge on Security/Securities [Mutual Funds] as a continuing security for the repayment of Rs. 50 Millions by the company; and

**Collateral Security**

Equitable mortgage of properties as mentioned below in respect of entire exposure

<b>Sr. No.</b>	<b>Property Description</b>	<b>Type of</b>	<b>Owner</b>
1	Industrial Plot Block No.10, Kamod, Ta. Ahmedabad.	Industrial	Mr. Sunil Agarwal
2	Survey No. 80, Nr. Unique Processors, Piplaj - Pirana Road, Ahmedabad	Industrial	Mr. Sunil Agarwal
3	Block No. 1035A, Near Ayodhaya Shilaj Township, Shilaj Rancharda Road, Shilaj.	Commercial	Mr. Sunil Agarwal

**Kotak Mahindra Bank - Working Capital Loans**

The above loan is primarily secured by :

Hypothecation by way of First Pari - Passu Charge (Jointly with hdfc Bank) on the following assets of the Company

- (i) all the present and future stock consisting of raw materials, semi-finished goods, finished goods, spares, spares
- (ii) all the present and future equipment, spares, tools & accessories, machinery, Vehicles, motors;
- (iii) all book debt, moneys, claims, contract, demand, receivables; and
- (iv) all existing and future current assets/moveable fixed assets Borrower.

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**18 Borrowings ... Continued..**

**Terms of Repayments and Rate of Interest**

**HDFC Bank Limited - Working Capital Term Loans**

- 1 The Term loan is repayable in equal monthly installments of ₹ 4.17 Millions each, which commenced from January-2018 and the last installment fell due on January, 2023. However the amount of the last installment due on January 2023 has been readjusted to ₹ 2.57 Millions. The Rate of Interest was 9.25% as at the commencement of the loan.
- 2 The Gaurantee Emergency Credit Line loan 1 is repayable in equal monthly installments of ₹ 3.14 Millions each which commenced from March-2022 and the last installment fell due on February, 2026. The Rate of Interest was 7.50% at the commencement of the loan and the current rate at the close of the September is 9.25%
- 3 The Gaurantee Emergency Credit Line loan 2 is repayable in 74 monthly installments starting from April, 2024 amounting to ₹ 1.57 Millions, the last installment fell due in May, 2028. The Rate of Interest was 7.50% as at the commencement of the loans and the current rate at the close of the September 2023 is 9.25%
- 4 The term loan for Solar plant is repayable in initially in installment of Rs. 0.06 Millions which will commence from March - 2021 and thereafter equal monthly installments of ₹ 0.16 Millions each and the last installment will fall due on February, 2026. The Rate of Interest was 7.95% (Repo rate + 3.95%) as at year of the period and the current rate at the close of September 2023 is 9.00%

**HDFC Bank Limited - Vehicle Loans**

- 1 The vehicle loan is repayable in equal monthly installments of ₹ 0.13 Millions each which will commence from May, 2019 and the last installment will fall due in May, 2022. The Rate of Interest was 9.25% as at year of the period.

**BMW Financial Services Pvt Ltd - Vehicle Loans**

- 1 The vehicle loan is initially repayable in installment of ₹ 0.15 Millions which will commence from November-2019 and thereafter equal monthly installments of ₹ 0.16 Millions each and the last installment will fall due in October, 2022. The Rate of Interest was 8.75% as at year of the period.

**19 Lease liabilities**

[₹ in Millions]

Particulars	As at			
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Non-current	9.99	172.66	178.51	224.16
Current	2.02	5.84	5.34	5.47
	12.01	178.50	183.85	229.63

**Note:**

Refer Note 40 for further disclosure

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**20 Provisions**

[₹ in Millions]

Particulars	As at			
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>Non-current</b>				
Provision for gratuity (Refer Note 36)	4.52	4.37	4.14	4.00
	<u>4.52</u>	<u>4.37</u>	<u>4.14</u>	<u>4.00</u>
<b>Current</b>				
Provision for gratuity (Refer Note 36)	0.60	0.59	0.64	0.48
	<u>0.60</u>	<u>0.59</u>	<u>0.64</u>	<u>0.48</u>

**21 Trade payables**

[₹ in Millions]

Particulars	As at			
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Dues to micro and small enterprises	0.56	0.39	0.87	1.01
Dues to others	22.83	27.57	76.47	37.73
	<u>23.39</u>	<u>27.96</u>	<u>77.34</u>	<u>38.74</u>

Refer note 42 relating to due to Micro and Small Enterprises

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**21A. Trade Payable Ageing**

**As at 30th September, 2023**

[₹ in Millions]

Particulars	Outstanding for following periods from date of transaction						Total
	Unbilled	Not Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
MSME	0.00	3.05	0.56	0.00	0.00	0.00	<b>3.61</b>
Others	0.00	0.00	18.77	0.68	0.33	0.00	<b>19.78</b>
Disputed Dues :							
- MSME	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
- Others	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>0.00</b>	<b>3.05</b>	<b>19.33</b>	<b>0.68</b>	<b>0.33</b>	<b>0.00</b>	<b>23.39</b>

**As at 31st March, 2023**

[₹ in Millions]

Particulars	Outstanding for following periods from date of transaction						Total
	Unbilled	Not Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
MSME	0.00	0.00	0.39	0.00	0.00	0.00	<b>0.39</b>
Others	0.00	0.00	27.10	0.22	0.04	0.21	<b>27.57</b>
Disputed Dues :							
- MSME	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
- Others	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>27.49</b>	<b>0.22</b>	<b>0.04</b>	<b>0.21</b>	<b>27.96</b>

**As at 31st March, 2022**

[₹ in Millions]

Particulars	Outstanding for following periods from date of transaction						Total
	Unbilled	Not Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
MSME	0.00	0.00	0.87	0.00	0.00	0.00	<b>0.87</b>
Others	0.00	0.00	74.80	0.74	0.93	0.00	<b>76.47</b>
Disputed Dues :							
- MSME	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
- Others	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>75.67</b>	<b>0.74</b>	<b>0.93</b>	<b>0.00</b>	<b>77.34</b>

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**21A. Trade Payable Ageing ... Continued..**

**As at 31st March, 2021**

[₹ in Millions]

Particulars	Outstanding for following periods from date of transaction						Total
	Unbilled	Not Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
MSME	0.00	0.00	1.01	0.00	0.00	0.00	<b>1.01</b>
Others	0.00	0.00	36.70	1.00	0.03	0.00	<b>37.73</b>
Disputed Dues:							
- MSME	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
- Others	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>37.71</b>	<b>1.00</b>	<b>0.03</b>	<b>0.00</b>	<b>38.74</b>

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**22 Other financial liabilities**

[₹ in Millions]

Particulars	As at			
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>Current</b>				
Interest accrued but not due on borrowings	3.74	2.52	2.91	2.10
Derivatives Financial Instruments	0.00	0.00	8.89	5.85
Payable to Employees	7.58	5.19	4.83	3.37
Other Payables	2.65	0.23	0.03	0.00
	13.97	7.94	16.66	11.32

**23 Other current liabilities**

[₹ in Millions]

Particulars	As at			
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Advance from customer	21.98	3.81	8.19	14.41
Statutory dues	4.87	5.47	12.83	4.29
	26.85	9.28	21.02	18.70

**24 Current tax liabilities**

[₹ in Millions]

Particulars	As at			
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Provision for taxation	45.00	65.00	22.00	47.00
Less: Advance tax	15.66	54.34	20.79	38.65
	29.34	10.66	1.21	8.35

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**25 Revenue from operations**

[₹ in Millions]

Particulars	Period ended 30th September, 2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of products	1 347.00	2 263.78	2 407.61	1 838.38
Other Operating Income				
Export Benefits	139.49	179.92	224.29	188.69
Sales of Fent and Rags	15.94	20.83	24.42	20.35
Stitching Charges Received	11.26	11.05	11.89	42.54
<b>Total :</b>	<b>1 513.69</b>	<b>2 475.58</b>	<b>2 668.21</b>	<b>2 089.96</b>

**Breakup of sale of products**

[₹ in Millions]

Particulars	Period ended 30th September, 2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Overseas Sales</b>				
Manufactured	1 076.98	1 694.83	2 042.63	933.87
Traded	251.41	132.13	331.50	860.68
	1 328.39	1 826.96	2 374.13	1 794.55
<b>Domestic Sales</b>				
Manufactured	16.25	55.91	33.48	43.83
Traded	2.36	380.91	0.00	0.00
	18.61	436.82	33.48	43.83
<b>Total :</b>	<b>1 347.00</b>	<b>2 263.78</b>	<b>2 407.61</b>	<b>1 838.38</b>
	-	-	-	-

**Breakup of sale of products**

[₹ in Millions]

Particulars	Period ended 30th September, 2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Manufactured</b>				
Packsets	1 078.39	1,722.31	2,074.72	933.87
Fabrics	14.83	28.45	1.39	43.83
	1 093.22	1 750.75	2 076.11	977.71
<b>Traded</b>				
Packsets	251.41	132.12	331.50	860.68
Grey	0.00	369.05	0.00	0.00
Cotton Yarn	2.37	11.86	0.00	0.00
	253.78	513.03	331.50	860.68
<b>Total :</b>	<b>1 347.00</b>	<b>2 263.78</b>	<b>2 407.61</b>	<b>1 838.38</b>
	(0.00)	0.00	0.00	(0.00)

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**26 Other income**

[₹ in Millions]

Particulars	Period ended 30th September, 2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest income				
on Loans and Advances	1.10	5.30	4.39	2.51
on others	0.03	0.06	0.05	0.10
Rent Income	0.50	0.95	0.92	0.33
<b>Net gain / (loss) on fair value changes</b>				
Net Gain / (Loss) arising on investments on Mutual Funds measured at Fair Value through Profit & Loss	1.79	2.02	2.76	3.88
Net Gain/(Loss) arising on Derivative financial instruments measured at Fair Value through Profit & Loss	0.00	8.89	0.00	17.34
Gain from foreign currency transactions (net)	14.89	12.82	45.22	17.63
Profit on Sale of Property, Plant and Equipments	0.00	1.23	0.00	0.00
Gain due to lease modification and reduction in tenure	20.39	0.00	0.00	0.00
Other income	0.13	1.04	1.24	2.07
<b>Total :</b>	<b>38.83</b>	<b>32.31</b>	<b>54.58</b>	<b>43.86</b>

**27 Cost of materials consumed**

[₹ in Millions]

Particulars	Period ended 30th September, 2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
Raw materials consumed				
Grey Cloth	107.63	422.86	176.27	15.77
Printed Fabric	777.76	619.26	1 384.62	732.99
Packing Materials	126.36	160.54	211.85	277.22
<b>Total :</b>	<b>1 011.75</b>	<b>1 202.66</b>	<b>1 772.74</b>	<b>1 025.98</b>



**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**28 Change in inventories of finished goods, stock-in-trade and work in progress**

[₹ in Millions]

Particulars	Period ended 30th September, 2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Closing Stock</b>				
Finished Goods	131.58	71.13	106.80	134.18
Stock-in-process	209.10	159.91	120.20	136.11
Stock-in-trade	0.43	44.65	5.75	2.17
	341.11	275.69	232.75	272.46
<b>Opening Stock</b>				
Finished Goods	71.13	106.80	134.18	38.97
Stock-in-process	159.91	120.20	136.11	27.80
Stock-in-trade	44.65	5.75	2.17	2.17
	275.69	232.75	272.46	68.94
<b>Decrease / (Increase) in Inventories</b>	( 65.42)	( 42.94)	39.71	( 203.52)

**29 Employee benefit expenses**

[₹ in Millions]

Particulars	Period ended 30th September, 2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
Salary, wages and bonus	53.81	102.57	102.86	97.07
Contribution to provident fund, other funds and gratuity	1.91	3.47	3.69	4.63
Staff welfare expenses	0.86	1.81	1.36	0.67
<b>Total :</b>	56.58	107.85	107.91	102.37

Note: Salary, wages and bonus includes Directors remuneration of Rs. 36.00 Millions, Rs. 72.00 Millions, Rs. 72.00 Millions and Rs 69.00 Millions for the period ended 30th September, 2023, Year ended 31st March, 2023, 31st March, 2022 and 31st March, 2021 respectively.

**30 Finance cost**

[₹ in Millions]

Particulars	Period ended 30th September, 2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest expense for financial liabilities measured at amortised				
- Bank Borrowings	29.35	42.48	33.70	26.27
- Other Interest	1.07	1.84	1.31	2.74
- Lease liabilities	1.16	16.98	20.40	21.66
Other borrowings cost	6.07	5.83	6.41	4.30
<b>Total :</b>	37.65	67.13	61.82	54.97

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**31 Depreciation and amortisation expense**

[₹ in Millions]

Particulars	Period ended 30th September, 2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
Property, Plant and	13.66	26.35	27.03	31.20
Right of use asset	0.48	9.87	11.34	11.73
<b>Total :</b>	<b>14.14</b>	<b>36.22</b>	<b>38.37</b>	<b>42.93</b>

**32 Other expenses**

[₹ in Millions]

Particulars	Period ended 30th September, 2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Manufacturing expense</b>				
Processing Charges	22.81	148.36	73.14	7.70
Stitching Material	5.64	6.88	3.94	3.04
Job Charges Paid	40.42	59.46	78.65	74.32
Power and Fuel	2.52	1.56	2.69	4.15
Freight and Octroi	1.55	9.05	2.81	1.58
Testing Fees	0.58	2.80	1.59	2.51
Tools consumable expenses	2.59	1.79	3.04	3.12
Others	1.10	1.55	1.64	0.98
	<b>77.21</b>	<b>231.45</b>	<b>167.50</b>	<b>97.40</b>
<b>Administrative Expenses</b>				
Auditors' remuneration (Refer note 32.1 below)	1.75	0.50	0.30	0.30
Insurance	1.74	3.78	3.46	3.59
Repair and maintenance				
Building	0.72	0.66	0.81	0.28
Plant & Machinery	0.24	0.33	0.98	0.56
Others	0.86	2.44	1.96	2.08
Rent, Rates and Taxes	15.35	8.26	3.74	5.76
Fees and Legal	2.27	1.61	1.44	1.47
Travelling and conveyance	8.86	22.47	10.40	4.74
Communication	2.35	4.44	6.41	3.04
Security Expense	0.96	1.77	1.52	1.29
(Gain) / Loss on Derivative Contract	0.00	0.00	2.11	4.63
Donation	0.01	0.00	0.00	-
Corporate social responsibility (CSR) expense (Refer note 32.2	3.02	2.10	3.50	3.50
Sundry balance written off	1.60	3.45	-	0.14
Other administrative expense	5.45	8.31	8.49	5.25
	<b>45.18</b>	<b>60.12</b>	<b>45.12</b>	<b>36.63</b>

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**32 Other expenses**

[₹ in Millions]

Particulars	Period ended 30th September,2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Selling and distribution expenses</b>				
Commission	11.16	23.72	28.75	18.44
Shipping, Forwarding and Freight	19.55	27.16	79.51	43.51
Others	1.13	6.58	4.26	9.51
	31.84	57.46	112.52	71.46
<b>Total :</b>	154.23	349.03	325.14	205.49

**32.1 : Details of payments to auditors**

[₹ in Millions]

Particulars	Period ended 30th September,2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Payments to auditors as</b>				
Statutory and Tax Audit fee	1.75	0.50	0.30	0.30
	1.75	0.50	0.30	0.30

**32.2 : Details of CSR expenditure**

[₹ in Millions]

Particulars	Period ended 30th September,2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
(i) Amount required to be spent by the company during the period/year	3.02	1.97	1.94	1.52
(ii) Amount of expenditure	0.50	2.10	3.50	3.50
(iii) Shortfall at the end of the year	NIL	NIL	NIL	NIL
(iv) Total of previous years	NIL	NIL	NIL	NIL
(v) Reason for shortfall	NIL	NIL	NIL	NIL
(vi) Nature of CSR activities	Activities specified in Schedule VII of the Act	Activities specified in Schedule VII of the Act	Activities specified in Schedule VII of the Act	Activities specified in Schedule VII of the Act
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.	Donation to Raghuvir Research Foundation	Donation to Raghuvir Research Foundation	Donation to Raghuvir Research Foundation	Donation to Raghuvir Research Foundation
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown	3.02	NIL	NIL	NIL
(ix) With respect to amount required to be spent by the company during the six months period ended 30th September, 2023 (i.e. ₹ 3.02 Millions), the company has already spent ₹ 0.5 Millions during the period ended 30th September, 2023 and proposes to incur the balance amount of ₹ 2.52 Millions in the subsequent period available with the company to meet its liability for the financial year ended 31st March, 2024.				

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**33 Income taxes**

**33.1 The major components of income tax expense for the year ended 30th September, 2023 are**

[₹ in Millions]

Particulars	As at		As at	
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>Income tax expense</b>				
<b>Current tax :</b>				
Current tax on profits for the year	45.00	65.00	23.40	25.00
Adjustment for current tax of prior periods	0.00	1.42	0.00	1.35
	<u>45.00</u>	<u>66.42</u>	<u>23.40</u>	<u>26.35</u>
<b>Deferred tax</b>				
Decrease/(increase) in deferred tax liability	7.89	( 0.02)	( 1.44)	1.55
	<u>7.89</u>	<u>( 0.02)</u>	<u>( 1.44)</u>	<u>1.55</u>
<b>Income tax expense attributable to continuing operations</b>	<u>52.89</u>	<u>66.40</u>	<u>21.96</u>	<u>27.90</u>

**33.2 Reconciliation of income tax expense**

[₹ in Millions]

Particulars	As at		As at	
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Profit before tax from continuing operations	172.52	258.78	92.42	117.08
Expected income tax expense calculated using tax rate at 25.17%	43.42	65.13	23.26	29.47
<b>Adjustment to reconcile expected income tax expense to reported income tax expense:</b>				
Effect of:				
Expenses not allowable/deemed Income	0.00	0.18	0.18	0.00
Others items	1.58	( 0.31)	( 0.04)	( 4.47)
	<u>45.00</u>	<u>65.00</u>	<u>23.40</u>	<u>25.00</u>
Adjustment for current tax of prior periods	0.00	1.42	0.00	1.35
<b>Total expense as per statement of profit and loss</b>	<u>45.00</u>	<u>66.42</u>	<u>23.40</u>	<u>26.35</u>

The tax rate used for the reconciliations given above is the actual / enacted corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**33.3 Income tax recognised in other comprehensive income**

[₹ in Millions]

Particulars	As at	As at		
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>Deferred tax</b>				
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit and loss)	0.11	0.02	0.17	0.03
Income tax expense / (income) recognised in other comprehensive	0.00	0.00	0.00	0.00

**33.4 Deferred tax (assets) / liabilities (net)**

[₹ in Millions]

Particulars	As at	As at		
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
<b>Opening balance</b>	35.08	35.08	36.35	34.77
<b>Adjustment for the current year:</b>				
(Charged) / Credited in the statement of profit and loss	7.89	(0.02)	(1.44)	1.55
Charged / (Credited) through other comprehensive income	0.11	0.02	0.17	0.03
<b>Closing balance</b>	43.08	35.08	35.08	36.35

**RAGHUVIR EXIM LIMITED**

**Annexure VII**  
**Notes forming part of the Restated Financial Information**

**33 Income taxes ... Continued..**

**33.5 Movement of deferred tax assets / (liabilities)**

Particulars	As at 30th September, 2023	(Charged)/Credited to profit or loss / OCI	As at 31st March, 2023	(Charged)/Credited to profit or loss / OCI	As at 31st March, 2022	(Charged)/Credited to profit or loss / OCI	As at 31st March, 2021
[₹ in Millions]							
<b>Deferred tax assets</b>							
<b>Charged / (credited) through</b>							
Fair value measurement of investment in equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Remeasurement of the defined benefit plans	( 0.33)	( 0.11)	( 0.22)	( 0.02)	( 0.20)	( 0.17)	( 0.03)
	( 0.33)	( 0.11)	( 0.22)	( 0.02)	( 0.20)	( 0.17)	( 0.03)
<b>(Charged)/credited in the</b>							
Difference of book depreciation and tax depreciation	( 42.66)	( 3.11)	(39.55)	(0.67)	(38.88)	0.57	( 39.45)
Difference due to lease liability	1.84	( 5.10)	6.94	1.14	5.79	1.51	4.28
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	1.74	0.40	1.34	0.06	1.28	0.04	1.24
Net Gain / (Loss) arising on investments measured at Fair Value through Profit & Loss	( 3.67)	( 0.09)	(3.58)	(0.50)	(3.08)	( 0.69)	( 2.39)
	( 42.75)	( 7.89)	( 34.86)	0.03	( 34.88)	1.43	( 36.32)
	( 43.08)	( 8.00)	( 35.08)	0.00	( 35.08)	1.27	( 36.35)

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**34 Earnings per share**

Particulars		Period ended 30th September, 2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
Net profit / (loss) after tax attributable to equity shareholders [₹ in Millions]	(A)	119.63	192.38	70.46	89.18
Number of Equity Shares	(B)	5 25 00 000	25 00 000	25 00 000	25 00 000
Weighted average number of equity share	(C)	5 25 00 000	25 00 000	25 00 000	25 00 000
Weighted average number of equity share (Adjusted for Bonus issue) (refer note 1 below)	(D)	5 25 00 000	5 25 00 000	5 25 00 000	5 25 00 000
Face value of equity share (		10	10	10	10
Basic earnings per share	(E=A/C)	2.28	76.95	28.18	35.67
Diluted earnings per shares (₹)	(F=A/C)	2.28	76.95	28.18	35.67
Basic and Diluted (Adjusted for Bonus issue) (₹) (refer note 1 below)	(G=A/D)	2.28	3.66	1.34	1.70

**Note:**

1 In pursuance of resolution passed at EGM held on 17/07/2023, the company has issued and allotted 5,00,00,000 fully paid up equity shares by way of bonus on 31/07/2023, issue in the proportion of 20 no of equity shares for every 1 no of equity shares held by each shareholders. Accordingly, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

**(i) Basic and Diluted Earnings per Share**

Net Profit after tax, as restated for the year, attributable to equity shareholders  
Weighted average number of equity shares outstanding during the year

**(ii) Basic and Diluted Earnings per Share (Adjusted for Bonus issue)**

Net Profit after tax, as restated for the year, attributable to equity shareholders  
Weighted average number of equity shares outstanding during the year (adjusted for bonus issue)

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**35. Contingent liabilities capital commitments**

[₹ in Millions]

Sr. No.	Particulars	For the half year ended 30 <sup>th</sup> September, 2023	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
(a)	<b>Contingent liabilities</b>				
	Compensation (Refer note 1 below)	2.94	2.94	2.94	2.94
	Disputed Direct Tax Liabilities (Refer note 2 below)	7.51	7.51	7.51	7.51
	Disputed Direct Tax Liabilities (Refer note 3 below)	Nil	Nil	Nil	Nil
	Corporate Guarantee to banks against credit facilities extended to related party (Refer note 4 below)	3,950.00	--	--	--
(b)	<b>Capital commitments</b>	440.00	NIL	NIL	7.32

Note 1: One of the customers has filed a civil suit against the company before Hon'ble City Civil Court, Ahmedabad, claiming Rs. 2.94 Million (inclusive of interest) as compensation for inferior quality of material supplied by the company. Pursuant to the order of Hon'ble City Civil Court, Ahmedabad, company has deposited a sum of Rs 2.5 Million against the aforesaid claim. The company has not accepted the claim and thus not provided for in the books but considered as contingent liability.

Note 2: The Company has disputed the demand pertaining to assessment year 2012-2013, raised by department of income tax and preferred an appeal before appropriate authority which is pending for final disposal. The department has adjusted the demand with pending refunds of various assessment years.

Note 3: The Company has disputed the demand raised by department of income tax pertaining to assessment year 2021-2022, vide intimation u/s 143(1) and preferred an appeal before appropriate authority which is pending for final disposal. However, according to assessment made by the company with respect to such contingent liability, the company does not expect any liability which is likely to be incurred upon the disposal of the appeal and therefore the contingent is considered as nil.

Note 4: The company has extended Corporate Guarantee in respect of credit facilities availed by its related party (Entity over which Key Management Personnel individually / jointly gaining control or exercise significant influence) from banks having aggregate sanction limits to the extent of ₹ 3950.00 Millions

**36. Employee benefits plan**

**36.1 Defined contribution plan**

The Company has defined contribution retirement benefit plans for its employees.

The Company's contributions to provident fund, pension scheme and employee state insurance scheme are made to the relevant government authorities as per the prescribed rules and regulations. The Company's contributions to the above defined contribution plans are recognised as employee benefit expenses in the statement of profit and loss for the year in which they are due.

The Company's contribution to provident, pension, superannuation funds and to employees state insurance scheme aggregating to 30<sup>th</sup> September, 2023 ₹ 1.06 Million (31<sup>st</sup> March, 2023 ₹ 2.00 Million, 31<sup>st</sup> March 2022 ₹ 2.09 Million, 31<sup>st</sup> March 2021 ₹ 3.25 Million) has been recognised in the statement of profit and loss under the head employee benefits expense.

[₹ in Millions]

Particulars	For the half year ended 30 <sup>th</sup> September, 2023	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Contribution to Provident Fund, included under contribution to provident and other funds	0.87	1.66	1.68	2.87
Contribution to Employee State Insurance Scheme, included under contribution to provident and other funds	0.19	0.34	0.41	0.38



**36.2 Defined benefits plan****(a) Gratuity**

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

**(b) Risk exposure to defined benefit plans**

The plans typically expose the Company to actuarial risks such as: Investment risk, Liquidity risk, Market risk and Legislative risk.

**Actuarial risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

**Variability in mortality rates:**

If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:**

If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**Investment risk:**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**Liquidity risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

**Market risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**Legislative risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**36.2 Defined benefits plan ... Continued..**

**(c) Defined Benefit Plan**

The principal assumptions used for the purposes of the actuarial valuations were as follows:

**Gratuity**

[₹ in Millions]

Particulars	As at			
	30 <sup>th</sup> September, 2023	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Discount rate	7.40%	7.45%	6.95%	6.35%
Salary escalation rate	6.00%	6.00%	6.00%	6.00%
Retirement age	58 years	58 years	58 years	58 years
Withdrawal rate	40.00% at younger ages reducing to 1.00% at older ages	40.00% at younger ages reducing to 1.00% at older ages	40.00% at younger ages reducing to 1.00% at older ages	40.00% at younger ages reducing to 1.00% at older ages

**(d) Expenses recognized for defined benefit plan and movement of liabilities**

**Amount recognized in statement of balance sheet and movement in obligation:**

The following table sets out the status of the amounts recognised in the balance sheet & movements in the net defined benefit obligation are as follows:

[₹ in Millions]

Sr. No.	Particulars	Gratuity (unfunded)			
		30 <sup>th</sup> September, 2023	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
1	<b>Changes in the present value of obligation</b>				
	Present value of obligation (Opening)	4.96	4.79	4.48	3.69
	Interest cost	0.17	0.31	0.27	0.23
	Current service cost	0.41	0.83	0.82	0.67
	Benefits paid by company		(0.10)	-	
	Actuarial (Gain) / Loss arising from change in financial assumptions	0.02	(0.16)	(0.19)	0.06
	Actuarial (Gain) / Loss arising from change in demographic assumptions	-	-	-	-
	Actuarial (Gain) / Loss arising from change on account of experience changes	(0.44)	(0.71)	(0.59)	(0.18)
	Actuarial loss (gain)		-	-	-
	<b>Present value of obligation (Closing)</b>	5.12	4.96	4.79	4.47
2	<b>Present value of unfunded obligation at the end of the year</b>				
	Current	0.60	0.59	0.64	0.47
	Non-current	4.52	4.37	4.15	4.00
		5.12	4.96	4.79	4.47

...Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**36.2 Defined benefits plan ... Continued..**

**Amount recognized in statement of profit and loss for the period/year in respect of defined benefit plan are as follows:**

Particulars	Gratuity (unfunded)			
	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Current service cost	0.41	0.83	0.82	0.67
Past service cost				
Net interest cost	0.17	0.31	0.27	0.23
(Gains)/loss on settlement				
<b>Total Expenses recognized in the statement of profit and loss #</b>	<b>0.58</b>	<b>1.14</b>	<b>1.09</b>	<b>0.90</b>

[₹ in Millions]

# Included in 'Contribution to provident fund, other funds and gratuity' under 'employee benefits expense'

**Amount recognized in other comprehensive income (OCI) for the period/year in respect of defined benefit plan are as follows:**

Particulars	Gratuity (unfunded)			
	For the half year ended 30 <sup>th</sup> September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Actuarial (gains) / losses	(0.42)	(0.87)	(0.78)	(0.12)
<b>Total (income) / expenses recognized in the OCI</b>	<b>(0.42)</b>	<b>(0.87)</b>	<b>(0.78)</b>	<b>(0.12)</b>

[₹ in Millions]

**(e) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

**Gratuity**

**Impact on defined benefit obligation as on 30<sup>th</sup> September, 2023**

Particulars	Change in assumption 30 <sup>th</sup> September, 2023	Increase in assumptions 30 <sup>th</sup> September, 2023	Changes	Decrease in assumptions 30 <sup>th</sup> September, 2023
Discount rate	0.5%	(3.08)%	Increase By	3.08%
Salary growth rate	0.5%	1.93%	Decrease by	(1.79)%
Employee turnover rate	10.00%	1.74%	Decrease by	(1.98)%

[₹ in Millions]

...Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**36.2 Defined benefits plan ... Continued..**

**Impact on defined benefit obligation as on 31<sup>st</sup> March, 2023**

[₹ in Millions]

Particulars	Change in assumption 31 <sup>st</sup> March, 2023	Increase in assumptions 31 <sup>st</sup> March, 2023	Changes	Decrease in assumptions 31 <sup>st</sup> March, 2023
Discount rate	0.5%	(3.08)%	Increase By	3.28%
Salary growth rate	0.5%	1.89%	Decrease by	(1.82)%
Employee turnover rate	10.00%	1.77%	Decrease by	(2.00)%

**Impact on defined benefit obligation as on 31<sup>st</sup> March, 2022**

[₹ in Millions]

Particulars	Change in assumption 31 <sup>st</sup> March, 2022	Increase in assumptions 31 <sup>st</sup> March, 2022	Changes	Decrease in assumptions 31 <sup>st</sup> March, 2022
Discount rate	0.5%	(3.15)%	Increase by	3.35%
Salary growth rate	0.5%	1.85%	Decrease by	(1.77)%
Employee turnover rate	10.00%	1.52%	Decrease by	(1.75)%

**Impact on defined benefit obligation as on 31<sup>st</sup> March, 2021**

[₹ in Millions]

Particulars	Change in assumption 31 <sup>st</sup> March, 2021	Increase in assumptions 31 <sup>st</sup> March, 2021	Changes	Decrease in assumptions 31 <sup>st</sup> March, 2021
Discount rate	0.5%	(3.37)%	Increase by	3.60%
Salary growth rate	0.5%	1.88%	Decrease by	(1.78)%
Employee turnover rate	10.00%	1.17%	Decrease by	(1.39)%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**37. Related party disclosures**

**(a) Details of Related Parties**

<b>Sr. No.</b>	<b>Name of related party</b>	<b>Relationship</b>
1	Sunil R. Agarwal	Individual gaining control and Key Management Personnel ("KMP")
2	Yash S. Agarwal	Key Management Personnel ("KMP")
3	Hardik S. Agarwal (upto 29.05.2023)	
4	Raghuvir Synthetics Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence
5	HYS Lifecare LLP	
6	HYS Industries Private Limited (Incorporated on 11 <sup>th</sup> November, 2020)	
7	HYS Developers LLP	
8	White Water Exim Pvt. Ltd. (Incorporated on 3 <sup>rd</sup> June, 2021)	
9	H Dev Chemical Pvt. Ltd. (Incorporated on 29 <sup>th</sup> May, 2021)	
10	Dreamsoft Bedsheets Pvt. Ltd. (Incorporated on 8 <sup>th</sup> December, 2021)	
11	Raghuvir Research Foundation Trust	
12	The Sagar Textile Pvt. Ltd.	
13	Raghukaushal Textile Pvt. Ltd.	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence
14	Raghuvir Lifestyle Pvt. Ltd.	
15	RSL Dyecot Private Limited	
16	Aditi Y. Agarwal	Relative of Key Management Personnel
17	Subhi H. Agarwal	
18	Pamitadevi S. Agarwal	
19	Hardik S. Agarwal (with effect from 29/05/2023)	Key Management Personnel ("KMP") and Chief Financial Officer
20	Deepika Ladha (with effect from 29/05/2023)	Company Secretary

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**37. Related party disclosures**

**(b) Details of transactions with related parties**

[₹ in Millions]

Nature of Relationship / Transaction	Relationship	As at and for the period/ year ended			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Managerial Remuneration</b>					
Hardik S. Agrawal	Key Management Personnel	18.25	36.50	36.50	35.64
Yash S. Agrawal	Key Management Personnel	18.25	36.50	36.50	35.64
Deepika Ladha	Key Management Personnel	0.24	--	--	--
<b>Sale of Materials and Services</b>					
Raghuvir Synthetics Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	14.08	196.94	24.84	76.15
White Water Exim Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.59	--	--	--
Dreamsoft Bedsheets Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	2.21	0.44	--	--
Raghukaushal Textile Pvt. Ltd.	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	--	0.05	0.01	1.47
RSL Dycot Pvt Ltd	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	--	16.40	--	--
HYS Industries Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	--	48.94	32.43	--
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	--	2.17	--	0.49

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**37. Related party disclosures ... Continued..**

**(b) Details of transactions with related parties**

[₹ in Millions]

Nature of Relationship / Transaction	Relationship	As at and for the period/ year ended			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Raghuvir Lifestyle Pvt. Ltd.	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	--	--	--	1.33
<b>Reimbursement of Expenses</b>					
Hardik S. Agarwal	Key Management Personnel	0.40	--	--	--
HYS Lifecare LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.11	--	--	--
Pamita Sunil Agarwal	Relative of Key Management Personnel	0.02	--	--	--
Sunil R. Agarwal	Individual gaining control and Key Management Personnel	0.60	--	--	--
White Water Exim Pvt Ltd	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.05	--	--	--
<b>Purchase of Material and Services</b>					
Raghuvir Synthetics Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	885.47	526.91	1,439.87	1392.30
Raghuvir Lifestyle Pvt. Ltd.	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	0.36	0.43	--	--
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	99.21	185.74	--	0.06
Raghukaushal Textile Pvt. Ltd.	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	--	0.47	--	--

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**37. Related party disclosures ... Continued..**

**(b) Details of transactions with related parties**

[₹ in Millions]

Nature of Relationship / Transaction	Relationship	As at and for the period/ year ended			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
RSL Dycot Pvt. Ltd.	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	--	16.71	0.30	0.27
HYS Industries Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	--	56.33	--	--
<b>Payment of Rent</b>					
Sunil R. Agarwal	Individual gaining control and Key Management Personnel	2.16	7.37	11.16	10.68
Pamita Sunil Agarwal	Relative of Key Management Personnel	3.56	8.40	8.40	8.40
Yash S. Agarwal	Key Management Personnel	4.97	10.20	9.60	9.60
Hardik S. Agarwal	Key Management Personnel ("KMP")	4.32	2.16	--	--
<b>Receipt of Rent</b>					
Raghuvir Synthetics Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.10	0.20	0.20	0.20
The Sagar Textiles Mills Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.05	0.05	0.01
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.04	0.03	0.03	0.03
Dreamsoft Bedsheets Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.05	0.02	--
H.Dev Chemicals Pvt, Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.05	0.04	--

... Continued..



**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**37. Related party disclosures ... Continued..**

**(b) Details of transactions with related parties**

[₹ in Millions]

Nature of Relationship / Transaction	Relationship	As at and for the period/ year ended			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
HYS Industries Pvt Ltd	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.15	0.31	0.31	0.08
HYS Lifecare LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.05	0.10	--
White Water Exim Pvt Ltd	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.10	0.20	0.17	--
<b>Interest on Unsecured Loan</b>					
Sunil R. Agrawal	Individual gaining control and Key Management Personnel	0.58	1.84	0.79	0.78
Hardik S. Agarwal	Key Management Personnel	0.49	--	0.09	0.31
Yash S. Agrawal	Key Management Personnel	--	--	0.31	0.26
<b>Interest on Loan &amp; Advances</b>					
Yash S. Agrawal	Key Management Personnel	0.92	2.35	1.85	1.11
Hardik S. Agrawal	Key Management Personnel	0.17	2.96	2.54	1.39
<b>Unsecured Loan taken during the year</b>					
Sunil R. Agrawal	Individual gaining control and Key Management Personnel	37.16	216.21	103.45	108.02
Aditiben Yash Agarwal	Relative of Key Management Personnel		0.05	--	--
Pamitaben Sunil Agarwal	Relative of Key Management Personnel		0.05	--	--
Shubhiben Hardik Agarwal	Relative of Key Management Personnel		0.05	--	--
Hardik S. Agrawal	Key Management Personnel		236.47	7.85	11.88
Yash S. Agrawal	Key Management Personnel		123.75	10.48	9.88

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**37. Related party disclosures ... Continued..**

**(b) Details of transactions with related parties**

[₹ in Millions]

Nature of Relationship / Transaction	Relationship	As at and for the period/ year ended			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Unsecured Loan Repaid during the year</b>					
Sunil R. Agrawal	Individual gaining control and Key Management Personnel	26.36	219.25	119.01	117.52
Aditiben Yash Agarwal	Relative of Key Management Personnel	--	0.05	--	--
Pamitaben Sunil Agarwal	Relative of Key Management Personnel	--	0.05	--	--
Shubhiben Hardik Agarwal	Relative of Key Management Personnel	--	0.05	--	--
Hardik S. Agrawal	Key Management Personnel	--	236.47	13.15	7.03
Yash S. Agrawal	Key Management Personnel	--	123.75	15.47	5.40
<b>Loan Given during the year</b>					
Hardik S. Agrawal	Key Management Personnel	203.44	73.66	169.20	58.11
Yash S. Agrawal	Key Management Personnel	232.00	73.02	154.34	45.16
<b>Loan received back during the year</b>					
Hardik S. Agrawal	Individual gaining control and Key Management Personnel	218.38	71.00	172.78	94.21
Yash S. Agrawal	Key Management Personnel	114.48	70.91	153.30	71.33
<b>Job Charges (Paid)</b>					
Raghuvir Synthetics Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	7.10	27.19	17.10	7.67
RSL Dycot Pvt. Ltd.	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	--	--	--	0.00(*)
(*)Amount less than Rs 10000/-					
<b>As a salary</b>					
Aditi Y. Agarwal	Relative of Key Management Personnel	0.78	1.33	1.20	0.97
Subhi H. Agarwal	Relative of Key Management Personnel	0.78	1.33	1.20	0.99

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**37. Related party disclosures ... Continued..**

**(b) Details of transactions with related parties**

[₹ in Millions]

Nature of Relationship / Transaction	Relationship	As at and for the period/ year ended			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Donation made during the year</b> Raghuvir Research Foundation Trust	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.50	2.05	3.50	3.50
<b>Advance given for purchase</b> HYS Industries Pvt Ltd	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	--	14.00	--	--
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	--	--	100.00	--
<b>Advance received back</b> HYS Industries Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	--	14.00	--	--
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	--	--	100.00	--
<b>Sale of Land</b> HYS Industries Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	--	86.90	--	--

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**37. Related party disclosures ... Continued..**

**(b) Details of transactions with related parties**

[₹ in Millions]

Nature of Relationship / Transaction	Relationship	As at and for the period/ year ended			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Investment in Preference Share</b> HYS Industries Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	20.00	230.00	--	--
<b>Advance granted for expense</b> Yash S. Agrawal	Key Management Personnel	--	0.15	--	--
<b>Corporate Guarantee</b> HYS Industries Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	3950.00(*)	--	--	--
* Sanction Limits					

**(c) Amount due to / from related parties**

[₹ in Millions]

Nature of Relationship / Transaction	Relationship	Balance as on period/year end			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>Due by company</b>					
<b>As Creditors</b>					
Sunil R. Agrawal	Individual gaining control and Key Management Personnel	0.39	0.39	0.17	0.98
Yash S. Agrawal	Key Management Personnel	0.78	0.86	0.72	0.74
Pamitadevi S. Agrawal	Relative of Key Management Personnel		0.32	0.63	0.65
Hardik S. Agarwal	Key Management Personnel	0.78	0.78		
RSL Dyecot Pvt. Ltd.	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	--	0.04	--	0.03
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	93.37	--	--	--

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**37. Related party disclosures ... Continued..**

**(c) Amount due to / from related parties**

[₹ in Millions]

Nature of Relationship / Transaction	Relationship	Balance as on period/year end			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Raghuvir Synthetics Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.54	--	--	--
<b>As Remuneration</b>					
- Hardik S. Agrawal	Key Management Personnel	1.96	21.80	0.58	0.94
- Yash S. Agrawal	Key Management Personnel	1.96	21.80	1.54	1.99
<b>As Unsecured Loan</b>					
- Sunil R. Agrawal	Individual gaining control and Key Management Personnel	12.98	1.66	3.05	17.88
- Hardik S. Agrawal	Key Management Personnel	12.57	--	--	5.22
- Yash S. Agrawal	Key Management Personnel	--	--	--	4.72
<b>As a salary payable</b>					
Aditi Y. Agarwal	Relative of Key Management Personnel	--	0.07	0.06	0.04
Subhi H. Agarwal	Relative of Key Management Personnel	--	0.08	0.09	0.06
<b>As Advance Received</b>					
Raghuvir Synthetics Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	--	--	--	0.00(*)
(*)Amount less than Rs 10,000/-					
<b>Due to company As Debtors Recoverable</b>					
Raghuvir Lifestyle Pvt. Ltd.	Entities over which Relative of Key Management Personnel individually / jointly gaining control or exercise significant influence	--	--	--	1.28

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**37. Related party disclosures ... Continued..**

**(c) Amount due to / from related parties**

[₹ in Millions]

Nature of Relationship / Transaction	Relationship	Balance as on period/year end			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	--	--	--	0.53
RaghuKaushal Textiles Private Limited	Entities over which Relative of Key Management Personnel exercise significant influence by controlling interest	--	--	--	1.54
HYS Industries Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	--	--	34.68	0.10
Raghuvir Synthetics Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	--	22.46	0.95	--
Dreamsoft Bedsheets Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	2.47	0.50	--	--
<b>As Rent</b> HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.04	--	0.00(*)	0.06
(*) Amount less than Rs 10000/-					
Raghuvir Synthetics Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.02	0.01	0.02	0.04
HYS Industries Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.16	0.03	0.10

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**37. Related party disclosures ... Continued..**

**(c) Amount due to / from related parties**

[₹ in Millions]

Nature of Relationship / Transaction	Relationship	Balance as on period/year end			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
The Sagar Textiles Mills Private Limited	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.02	0.04	0.02
HYS Lifecare LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.02	0.12	--
Dreamsoft Bedsheets Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.03	0.01	0.02	--
Whitewater Exim Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.02	0.02	0.18	--
H. Dev Chemicals Pvt. Ltd.	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	0.06	0.03	0.05	--
Sunil R Agarwal	Individual gaining control and Key Management Personnel ("KMP")	--	--	0.17	--
<b>As an Advance</b>					
Yash S. Agrawal	Key Management Personnel	120.55	2.11	--	1.03
Hardik S. Agrawal	Key Management Personnel	--	2.66	--	1.29
<b>Advance against Job Work/Pack Set</b>					
Raghuvir Synthetics Limited (Pack Sets)	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	345.46	281.16	196.29	109.61

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**37. Related party disclosures ... Continued..**

**(c) Amount due to / from related parties**

[₹ in Millions]

Nature of Relationship / Transaction	Relationship	Balance as on period/year end			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
HYS Developers LLP	Entities over which Key Management Personnel individually / jointly gaining control or exercise significant influence	93.37	101.20	--	--
<b>Advance given for expenses</b>					
Yash S. Agrawal	Key Management Personnel	--	0.15	--	--
<b>Reimbursement</b>					
Sunil R Agarwal	Individual gaining control and Key Management Personnel	0.07	--	--	--

**Note:**

1. The particulars given above have been identified on the basis of information available with the company.
2. The transactions with related parties are made in the normal course of business on terms equivalent to those that prevail in arm's length transactions.
3. Outstanding balances at the year-end are unsecured.

**38 Legal Proceedings**

During the Financial Year 2013-14, the company has exported the goods worth Rs. 11.39 Million to an overseas customer at Germany on Cash Against Document basis. The company, while complying the procedures, submitted the documents to its banker who in turn has sent it across through courier to the foreign bank for release of such documents against receipt of payment from the relevant customer. The overseas customer fraudulently got the material released at the port without making any payment to the foreign Banker and consequently the company could not realize the sales proceeds. Therefore, the company has filed a civil suit no. 2151 of 2012 before the City Civil Court, Ahmedabad, against the Overseas Customer and has also made its Banker and Courier Agency Company as parties to it.

In spite of legal actions initiated by the company against the overseas customer, its Banker and the Courier Agency Company, the company is laying legal efforts to realize the sales proceeds and expects an early realization of the same. In the event the overseas customer failing to make payment against the aforesaid exports, the company is of the opinion that it will be able to realize the outstanding dues from the parties to the legal suit. However, The company considers recovery of the same as doubtful and the company has already made provision for the same in the books of account.

Further, the banker of the company has also filed a civil suit no.1937 of 2012 before the City Civil Court, Ahmedabad against the Courier Agency Company and also made the company as party to it. However, the company does not expect any liability in respect of such civil suit and accordingly, has not made any provision in the books.



**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**39 Financial instrument and risk management**

**39.1 Capital management**

The Company manages its capital structure in manner to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 16,17) and debt (borrowings as detailed in note 18).

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Company's plan is to ensure that the gearing ratio (debt equity ratio) is well within the limit of 2:1.

The capital structure of the Company consists of equity and debt.

[₹ in Millions]

Particulars	As at 30 <sup>th</sup> September, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Debt	1,186.92	858.22	953.73	807.86
Total equity	1,007.75	880.24	686.99	617.20
<b>Debt to equity ratio</b>	1.18	0.97	1.39	1.31

Debts is defined as all long term debt outstanding (including unamortised expense) + Contingent liability pertaining to corporate / financial guarantee given + Short term debt outstanding in lieu of long term debts.

Total Equity is defined as Equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets – intangible assets– intangible asset under development.

**39 Financial instrument and risk management**

**39.2 Category of financial instruments**

[₹ in Millions]

Particulars	As at 30 <sup>th</sup> September, 2023		
	Amortized cost	FVTPL	FVTOCI
<b>Financial assets</b>			
Investments	-	56.05	250.00
Loans	122.06	-	-
Trade receivable	271.08	-	-
Cash and cash equivalents	54.13	-	-
Other financial assets	135.81	-	-
<b>Total financial assets</b>	583.08	56.05	250.00
<b>Financial liabilities</b>			
Borrowings	1,183.58	-	-
Lease liabilities	12.01	-	-
Trade payables	23.39	-	-
Other financial liabilities	13.97	-	-
<b>Total financial liabilities</b>	1,232.95	-	-

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**39 Financial instrument and risk management ... Continued..**

**39.2 Category of financial instruments**

[₹in Millions]

Particulars	As at 31 <sup>st</sup> March, 2023		
	Amortized cost	FVTPL	FVTOCI
<b>Financial assets</b>			
Investments	-	54.26	230.00
Loans	4.97	-	-
Trade receivable	149.60	-	-
Cash and cash equivalents	98.94	-	-
Other financial assets	97.07	-	-
<b>Total financial assets</b>	<b>350.58</b>	<b>54.26</b>	<b>230.00</b>
<b>Financial liabilities</b>			
Borrowings	855.27	-	-
Lease liabilities	178.50	-	-
Trade payables	27.96	-	-
Other financial liabilities	7.94	-	-
<b>Total financial liabilities</b>	<b>1,069.67</b>	<b>-</b>	<b>-</b>

[₹in Millions]

Particulars	As at 31 <sup>st</sup> March, 2022		
	Amortized cost	FVTPL	FVTOCI
<b>Financial assets</b>			
Investments	-	52.24	-
Loans	0.08	-	-
Trade receivable	302.72	-	-
Cash and cash equivalents	116.99	-	-
Other financial assets	163.90	-	-
<b>Total financial assets</b>	<b>583.69</b>	<b>52.24</b>	<b>-</b>
<b>Financial liabilities</b>			
Borrowings	950.81	-	-
Lease liabilities	183.85	-	-
Trade payables	77.34	-	-
Other financial liabilities	7.77	8.89	-
<b>Total financial liabilities</b>	<b>1,219.77</b>	<b>8.89</b>	<b>-</b>

Particulars	As at 31 <sup>st</sup> March, 2021		
	Amortized cost	FVTPL	FVTOCI
<b>Financial assets</b>			
Investments	-	49.48	-
Loans	2.40	-	-
Trade receivable	275.33	-	-
Cash and cash equivalents	35.58	-	-
Other financial assets	124.88	-	-
<b>Total financial assets</b>	<b>438.19</b>	<b>49.48</b>	<b>-</b>
<b>Financial liabilities</b>			
Borrowings	804.92	-	-
Lease liabilities	229.63	-	-
Trade payables	38.74	-	-
Other financial liabilities	5.47	5.85	-
<b>Total financial liabilities</b>	<b>1,078.76</b>	<b>5.85</b>	<b>-</b>

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**39.3 Fair value measurement**

**Financial instruments at fair value**

**As at 30<sup>th</sup> September, 2023**

<b>Particulars</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Investments				
In Preference Shares	-	250.00	-	250.00
In Mutual Funds	56.05	-	-	56.05
<b>Financial liabilities</b>				
Borrowings	-	1,183.58	-	1,183.58
Lease liabilities	-	12.01	-	12.01
Derivatives Financial Instruments	-	-	-	-

**As at 31<sup>st</sup> March, 2023**

<b>Particulars</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Investments				
In Preference Shares	-	230.00	-	230.00
In Mutual Funds	54.26	-	-	54.26
<b>Financial liabilities</b>				
Borrowings	-	855.27	-	855.27
Lease liabilities	-	178.50	-	178.50
Derivatives Financial Instruments	-	-	-	-

**As at 31<sup>st</sup> March, 2022**

<b>Particulars</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Investments				
In Mutual Funds	52.24	-	-	52.24
<b>Financial liabilities</b>				
Borrowings	-	950.81	-	950.81
Lease liabilities	-	183.85	-	183.85
Derivatives Financial Instruments	-	8.89	-	8.89

*... Continued..*

## Annexure VII

## Notes forming part of the Restated Financial Information

## 39.3 Fair value measurement ... Continued..

## Financial instruments at fair value

As at 31st March, 2021

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments				
In Mutual Fund	49.48	-	-	49.48
<b>Financial liabilities</b>				
Borrowings	-	804.92	-	804.92
Lease liabilities	-	229.63	-	229.63
Derivatives Financial Instruments		5.85	-	5.85

**Notes:**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 : Inputs are Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This includes quoted equity instruments, investments in mutual funds that have quoted price.

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes unquoted equity shares, loans, security deposits, investments in Debentures, floating rate borrowings.

## 39.4 Fair value of financial assets and liabilities measured at amortized cost

The management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to their short-term nature. The difference between carrying amount of bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## 39.5 Financial risk management

The company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the key management personnel, who are responsible for developing and monitoring the Company's risk management policies. The key management personnel holds regular meetings and report to board on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Annexure VII

Notes forming part of the Restated Financial Information

The board of directors oversee how key management personnel monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit risk	Cash and cash equivalents, loans, Financial assets measured at amortized cost.	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market risk	Borrowed fund at Interest Rate	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level.
Price Risk	Investments in mutual funds, equity securities	Credit ratings	Portfolio diversification and regular monitoring

**39.5.1 Credit Risk**

(i) Cash and Cash Equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low.

(ii) Trade receivables:

Exposures to credit risk

The company is exposed to the counterparty credit risk arising from the possibility that counterparties might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts.

Credit risk management

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Company has established criteria for admission, approval systems, authorisation levels, exposure measurement methodologies, etc. the concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for the period ended 30<sup>th</sup> September, 2023, for the year ended 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021. the Company is dependent on the domestic market for its business and revenues.

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

Other credit enhancements

The company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Age of receivables and expected credit loss

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. the provision matrix takes into account historical credit loss experienced and adjusted for forward - looking information. the expected credit loss allowance is based on ageing of the days the receivables are due.

The age of receivables and provision matrix at the end of the reporting period is as follows.

**As at 30<sup>th</sup> September, 2023**

[₹ in Millions]			
<b>Particulars</b>	<b>Expected credit loss rate</b>	<b>Gross trade receivables</b>	<b>Allowance for expected credit loss</b>
Not Due	0.00%	259.77	0.00
Less than or equal to 6 months	0.00%	11.31	0.00
More than 6 months but less than or equal to 1 year	0.50%	0.00	0.00
More than 1 year but less than or equal to 2 years	2.50%	0.00	0.00
More than 2 years but less than or equal to 3 years	5.00%	0.00	0.00
More than 3 years	10.00%	0.00	0.00
		271.08	0.00

**As at 31st March, 2023**

[₹ in Millions]			
<b>Particulars</b>	<b>Expected credit loss rate</b>	<b>Gross trade receivables</b>	<b>Allowance for expected credit loss</b>
Less than or equal to 6 months	0.00%	149.60	-
More than 6 months but less than or equal to 1 year	0.50%	0.00	0.00
More than 1 year but less than or equal to 2 years	2.50%	0.00	0.00
More than 2 years but less than or equal to 3 years	5.00%	0.00	0.00
More than 3 years	10.00%	0.00	0.00
		149.60	0.00

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**39.5.1 Credit Risk ... Continued..**

**As at 31st March, 2022**

[₹ in Millions]			
<b>Particulars</b>	<b>Expected credit loss rate</b>	<b>Gross trade receivables</b>	<b>Allowance for expected credit loss</b>
Less than or equal to 6 months	0.00%	302.58	-
More than 6 months but less than or equal to 1 year (*)	0.50%	0.14	0.00
More than 1 year but less than or equal to 2 years	2.50%	0.00	0.00
More than 2 years but less than or equal to 3 years	5.00%	0.00	0.00
More than 3 years	10.00%	0.00	0.00
		<u>302.72</u>	<u>0.00</u>

(\*) Allowance for doubtful debts below INR 1000

**As at 31st March, 2021**

[₹ in Millions]			
<b>Particulars</b>	<b>Expected credit loss rate</b>	<b>Gross trade receivables</b>	<b>Allowance for expected credit loss</b>
Less than or equal to 6 months	0.00%	275.29	-
More than 6 months but less than or equal to 1 year(*)	0.50%	0.04	0.00
More than 1 year but less than or equal to 2 years	2.50%	0.00	0.00
More than 2 years but less than or equal to 3 years	5.00%	0.00	0.00
More than 3 years	10.00%	0.00	0.00
		<u>275.33</u>	<u>0.00</u>

(\*) Allowance for doubtful debts below INR 1000

**Movement in the expected credit loss allowance**

[₹ in Millions]				
<b>Particulars</b>	<b>As at 30<sup>th</sup> September, 2023</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
Opening Balance (*)	0.00	0.00	0.00	0.00
Movement in expected credit loss allowance on trade receivable ((*)	0.00	0.00	0.00	0.00
Closing Balance (*)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

(\*) Allowance for doubtful debts below INR 1000

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with security deposit.

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

(iii) Other financial assets:

The Company is having balances in cash and cash equivalents, term deposits with banks, Loans to related parties, and investment in mutual funds. With respect to investments, the Company limits its exposure to credit risk by investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. The Company's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Company therefore considers credit risks on such investments to be negligible. Loans receivable from related parties have negligible credit risk and hence no risk of default is perceived on them.

**39.5.2 Liquidity Risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and other committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

**Financing arrangements**

The working capital position of the Company is given below:

	[₹ in Millions]			
<b>Particulars</b>	<b>As at 30<sup>th</sup> September, 2023</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
Financial assets				
Cash and cash equivalents	54.13	98.94	116.99	35.58

**Liquidity table**

The company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the company may be required to pay.

**As at 30<sup>th</sup> September, 2023**

	[₹ in Millions]		
<b>Financial Liabilities</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>5 years and above</b>
<b>Non-current financial liabilities</b>			
Borrowings	-	116.00	-
Lease liabilities	-	9.99	-
	-	125.99	-
<b>Current financial liabilities</b>			
Borrowings	1,067.58		
Lease liabilities	2.02	-	-
Trade payables	23.39	-	-
Other financial liabilities	13.97	-	-
	1106.96	-	-
<b>Total financial liabilities</b>	1106.96	125.99	-



**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**As at 31st March, 2023**

[₹ in Millions]

Financial Liabilities	Less than 1 year	1-5 years	5 years and above
<b>Non-current financial liabilities</b>			
Borrowings	-	139.59	-
Lease liabilities	-	38.42	134.25
	-	178.01	134.25
<b>Current financial liabilities</b>			
Borrowings	715.68		
Lease liabilities	5.84	-	-
Trade payables	27.96	-	-
Other financial liabilities	7.94	-	-
	757.42	-	-
<b>Total financial liabilities</b>	757.42	178.01	134.25

**As at 31st March, 2022**

[₹ in Millions]

Financial Liabilities	Less than 1 year	1-5 years	5 years and above
<b>Non-current financial liabilities</b>			
Borrowings	-	168.04	-
Lease liabilities	-	35.15	143.36
	-	203.19	143.36
<b>Current financial liabilities</b>			
Borrowings	782.77	-	-
Lease liabilities	5.34	-	-
Trade payables	77.34	-	-
Other financial liabilities	16.66	-	-
	882.11	-	-
<b>Total financial liabilities</b>	882.11	203.19	143.36

**As at 31st March, 2021**

[₹ in Millions]

Financial Liabilities	Less than 1 year	1-5 years	5 years and above
<b>Non-current financial liabilities</b>			
Borrowings	-	168.37	-
Lease liabilities	-	35.91	188.25
	-	204.28	188.25
<b>Current financial liabilities</b>			
Borrowings	636.55	-	-
Lease liabilities	5.47	-	-
Trade payables	38.74	-	-
Other financial liabilities	11.32	-	-
	692.08	-	-
<b>Total financial liabilities</b>	692.08	204.28	188.25

## RAGHUVIR EXIM LIMITED

### Annexure VII

#### Notes forming part of the Restated Financial Information

#### 39.5.3 : Market risk

Market risk is the risk arising from changes in market prices such as interest rates will affect the company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including long term debt. The company is exposed to market risk primarily related to interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities.

#### 39.5.4 : Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's debt obligations with floating interest rates and investments

Most of the company's borrowings are on a floating of interest. the company has exposure to interest rate risk, arising principally on changes in marginal cost of funds based lending rate (MCLR). the company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term credit lines besides internal accruals.

The exposures of the company's financial liabilities at the end of the reporting period are as follows:

Particulars	[₹ in Millions]			
	As at 30 <sup>th</sup> September, 2023	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Fixed rate borrowings	2.79	3.30	1.36	4.55
Floating rate borrowings	1,180.78	851.98	949.45	800.37
	1,183.57	855.28	950.81	804.92

#### Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rate had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

Particulars	[₹ In Millions]			
	As at 30 <sup>th</sup> September, 2023	As at March 31, 2023	As at March 31, 2022	As at 31 <sup>st</sup> March, 2021
Impact on profit-increase in 50 basis points	(5.91)	(4.26)	(4.75)	(4.00)
Impact on profit-decrease in 50 basis points	5.91	4.26	4.75	4.00

#### 39.5.5 Price risk

##### Exposure

The company's exposure to securities price risk arises from investments held in mutual funds and equity instruments which are classified in the balance sheet at fair value through profit or loss and fair value through other comprehensive income respectively. To manage its price risk arising from such investments, the company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (nav) of these investments in mutual fund are available from the mutual fund houses and unquoted price of these investments in equity instruments is available from the audited / unaudited financial statements.

Profit and other comprehensive income for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss and fair value through other comprehensive income respectively.

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**40. Leases**

**(i) Amounts recognised in balance sheet**

The Balance sheet shows the following amount related to leases

**Right of use assets**

[₹ in Millions]

Particulars	Notes	As at 30 <sup>th</sup> September, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Land and Building	7	4.74	150.96	160.83	212.60
		4.74	150.95	160.83	212.60

**Lease liabilities**

[₹ in Millions]

Particulars	Notes	As at 30 <sup>th</sup> September, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Non-current	19	9.99	172.66	178.51	224.16
Current	19	2.02	5.84	5.34	5.47
		12.01	178.50	183.85	229.63

**(ii) Amounts recognised in the statement of profit and loss**

The statement of profit and loss shows the following amount relating to leases

[₹ in Millions]

Particulars	Notes	As at 30 <sup>th</sup> September, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Amortization of ROU assets	31	0.48	9.87	11.34	11.73
Interest expense on lease liabilities (including in finance cost)	30	1.16	16.98	20.40	21.66
Expense relating to rent on low value assets / Short term (included in other expense)	32	13.55	5.93	1.62	28.68
		15.19	32.78	33.36	62.07

**(iii) Future minimum lease payments under leases on an undiscounted basis**

[₹ in Millions]

Particulars	As at 30 <sup>th</sup> September, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Minimum lease payments</b>				
Less than 1 Year	3.05	22.32	22.32	26.64
Between 1 year to 5 years	11.94	111.61	111.61	133.22
5 years and above	-	241.85	264.17	358.19
	14.99	375.78	398.10	518.05

**(iv)** The total cash outflow for the lease for the period was 30<sup>th</sup> September, 2023 ₹ 11.41 Million (31<sup>st</sup> March, 2023 ₹ 22.32 Million, 31<sup>st</sup> March, 2022 ₹ 25.73 Million, 31<sup>st</sup> March, 2021 ₹ 26.64 Million)

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**41. Disclosure for Unhedged Foreign Currency Exposure:**

The details of the unhedged foreign currency exposure as at the reporting date:

[₹ in Millions]

Nature	Currency	As at 30 <sup>th</sup> September, 2023		As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
		Amount in Foreign Currency	Amount in Rupees	Amount in Foreign Currency	Amount in Rupees	Amount in Foreign Currency	Amount in Rupees	Amount in Foreign Currency	Amount in Rupees
Trade Payables	USD	--	--	--	--	--	--	0.14	10.35
	EURO	--	--	0.04	0.37	--	--	0.04	3.67
Trade Receivables (*)	USD	31.33	260.28	1.34	106.47	--	--	2.39	168.10
	EURO	0.02	1.73	0.05	3.85	0.05	4.02	0.13	11.05
Advance from Customer	USD	0.24	19.50	--	--	--	--	--	--
	EURO	0.02	1.58	--	--	--	--	--	--
Advance for capital goods	USD	0.07	5.61	--	--	--	--	--	--
	EURO	--	--	--	--	--	--	--	--

(\*) The company has receivable of Rs 15.07 Millions in foreign currency on which provision for doubtful is already created therefore the same is not shown above table.

**42 Due to micro and small enterprise**

[₹ in Millions]

Sr. No.	Particulars	As at 30 <sup>th</sup> September, 2023	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	0.56	0.39	0.87	1.01
	Principal	0.56	0.39	0.87	1.01
	Interest	-	-	-	-
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL	NIL	NIL

... Continued..

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**42 Due to micro and small enterprise ... Continued..**

[₹ in Millions]

Sr. No.	Particulars	As at 30 <sup>th</sup> September, 2023	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	NIL	NIL	NIL	NIL

The Company has initiated the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**43. Other regulatory information**

**(a) Title deeds of immovable property**

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company for the period ending as on 30<sup>th</sup> September, 2023 and for the year ending as on 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022, 31<sup>st</sup> March, 2021 .

**(b) Revaluation of property, plant and equipment (including right-of-use assets) and intangible assets**

The Company has not revalued any of its property, plant and equipment, including intangible assets for the period ending as on 30<sup>th</sup> September, 2023 and for the year ending as on 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022, 31<sup>st</sup> March, 2021.

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**(c) Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties**

The company has granted loans to Managing Director(s) in pursuance of "Employee Loan Policy" adopted by the company as detailed here under:

Type of Borrower	Outstanding ₹ in Millions as on				Percentage to the total loans and advances in the nature of loans			
	30 <sup>th</sup> September, 2023	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	30 <sup>th</sup> September, 2023	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Managing Director(s)	121.85	4.77	Nil	2.32	99.83	95.98	Nil	96.67

**(d) Capital- work- in progress (CWIP)**

**As at 30th September, 2023**

CWIP	Amount of CWIP for a period of				Total
	Less Than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
	Dormitory Building	72.23	-	-	-
	72.23	-	-	-	72.23

**As at 31st March, 2023**

CWIP	Amount of CWIP for a period of				Total
	Less Than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
	Plant & Machinery	-	-	-	-
	-	-	-	-	-

**As at 31st March, 2022**

CWIP	Amount of CWIP for a period of				Total
	Less Than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
	Plant & Machinery	-	-	-	-
	-	-	-	-	-

**As at 31st March, 2021**

CWIP	Amount of CWIP for a period of				Total
	Less Than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
	Plant & Machinery	6.44	-	-	-
	6.44	-	-	-	6.44

**Note:**

Particulars	Status
Temporary suspended projects	None
Overdue completion of projects	None
Projects which have exceeded the cost compared to its original plan	None

## Annexure VII

## Notes forming part of the Restated Financial Information

**(e) Details of benami property held**

The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has 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 there under for the period ending as on 30<sup>th</sup> September, 2023 and for the year ending as on 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022, 31<sup>st</sup> March, 2021.

**(f) Borrowings obtained on the basis of security of current assets**

The company has obtained borrowings on the basis of security of current assets from bank and the quarterly return of current assets filled are materially in agreement with the books of accounts for the period 30<sup>th</sup> September, 2023, for the year ended 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.

**(g) Wilful defaulter**

The Company has not been declared Wilful Defaulter by any bank or financial institution or any other lender for the period ending as on 30<sup>th</sup> September, 2023 and for the year ending as on 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022, 31<sup>st</sup> March, 2021.

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

The company does not have transactions with companies struck off under section 248 of the companies act, 2013 or section 560 of the companies act, 1956 for the period ending as on 30<sup>th</sup> September, 2023 and for the year ending as on 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022, 31<sup>st</sup> March, 2021.

**(i) Registration of charges or satisfaction with registrar of companies (ROC)**

The company does not have any charges or satisfaction pertaining to period ended 30<sup>th</sup> September, 2023, for the financial years ended 31<sup>st</sup> March, 2023, 2022, and 2021, which are yet to be registered with ROC beyond the statutory period.

**(j) Compliance with number of layers of companies**

The Company is in compliance with number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 for the period ending as on 30<sup>th</sup> September, 2023 and for the year ending as on 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022, 31<sup>st</sup> March, 2021.

**(k) Approved scheme of arrangements**

The Company has not entered into any scheme of arrangement approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 for the period ending as on 30<sup>th</sup> September, 2023 and for the year ending as on 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022, 31<sup>st</sup> March, 2021.

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

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other persons or entities, 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.

The Company have not received fund from any persons or entities, 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.

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**43(m) Ratios**

Sr. No.	Particulars	Numerator	Denominator	As at 30th September, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021	Variance of 31st March, 2023 and 31st March, 2022 (%)	Remarks
1	<b>Current Ratio (in times)</b>	Current Assets	Current Liabilities	1.25	1.40	1.33	1.31	5.62%	
2	<b>Debt-Equity Ratio (in times)</b>	Total Debt	Shareholder's Fund	1.31	1.14	1.54	1.50	-25.93%	Refer Note 1
3	<b>Debt Service Coverage Ratio (in times)</b>	Earning for Debt Service (Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments)	Debt service (Interest + Principal repayments)	(1.64)	2.08	(4.86)	(1.63)	-142.71%	Refer Note 2
4	<b>Return on Equity Ratio (in %)</b>	Net Profits after taxes	Average Shareholders equity	13.22%	25.70%	11.43%	16.63%	124.84%	Refer Note 3
5	<b>Inventory turnover ratio (in times)</b>	Total Sales	Average Inventory	4.31	7.23	7.31	8.89	-1.01%	
6	<b>Trade Receivables turnover ratio (in times)</b>	Total Sales	Average Accounts Receivable	6.40	10.01	8.33	8.20	20.16%	
7	<b>Trade payables turnover ratio (in times)</b>	Total Purchase	Average Trade Payables	52.07	39.53	41.06	42.23	-3.73%	
8	<b>Net capital turnover ratio (in times)</b>	Total Sales	Average Working Capital	4.49	7.40	9.27	14.10	-20.11%	
9	<b>Net profit ratio (in %)</b>	Net Profit after tax	Total Sales	8.88%	8.50%	2.93%	4.85%	190.39%	Refer Note 4
10	<b>Return on Capital employed (in %)</b>	Earning before interest and taxes	Capital Employed (Tangible Net Worth+ Total Debt + Deferred Tax Liabilities)	9.59%	18.78%	9.42%	12.10%	99.41%	Refer Note 5
11	<b>Return on investment (in %)</b>	Income generated from	Average Investments	0.61%	1.20%	5.43%	8.16%	-77.88%	Refer Note 6

**Note:**

- The company has made significant profit in current financial year as compared to previous year leading to increase in shareholders' fund which results into decrease in debt-equity ratio.
- Pursuant to significant increase in profit for the year, The company's debt service coverage ratio has been increased significantly.
- There is significant increase in net profit for the current financial year as compared to previous year leading to variation in net profit ratio.
- Earning before interest and tax for current financial year gone up significantly leads to improvement in such ratio as compared to previous year.
- During the period company has made investment which has resulted into such variation



## Annexure VII

## Notes forming part of the Restated Financial Information

**45. Additional information pursuant to provision of para 5(8) of Part-II of the Companies Act, 2013.****(a) Undisclosed income**

The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

**(b) Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

**(c) Corporate social responsibility (CSR)**

The company fall under the provisions of Section 135 of the Companies Act, 2013 and accordingly is required to spend the requisite amount on CSR for the period ending as on 30<sup>th</sup> September, 2023 and for the year ending as on 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022, 31<sup>st</sup> March, 2021 (For detailed disclosure Refer Note 32(b))

**46. First time adoption of IND AS**

The Company has prepared the opening balance sheet as per Ind AS as of 01st April, 2021 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Company as detailed below:

**1 Optional exemptions**

- (a) Deemed cost for Property and Plant and Equipment Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has opted to measure all of its property, plant and equipment at their previous GAAP carrying value.

- (b) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The company has elected to apply this exemption for its investment in equity instruments.

**2 Mandatory exceptions to retrospective application of other Ind AS**

- (a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) unless there is an objective evidence that those estimates were in error.

The company has not made any changes to estimates made in accordance with Previous GAAP.

- (b) Ind AS 109 - Financial Instruments (Derecognition of previously recognized Financial Assets/ Financial Liabilities)

An entity shall apply the derecognition requirements in Ind AS 109 prospectively for the transactions occurring on or after date of transition to Ind AS.

Annexure VII

Notes forming part of the Restated Financial Information

---

The Company has no Derecognition of previously recognized Financial Assets/ Financial Liabilities and it has applied the derecognition requirements prospectively.

- (c) Ind AS 109 “Financial Instruments” (Classification and Measurement of Financial Assets/ Financial Liabilities)

Classification and measurement of Financial Instruments shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of Financial instruments and accordingly has classified and measured financial instruments on the date of transition.

- (d) Ind AS 109 “Financial Instruments” (Impairment of Financial Assets):

Impairment requirements under Ind AS 109 should be applied retrospectively based on reasonable and supportable information that is available on the date of transition without undue cost or effort

The Company has not recognised any impairment of financial asset during the year.

- (e) Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

- (f) Retained earnings

Retained earnings as at 01st April, 2021 has been adjusted consequent to the above Ind AS transition adjustments.

- (g) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

- 3** The company, while preparing financial statement for the financial year ended 31st March, 2023 has analysed all mandatory exceptions and optional exemptions available under Ind AS 101 for first time adoption (including comparatives) and accordingly made restatement adjustments in line with the same in Special Purpose Ind AS financial statements.

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**46. First time adoption of IND AS  
Reconciliation of Balance Sheet as on 1<sup>st</sup> April, 2019**

[₹ in Millions]

Particulars	Reference Note	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment		556.07	-	556.07
Right to Use Assets	1	-	111.64	111.64
Capital Work-In-Progress		-	-	-
Intangible Assets		-	-	-
Intangible Assets Under Development		-	-	-
<b>Financial Assets</b>				
Investments		-	-	-
Other Financial Assets		2.86	-	2.86
Other Non Current Assets		46.58	-	46.58
		605.51	111.64	717.15
<b>Current assets</b>				
Inventories		330.19	-	330.19
<b>Financial assets</b>				
Investments	2	40.00	2.65	42.65
Trade Receivables	3	201.21	-	201.21
Cash and Cash Equivalents		0.87	-	0.87
Other Bank Balances		31.77	-	31.77
Loans		41.52	-	41.52
Other Financial Assets	6	48.35	(2.68)	45.67
Current tax Assets (Net)		8.85	-	8.85
Other Current Assets		40.09	-	40.09
		742.85	(0.03)	742.82
<b>Total Assets</b>		1,348.36	111.61	1,459.97
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		25.00	-	25.00
Other equity		409.78	(9.95)	399.82
		434.78	(9.95)	424.82
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	5	126.00	-	126.00
Lease liabilities	1	-	117.44	117.44
Provisions		2.78	-	2.78
Deferred tax liabilities (Net)	4	37.94	(1.24)	36.70
		166.72	116.20	282.92
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	5	636.88	-	636.88
Lease liabilities	1	-	1.30	1.30
Trade payable		-	-	-
Due to micro and small enterprise		-	-	-
Due to others		95.31	-	95.31
Other financial liabilities		5.10	4.06	9.16
Other current liabilities		7.57	-	7.57
Provisions		0.41	-	0.41
Current tax liabilities (Net)		1.59	-	1.59
		746.86	5.36	752.21
<b>Total equity and liabilities</b>		1,348.36	111.61	1,459.97

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**46. First time adoption of IND AS**

**Reconciliation of Balance Sheet as on 31<sup>st</sup> March, 2020**

[₹ in Millions]

Particulars	Reference Note	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment		528.62	-	528.61
Right to Use Assets	1	-	107.17	107.17
Capital Work-In-Progress		-	-	-
Intangible Assets		-	-	-
Intangible Assets Under Development		-	-	-
<b>Financial Assets</b>				
Investments		-	-	-
Other Financial Assets		2.86	-	2.86
Other Non Current Assets		53.93	-	53.93
		585.41	107.17	692.57
<b>Current assets</b>				
Inventories		100.89	-	100.89
<b>Financial assets</b>				
Investment	2	40.00	5.61	45.61
Trade Receivables	3	173.21	-	173.21
Cash and Cash Equivalents		0.49	-	0.49
Other Bank Balances		45.00	-	45.00
Loans		62.43	-	62.43
Other Financial Assets	6	133.67	(0.97)	132.70
Current Tax Assets (Net)		10.08	-	10.08
Other Current Assets		233.52	-	233.52
		799.26	4.64	803.91
<b>Total Assets</b>		1,384.69	111.81	1,496.50
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		25.00	-	25.00
Other Equity		486.69	(20.11)	466.58
		511.69	(20.11)	491.58
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	5	87.27	(1.52)	85.75
Lease Liabilities	1	-	116.01	116.01
Provisions		3.28	-	3.28
Deferred Tax Liabilities (Net)	4	35.92	(1.16)	34.76
		126.47	113.33	239.80
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	5	658.84	(0.14)	658.70
Lease Liabilities	1	-	1.42	1.42
Trade Payable		-	-	-
Due to Micro and Small Enterprise		-	-	-
Due to Others		56.93	-	56.93
Other Financial Liabilities	6	6.33	17.31	23.64
Current Tax Liabilities (Net)		1.21	-	1.21
Provisions		0.41	-	0.41
Other Current Liabilities	6	22.81	-	22.81
		746.53	18.59	765.12
<b>Total Equity and Liabilities</b>		1384.69	111.81	1496.50

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**46. First time adoption of IND AS  
Reconciliation of Balance Sheet as on 31<sup>st</sup> March, 2021**

[₹ in Millions]

Particulars	Reference Note	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment		523.99	-	523.99
Right to Use Assets	1	-	212.60	212.60
Capital Work-In-Progress		6.44	-	6.44
Intangible Assets		-	-	-
Intangible Assets Under Development		-	-	-
<b>Financial Assets</b>				
Investments		-	-	-
Other Financial Assets		1.59	-	1.59
Other Non Current Assets		47.12	-	47.12
		579.14	212.60	791.74
<b>Current assets</b>				
Inventories		312.67	-	312.67
<b>Financial assets</b>				
Investments	2	40.00	9.48	49.48
Trade Receivables	3	275.33	-	275.33
Cash and Cash Equivalents		0.46	-	0.46
Other Bank Balances		35.12	-	35.12
Loans		2.40	-	2.40
Other Financial Assets	6	124.22	(0.93)	123.29
Current tax Assets (Net)		8.73	-	8.73
Other Current Assets		134.12	-	134.12
		933.05	8.55	941.60
<b>Total Assets</b>				
		1512.20	221.15	1733.34
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		25.00	-	25.00
Other equity		560.92	(5.07)	555.85
		585.92	(5.07)	580.85
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	5	168.41	(0.04)	168.37
Lease liabilities	1	-	224.16	224.16
Provisions		4.00	-	4.00
Deferred tax liabilities (Net)	4	38.22	(1.87)	36.35
		210.63	222.25	432.88
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	5	638.04	(1.49)	636.55
Lease liabilities	1	-	5.46	5.46
Trade payable		-	-	-
Due to micro and small enterprise		1.01	-	1.01
Due to others		37.73	-	37.73
Other financial liabilities		11.33	-	11.33
Other current liabilities		18.70	-	18.70
Provisions		0.48	-	0.48
Current tax liabilities (Net)		8.35	-	8.35
		715.64	3.96	719.61
<b>Total equity and liabilities</b>				
		1,512.19	221.15	1,733.34

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**46. First time adoption of IND AS**

**Reconciliation of Balance Sheet as on 31<sup>st</sup> March, 2022**

[₹ in Millions]

Particulars	Reference Note	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment		519.63	-	519.63
Right to Use Assets	1	-	160.83	160.83
Capital Work-In-Progress		-	-	-
Intangible Assets		-	-	-
Intangible Assets Under Development		-	-	-
<b>Financial Assets</b>				
Investments		-	-	-
Other Financial Assets		1.59	-	1.59
Other Non Current Assets		57.99	-	57.99
		579.21	160.83	740.04
<b>Current assets</b>				
Inventories		346.27	-	346.27
<b>Financial assets</b>				
Investment	2	40.00	12.24	52.24
Trade Receivables	3	302.72	-	302.72
Cash and Cash Equivalents		0.37	-	0.37
Other Bank Balances		116.62	-	116.62
Loans		0.08	-	0.08
Other Financial Assets	6	172.22	(9.91)	162.31
Current Tax Assets (Net)		11.81	-	11.81
Other Current Assets		210.21	-	210.21
		1200.30	2.33	1202.63
<b>Total Assets</b>				
		1779.47	163.16	1942.67
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		25.00	-	25.00
Other Equity		633.30	(6.38)	626.92
		658.30	(6.38)	651.92
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	5	168.12	(0.08)	168.04
Lease Liabilities	1	-	178.51	178.51
Provisions		4.14	-	4.14
Deferred Tax Liabilities (Net)	4	39.99	(4.91)	35.08
		212.25	173.52	385.77
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	5	783.34	(0.57)	782.77
Lease Liabilities	1	-	5.34	5.34
Trade Payable		-	-	-
Due to Micro and Small Enterprise		0.87	-	0.87
Due to Others		76.47	-	76.47
Other Financial Liabilities	6	11.70	4.96	16.66
Other Current Liabilities	6	34.73	(13.71)	21.02
Provisions		0.64	-	0.64
Current Tax Liabilities (Net)		1.21	-	1.21
		908.96	(3.98)	904.98
<b>Total Equity and Liabilities</b>				
		1,779.51	163.16	1,942.67
		-	-	-

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**46. First time adoption of IND AS**

**Reconciliation of total comprehensive income for the period 31<sup>st</sup> March, 2020**

[₹ in Millions]

Particulars	Reference Note	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>REVENUE</b>				
Revenue from Operations		1,771.61	-	1,771.61
Other Income	2 & 6	36.00	(8.57)	27.43
		1,807.61	(8.57)	1,799.03
<b>EXPENSES</b>				
Cost of Materials Consumed		826.45	-	826.45
Purchase of Traded Goods		281.57	-	281.57
Change in Inventories		102.25	-	102.25
Employee Benefit Expenses	7	124.38	0.33	124.70
Finance Cost	5	40.70	9.28	49.99
Depreciation & Amortisation	1	32.17	4.47	36.64
Manufacturing & Other Expenses	1, 3 & 6	307.47	(12.24)	295.23
		1,714.99	1.84	1,716.83
<b>Profit/(Loss) before exceptional items &amp; tax</b>		92.62	(10.40)	82.21
Exceptional items		-	-	-
<b>Profit/(loss) before tax</b>		92.62	(10.40)	82.21
<b>Tax Expense</b>				
Current Tax		20.40	-	20.40
Adjustment in respect of earlier years		(2.64)	-	(2.64)
Deferred Tax		(2.01)	(0.01)	(2.02)
<b>Total tax expense</b>		15.75	(0.01)	15.74
		-	-	-
<b>Profit/ (Loss) for the year, net of tax</b>		76.87	(10.40)	66.47
		-	-	-
<b>Other Comprehensive Income</b>				
<b>A (i) Items that will not be reclassified to profit or loss</b>				
		-	-	-
Remeasurement Gain / (Loss) of the defined benefit plans	7	-	0.32	0.32
		-	-	-
Equity Instruments through Other Comprehensive Income	2	-	-	-
		-	-	-
<b>(ii) Income tax relating to Items that will not be reclassified to profit or loss</b>				
		-	-	-
Tax relating to Remeasurement of the defined benefit plans	4	-	(0.08)	(0.08)
		-	-	-
Tax relating to measurement of equity instruments at fair value	4	-	-	-
		-	-	-
<b>Other Comprehensive Income [A + B]</b>		-	0.24	0.24
		-	-	-
<b>Total Comprehensive Income for the year, net of tax</b>		76.87	(10.15)	66.71
		-	-	-

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**Reconciliation of total comprehensive income for the period 31<sup>st</sup> March, 2021**

[₹ in Millions]

Particulars	Reference Note	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>REVENUE</b>				
Revenue from Operations		2,089.96	-	2,089.96
Other Income	2 & 6	22.64	21.21	43.86
		2,112.60	21.21	2,133.82
<b>EXPENSES</b>				
Cost of Materials Consumed		1,025.98	-	1,025.98
Purchase of Traded Goods		788.52	-	788.52
Change in Inventories		(203.52)	-	(203.52)
Employee Benefit Expenses	7	102.25	0.12	102.37
Finance Cost	5	33.17	21.80	54.97
Depreciation & Amortisation	1	31.20	11.73	42.93
Manufacturing & Other Expenses	1, 3 & 6	232.13	(26.64)	205.49
		2,009.73	7.01	2,016.74
<b>Profit/(Loss) before exceptional items &amp; tax</b>		102.87	14.22	117.08
Exceptional items		-	-	-
<b>Profit/(loss) before tax</b>		102.87	14.22	117.08
<b>Tax Expense</b>				
Current Tax		25.00	-	25.00
Adjustment in respect of earlier years		1.35	-	1.35
Deferred Tax		2.29	(0.73)	1.55
<b>Total tax expense</b>		28.64	(0.73)	27.90
		-	-	-
<b>Profit/ (Loss) for the year, net of tax</b>		74.23	14.95	89.18
<b>Other Comprehensive Income</b>				
<b>A (i) Items that will not be reclassified to profit or loss</b>				
Remeasurement Gain / (Loss) of the defined benefit plans	7	-	0.12	0.12
Equity Instruments through Other Comprehensive Income	2	-	-	-
<b>(ii) Income tax relating to Items that will not be reclassified to profit or loss</b>				
Tax relating to Remeasurement of the defined benefit plans	4	-	(0.03)	(0.03)
Tax relating to measurement of equity instruments at fair value	4	-	-	-
<b>Other Comprehensive Income [A + B]</b>		-	0.09	0.09
		-	-	-
<b>Total Comprehensive Income for the year, net of tax</b>		74.23	15.04	89.27
		-	-	-



**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**Reconciliation of total comprehensive income for the period 31<sup>st</sup> March, 2022**

[₹ in Millions]

Particulars	Reference Note	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>REVENUE</b>				
Revenue from Operations		2,668.21	-	2,668.21
Other Income	2 & 6	56.78	(2.20)	54.58
		<b>2724.99</b>	<b>(2.20)</b>	<b>2722.79</b>
<b>EXPENSES</b>				
Cost of Materials Consumed		1,772.74	-	1,772.74
Purchase of Traded Goods		284.68	-	284.68
Change in Inventories		39.71	-	39.71
Employee Benefit Expenses	7	107.13	0.78	107.91
Finance Cost	5	40.54	21.28	61.82
Depreciation & Amortisation	1	27.03	11.34	38.37
Manufacturing & Other Expenses	1, 3 & 6	355.60	(30.46)	325.14
		<b>2,627.43</b>	<b>2.94</b>	<b>2,630.37</b>
<b>Profit/(Loss) before exceptional items &amp; tax</b>		97.56	(5.14)	92.42
Exceptional items		-	-	-
<b>Profit/(loss) before tax</b>		97.56	(5.14)	92.42
<b>Tax Expense</b>		-	-	-
Current Tax		23.40	-	23.40
Adjustment in respect of earlier years		-	-	-
Deferred Tax		1.77	(3.21)	(1.44)
<b>Total tax expense</b>		25.17	(3.21)	21.96
		-	-	-
<b>Profit/ (Loss) for the year, net of tax</b>		72.39	(1.93)	70.46
<b>Other Comprehensive Income</b>		-	-	-
<b>A (i) Items that will not be reclassified to profit or loss</b>		-	-	-
Remeasurement Gain / (Loss) of the defined benefit plans	7	-	0.78	0.78
Equity Instruments through Other Comprehensive Income	2	-	-	-
<b>(ii) Income tax relating to Items that will not be reclassified to profit or loss</b>		-	-	-
Tax relating to Remeasurement of the defined benefit plans	4	-	(0.17)	(0.17)
Tax relating to measurement of equity instruments at fair value	4	-	-	-
<b>Other Comprehensive Income [A + B]</b>		-	0.61	0.61
		-	-	-
<b>Total Comprehensive Income for the year, net of tax</b>		72.39	(1.32)	71.07
		-	-	-

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

**Equity Reconciliation**

[₹ in Millions]

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
<b>Total equity (Shareholders' funds) under previous GAAP</b>	658.30	585.92	511.69
<b>Ind AS adjustments:</b>	-	-	-
Add / (Less): carried forward	(5.07)	(20.11)	(9.95)
Add / (Less): Gain (Loss) on measurement of equity instruments at fair value (Net)	2.76	3.88	2.95
Add / (Less): Deferred tax effects of Adjustments	3.04	0.71	(0.07)
Add / (Less): IND AS impact of Derivative Contract	(0.23)	17.34	(11.53)
Add / (Less): Recognition of lease liability and right to use asset	(6.01)	(6.75)	(3.17)
Add / (Less): IND AS impact of Borrowing Cost	(0.87)	(0.14)	1.66
	(6.38)	(5.07)	(20.11)
	-	-	-
<b>Total Equity as per Ind AS</b>	651.92	580.85	491.58
	-	-	-

**Notes to reconciliation:**

**1. Right-of-use asset**

Ind AS 116 requires a lessee to recognise assets and liabilities for all leases subject to recognition exemptions.

Thus, Right-of-use asset is recognised at cost which includes present value of lease payments adjusted for any payments made on or before the commencement of lease and initial direct cost, if any. It is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use asset is depreciated using the straight-line method from the commencement date over the earlier of useful life of the asset or the lease term.

Similarly, Lease liability is recognised at present value of lease payments that are not made at the commencement of lease. Lease liability is subsequently measured by adjusting carrying amount to reflect interest, lease payments and remeasurement, if any, and further classified under non-current liabilities and current liabilities as may be applicable.

**2. Fair valuation of investment in equity recognised in other comprehensive income and Investment in Mutual Funds recognised in Statement of Profit and Loss**

Under Ind AS, Investment in equity shares is classified for fair value through other comprehensive income. Under previous GAAP, investments are carried at cost. Further under Ind AS, Investment in mutual funds is designated as fair value through profit and loss and accordingly gain/(loss) on fair valuation of such Investment is credit to Statement of Profit and Loss / Retained earnings.

## Annexure VII

Notes forming part of the Restated Financial Information

---

**3. Expected credit loss**

Under the previous GAAP, the Company use to measure provision on doubtful debts based on estimate. Ind AS requires that the company to recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Since the impact of Expected credit loss is below ` 1000, the impact of the same is disclosed as NIL.

**4. Deferred tax**

Under previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting income and taxable income for the year i.e., income statement approach. However, under Ind AS - 12 "deferred taxes" are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and their respective tax base i.e. balance sheet approach.

**5. Borrowings**

Under Ind AS, the processing charges / financial charges incurred for availing long term borrowings are required to be recognised to statement of profit and loss over the tenure of such long-term borrowings. Therefore, such charges, which were hitherto charged to Statement of profit and loss in the year in which it is incurred, have been re-recognised with corresponding impact under the head "Retained earning" and unamortised portion of such re-recognised charges have been disclosed under the head "Borrowings".

**6. Derivative / Forward Contracts**

Under previous GAAP, the Derivative / Forward contracts related to underlying transactions in foreign currency were recognised in accordance with the relevant accounting standard prevailing under previous GAAP. The same have been now recognised under Ind AS resulting into derecognition of impacts given under previous GAAP and recognition as per the provisions of Ind AS.

**7. Remeasurement of gratuity recognised in other comprehensive income**

Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset and are recognised in other comprehensive income. Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss.

**8. Reclassification of amounts reported under IGAAP**

The amounts reported under "Amount as per IGAAP" column have been reclassified wherever necessary.

**47.** Balances of trade payables, unsecured loan, loans and advances are subject to confirmation by the parties concerned.

**48. Code on Social Security, 2020**

The Code on Social Security, 2020 ('code') relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. the code has been published in the gazette of India. however, the date on which the code will come into effect has not been notified. the company will assess the impact of the code when it comes into effect and will record any related impact after the code becomes effective.

**RAGHUVIR EXIM LIMITED**

**Annexure VII**

**Notes forming part of the Restated Financial Information**

---

**49. Statement of management**

- (a) The non-current financial assets, current financial assets and other current assets are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.
- (b) Restated statement of asset and liabilities, restated statement of profit and loss, restated statement of cash flow statement and restated statement of change in equity read together with notes forming part of accounts thereon, are drawn up so as to disclose the information required under the Companies act, 2013 as well as give a true and fair view of the statement of affairs of the company as at the end of the year and financial performance of the company for the year under review.

As per our attached report of even date

**FOR G. K. CHOKSI & CO.**

[Firm Registration No. 101895W]  
*Chartered Accountants*

Sd/-

**ROHIT K. CHOKSI**  
*Partner*  
Mem. No. 31103

Place : Ahmedabad  
Date : 11th March, 2024

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**SUNIL R. AGARWAL**  
*Managing Director*  
DIN : 00265303

Sd/-

**HARDIK S. AGARWAL**  
*Chief Financial Officer*

Place : Ahmedabad  
Date : 11th March, 2024

Sd/-

**YASH S. AGARWAL**  
*Managing Director*  
DIN : 02170408

Sd/-

**DEEPIKA LADHA**  
*Company Secretary*

Place : Ahmedabad  
Date : 11th March, 2024

## OTHER FINANCIAL INFORMATION

Particulars	For the Six months period ended September 30, 2023	For the Fiscal March 31, 2023	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Basic EPS (in ₹) <sup>(1)</sup>	2.28	3.66	1.34	1.70
Diluted EPS (in ₹) <sup>(1)</sup>	2.28	3.66	1.34	1.70
Return on net worth (%)	13.22	25.70	11.43	16.63
Net asset value per equity share (in ₹) <sup>(1)</sup>	18.38	16.10	12.42	11.06
EBITDA (in ₹ million)	224.31	362.13	192.61	214.98

<sup>(1)</sup> NAV is calculated after taking effect of Bonus issue approved by shareholders on the EGM Dated July 17, 2023 and allotment approved by Board on July 31, 2023.

**Notes:** The ratios have been computed as under:

1. Basic and diluted EPS: Restated profit for the year of the Company divided by total weighted average number of equity shares outstanding at the end of the year. Basic and diluted EPS are computed in accordance with Ind AS 33 - Earnings per share.
2. Return on Net Worth: Net Profit after tax, as restated, divided by average net-worth, as restated (Equity attributable to the owners of the company, excluding non-controlling interest)
3. Net assets value per share (in ₹): Net asset value per share is calculated by dividing Net Worth as of the end of relevant year/ period divided by the number of equity shares outstanding at the end of the year / period adjusted for the Impact of Bonus issue after end of the year/period but before the date of filing of this Draft Red Herring Prospectus.
4. EBDITA means Profit before depreciation, finance cost, tax and amortization.
5. Accounting and other ratios are derived from the Restated Financial Statements.
6. Our Company have issued 20 bonus shares of face value ₹ 10 each for every one existing fully paid-up equity share of face value ₹ 10 each on July 17, 2023. The impact of issue of bonus shares are retrospectively considered for the computation of earnings per share as per the requirement of Ind AS 33

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2023, on the basis of the Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 42, 236 and 342, respectively.

Statement of Capitalization as on September 30, 2023 basis:

*(in ₹ Million, except ratio)*

Particulars	Pre-Offer	Post Offer
<b>Equity</b>		
Equity Share Capital	525.00	[•]
Other Equity	440.09	[•]
<b>Total Equity (A):</b>	<b>965.09</b>	<b>[•]</b>
<b>Borrowings</b>		
Current Borrowings	1,067.58	[•]
Non-Current Borrowings	116.00	[•]
<b>Total Borrowings (B):</b>	<b>1,183.58</b>	<b>[•]</b>
<b>Total (A+B):</b>	<b>2,148.67</b>	<b>[•]</b>
<b>Non-current borrowings / Total Equity ratio</b>	<b>0.12</b>	<b>[•]</b>
<b>Total Borrowings / Total equity ratio</b>	<b>1.23</b>	<b>[•]</b>

*Notes:*

(1) The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the book building process and hence the same have not been provided in the above statement.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, together with our Restated Financial Statements for the six month period ended September 30, 2023, Fiscals 2023, 2022 and 2021 including the notes thereto and reports thereon, each included in this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the Restated Financial Statements.

While we have historically prepared our financial statements in accordance with Indian GAAP, in accordance with applicable law, we have transitioned our financial reporting from Indian GAAP to Ind AS, with April 1, 2021, as the transition date. This section includes a discussion of financial results for the six month period ended September 30, 2023, Fiscals 2023, 2022 and 2021 which were prepared under Ind AS. For the purposes of transition to Ind AS, we have followed the guidance prescribed in "Ind AS 101 - First Time adoption of Indian Accounting Standard". The Restated Financial Statements, prepared and presented in accordance with Ind AS and in accordance with the requirements of Section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the "Guidance Note on Reports in Company Prospectus (Revised 2019)" issued by the ICAI.

Ind AS differs in certain material respects from Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which our 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. As a result, the Restated Financial Information Statements may not be comparable to our historical financial statements.

This discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and our financial performance, which are subject to numerous risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. You should also read "*Forward-Looking Statements*" and "*Risk Factors*" on pages 25 and 42, respectively, which discuss a number of factors and contingencies that could affect our business, financial condition and results of operations. Our Fiscal ends on March 31 of each year and accordingly, references to Fiscal, are to the 12-month period ended March 31 of the relevant year.

Unless the context otherwise requires, in this section, references to "we", "us", or "our" refers to Raghuvir Exim Limited and references to "the Company" or "our Company" refers to Raghuvir Exim Limited.

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "Cotton Yarn and Home Textiles Industry" released in March, 2024 ("CARE Report") prepared by CARE Analytics and Advisory Private Limited, appointed by our Company pursuant to an engagement letter dated November, 2024 and such CARE Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. For further information, see "Risk Factors 37- Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 66. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 17. The CARE Report is available on the website of our Company at <https://www.raghuvirexim.com>. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

### BUSINESS OVERVIEW

Our Company is engaged in the business of processing semi-finished fabrics into finished fabrics. Our Company has been in existence for over three decades and manufactures home textiles products such as bedsheets, pillowcase, duvet cover, comforter, quilts, curtains, which are sold to our customers in the form

of pack sets. We are also involved in trading of grey cloth and finished fabrics. Our product are made using wide range of fabrics such as polyester, cotton, cotton/polyester blended, cotton modal, cotton tencel and poly cotton.

Major portion of our revenues are derived from exports. Our Company has been recognised as a “Star Export House” by the Directorate General of Foreign Trade, Ministry of Commerce and Industry in the year 2011 and “Two Star Export House” in the year 2021. Our Exports accounted for 87.76%, 73.80%, 88.98% and 85.87% of revenue from operations for the six-month period ended September 30, 2023 and for Fiscals 2023, 2022 and 2021, respectively. For the period ended September 30, 2023, our Company exported its products to 26 countries with more than 80% of our revenues from export sales being sourced from United States of America, Canada, United Kingdom, Israel and Australia. As on February 29, 2024, we had more than 80 overseas distributors and about 5 distributors in India. Such a global distribution network plays an instrumental role in our supply-chain management as well minimizes risks that may emanate from any geographical concentration.

Our revenue from operations have grown from ₹ 2,089.96 million in Fiscal 2021 to ₹ 2,475.61 million in Fiscal 2023, registering a CAGR of 5.81% in last three fiscal years. For the period ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, our PAT was ₹ 119.52 million, ₹ 193.23 million, ₹ 71.07 million and ₹ 89.27 million, respectively. Our PAT has grown from ₹ 89.27 million in Fiscal 2021 to ₹ 193.23 million in Fiscal 2023, registering a CAGR of 29.36% in last three fiscal years. Further, our EBITDA have grown from ₹ 214.98 million in Fiscal 2021 to ₹ 362.13 million in Fiscal 2023, registering a CAGR of 29.79% % in three years.

Our Company is also involved in trading of products which includes grey cloth, finished fabrics, printed & dyed fabrics, and job work of fabrics. For carrying out job work operations, we have a cutting, stitching, finishing and packing facility with requisite machinery and facilities for servicing the order requirements.

The table below sets forth certain key operational and financial metrics for the periods indicated:

Metric	As of and for the six-month period ended September 30, 2023*	As of and for the Fiscal		
		2023	2022	2021
Revenue From operations (₹ in Millions)	1,513.69	2,475.58	2,668.21	2,089.96
Total revenue (₹ in Millions)	1,552.52	2,507.89	2,722.79	2,133.82
EBITDA (₹ in Millions)	224.31	362.13	192.61	214.98
EBITDA Margin (%)	14.82%	14.63%	7.22%	10.29%
Profit after tax (₹ in Millions)	119.63	192.38	70.46	89.18
PAT Margin (%)	7.90%	7.77%	2.64%	4.27%
Return on Equity (ROE) (%)	13.22%	25.70%	11.43%	16.63%
Debt To Equity Ratio	1.31	1.14	1.54	1.50
Interest Coverage Ratio	5.96	5.39	3.12	3.91
Return on Capital Employed (ROCE) (%)	9.59%	18.78%	9.42%	12.10%
Current Ratio	1.25	1.40	1.33	1.31



Metric	As of and for the six-month period ended September 30, 2023*	As of and for the Fiscal		
		2023	2022	2021
Net Capital Turnover Ratio	4.49	7.40	9.27	14.10
Inventory Turnover Ratio	4.31	7.23	7.31	8.89
Trade Receivable Turnover Ratio	6.40	10.01	8.33	8.20
Trade Payable Turnover Ratio	52.07	39.53	41.06	42.23

#### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:**

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of September 30, 2023 as disclosed in this Draft Red Herring Prospectus, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

#### **SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page 42 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

#### **KEY FACTORS AFFECTING THE RESULTS OF OPERATION:**

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

1. General economic conditions in India, changes in laws and regulations.
2. Changes in revenue mix, including geographic mix of our revenues.
3. Changes in Fiscal, Economic or Political conditions in India.
4. Increased market fragmentation.
5. Competition with existing and new entrants
6. Technology System and Infrastructure Risks

#### **OUR SIGNIFICANT ACCOUNTING POLICIES**

For Significant accounting policies please refer Significant Accounting Policies, “Annexure IV” beginning under Chapter titled “Financial Information of our Company” beginning on page 236 of the Draft Red Herring Prospectus.

#### **RESULTS OF KEY OPERATIONS**

##### **RESULTS OF REVENUE FROM OPERATIONS**

The following table sets forth detailed revenue from operations data from our restated statement of profit and loss for the Fiscals 2023, 2022 and 2021 and for the six-month period ended on September 30, 2023, the components of which are also expressed as a percentage of revenue from operations for such years.

Particulars	As of and for the six month period	Fiscal 2023	Fiscal 2022	Fiscal 2021
-------------	------------------------------------	-------------	-------------	-------------

		ended September 30, 2023*							
		Rs. in Millions	%	Rs. in Millions	%	Rs. in Millions	%	Rs. in Millions	%
<b>i. Sale of Product:</b>									
<b>Manufactured Products</b>									
-	Packsets	1078.39	71.24	1,722.31	69.57	2,074.72	77.76	933.87	44.68
-	Fabrics	14.83	0.98	28.45	1.15	1.39	0.05	43.83	2.10
<b>Trading</b>									
-	Packsets	251.41	16.61	132.12	5.34	331.50	12.42	860.68	41.18
-	Grey	0.00	0.00	369.05	14.91	0.00	0.00	0.00	0.00
-	Cotton Yarn	2.37	0.16	11.86	0.48	0.00	0.00	0.00	0.00
<b>ii. Other Operating Revenues</b>									
	Export benefits	139.49	9.22	179.92	7.27	224.29	8.41	188.69	9.03
	Sales of Fent & Rags	15.94	1.05	20.83	0.84	24.42	0.92	20.35	0.97
	Stitching charges received	11.26	0.74	11.05	0.45	11.89	0.45	42.54	2.04
<b>Total</b>	<b>Revenue from Operations (i+ii)</b>	<b>1513.69</b>	<b>100.00</b>	<b>2475.58</b>	<b>100.00</b>	<b>2668.21</b>	<b>100.00</b>	<b>2089.96</b>	<b>100.00</b>

Our Company's revenue from operations for the period ended September 30, 2023, is ₹ 1513.69 million and revenue from operations increased to ₹ 2475.59 million in Fiscal 2023 from ₹ 2668.21 million in Fiscal 2022 and ₹ 2089.96 million in Fiscal 2021. The decrease in Fiscal 2023 over Fiscal 2022 is 7.22%, while the growth in revenue from operations in Fiscal 2022 over Fiscal 2021 is 27.67%.

The following table sets forth a breakdown of our revenue from operations from Domestic and International market, in absolute terms and as a percentage of total revenues, for the periods indicated basis the location of the customers:

(₹ in million, except percentages)

Particulars	For the period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹)	(%)	(₹)	(%)	(₹)	(%)	(₹)	(%)
Domestic market	45.81	3.03	468.70	18.93	69.79	2.62	106.72	5.11
International market	1,467.88	96.97	2,006.91	81.07	2,598.42	97.38	1,983.24	94.89
<b>Total</b>	<b>1,513.69</b>	<b>100.00</b>	<b>2,475.61</b>	<b>100.00</b>	<b>2,668.21</b>	<b>100.00</b>	<b>2,089.96</b>	<b>100.00</b>

As of September 30, 2023, the revenue from operations is ₹ 1,513.69 million, with international market sales accounting for 96.97% and domestic market sales for 3.03%. In Fiscal 2023, our company achieved a revenue from operations of ₹2,475.61 million, with international market comprising 81.07% and domestic market sales at 18.93%. In Fiscal 2022, the corresponding figures were 97.38% and 2.62%, generating a revenue from operations of ₹ 2,668.21 million. For Fiscal 2021, the percentages were 94.89% for international market sales and 5.11% for domestic market sales, contributing to a revenue from operations of ₹2,089.96 million. The following table sets forth select financial data from our restated financial statement of profit and loss for the period ended on September 30, 2023 and financial years ended March 31, 2023, 2022 and 2021 the components of which are also expressed as a percentage of total revenue for such period and financial years.

(₹ in million, except percentages)

Particulars	For the period ended on		For the year ended on					
	30.09.2023	% of Total Income	31.03.2023	% of Total Income	31.03.2022	% of Total Income	31.03.2021	% of Total Income
Revenue from operation	1,513.69	97.50	2,475.58	98.71	2,668.21	98.00	2,089.96	97.94
Other income	38.83	2.50	32.31	1.29	54.58	2.00	43.86	2.06
<b>Total Revenue</b>	<b>1,552.52</b>	<b>100.00</b>	<b>2,507.89</b>	<b>100.00</b>	<b>2,722.79</b>	<b>100.00</b>	<b>2,133.82</b>	<b>100.00</b>
Cost of material Consumed	1,011.75	65.17	1,202.66	47.96	1,772.74	65.11	1,025.98	48.08
Purchases of Stock-in-Trade	171.07	11.02	529.16	21.10	284.68	10.46	788.52	36.95
Changes in inventories of Finished Goods and Stock - in-process	-65.42	-4.21	-42.94	-1.71	39.71	1.46	-203.52	-9.54
Employee Benefits Expenses	56.58	3.64	107.85	4.30	107.91	3.96	102.37	4.80
Finance Cost	37.65	2.43	67.13	2.68	61.82	2.27	54.97	2.58
Depreciation and Amortisation Cost	14.14	0.91	36.22	1.44	38.37	1.41	42.93	2.01
Other Expenses	154.23	9.96	349.03	13.92	325.14	11.94	205.49	9.63
<b>Total Expenses</b>	<b>1,380.00</b>	<b>88.91</b>	<b>2,249.11</b>	<b>89.68</b>	<b>2,630.37</b>	<b>96.61</b>	<b>2,016.74</b>	<b>94.51</b>
<b>Profit Before Tax</b>	<b>172.52</b>	<b>11.09</b>	<b>258.78</b>	<b>10.32</b>	<b>92.42</b>	<b>3.39</b>	<b>117.08</b>	<b>5.49</b>

Particulars	For the period ended on		For the year ended on					
	30.09.2023	% of Total Income	31.03.2023	% of Total Income	31.03.2022	% of Total Income	31.03.2021	% of Total Income
Tax Expenses	52.89	3.41	66.40	2.59	21.96	0.86	27.90	1.17
<b>Profit (Loss) for the Year</b>	<b>119.63</b>	<b>7.68</b>	<b>192.38</b>	<b>7.67</b>	<b>70.46</b>	<b>2.59</b>	<b>89.18</b>	<b>4.18</b>

### Review of Restated Financials

**Revenue from Operations:** Revenue from operations mainly consists of sale of services or goods by way of 1) Sales of products; 2) Exports incentives of goods exported; 3) Stitching charges received & 4) Sale of fent and rags.

**Other Income:** Other income includes gain from foreign currency transactions (net), gain due to lease modification and reduction in tenure, interest income on loans and advances, Rent Income, Gains on investment in Mutual Funds etc.

**Total Income:** Our total income comprises of revenue from operations and other income.

**Total Expenses:** Company's total expenses consist of Cost of material consumed, Purchase of Stock-in-trade, Changes in inventories of finished goods, work-in-progress and stock-in-trade, Employee benefit expenses, Finance costs, Depreciation and Amortization expenses, other expenses.

**Cost of materials consumed:** Cost of materials comprises of purchase of raw materials such as grey cloth, printed fabric and packing materials etc.

**Changes in inventory of finished goods, stock-in-trade and work-in-progress:** This expense line item comprises of inventories at the beginning and at the end of the year.

**Employee Benefits Expense:** Employee benefit expense includes salary, wages and bonus, provision for gratuity, staff welfare expenses.

**Finance Cost:** Finance cost includes interest expenses on bank borrowing and other interest, lease liabilities and other borrowing cost.

**Other expenses:** Other expenses mainly consist of Manufacturing expenses which includes processing charges, job charges paid and stitching material. Administrative expenses such as rent, rates and travelling and conveyance and selling and distribution expenses.

### **REVIEW OF OPERATION FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

#### **Revenue from Operations**

The total income for the period ending on September 30, 2023, amounted to ₹1513.69 million, accounting for 97.50% of the revenue. The income was derived from selling of products such as Bedsheets sets, Curtains, Table linens as well as Kitchen linens, Quilt covers etc. Out of the above 85.56% of the sales are exported whereas 1.20% of the sales are domestic in nature.

#### **Other Income**

Other income for the period ended September 30, 2023, amounted to ₹ 38.83 million, constituting 2.50% of total income of which Interest income on loans and advances is ₹ 1.13 million, net gains on investments of mutual funds is 1.79 million, net gains from foreign currency transactions is ₹ 14.89 million and Gain due to lease modification and reduction in tenure is ₹ 20.39 million.

#### **Cost of material consumed**

Cost of material consumed was ₹ 1011.75 million during the six months period ended September 30, 2023. As a percentage of total income, expenses relating to cost of material consumed were 65.17%. Our cost of material consumed during the six months period consisted of raw materials consumed of ₹ 885.39 million, packing material expense of ₹ 126.36 million etc.

#### **Changes in inventory of finished goods, stock-in-trade and work-in-progress**

Expenses relating to changes in inventories of finished goods, stock-in-trade and work-in-progress were ₹ - 65.42 million during the six months period ended September 30, 2023. As a percentage of total income, expenses relating to changes in inventories of finished goods, stock-in-trade and work-in-progress were - 4.21% during the six months period ended September 30, 2023

#### ***Employee Benefits Expenses***

The costs associated with employee benefits for the period that concluded on September 30, 2023, totalled ₹56.58 million, making up 3.69% of the total revenue. These employee benefits expenses primarily included salaries and wages, amounting to ₹53.81 million and provision for gratuity amounting to ₹1.91 million.

#### ***Finance Costs***

The financial expenses for the period that concluded on September 30, 2023, totalled ₹ 37.65 million, accounting for 2.43% of the total revenue. These expenses consist interest expenses of ₹ 30.42 million, Leases liabilities ₹ 1.16 million and Other borrowing cost of ₹ 6.07 million.

#### ***Depreciation and amortization expenses***

Our depreciation and amortization expenses for the period ended September 30, 2023, amounted to ₹ 14.14 million constituting 1.23% of total income.

#### ***Other Expenses***

Our other expenses for the period ended September 30, 2023, amounted to ₹ 154.23 million constituting 9.93% of total income which primarily comprised of Processing charges of ₹ 22.81 million, Job worker charges of ₹ 40.42 million, Stitching Charges of ₹ 5.64 million, Power and Fuels of ₹ 2.52 million, Tools consumable expenses of ₹ 2.59 million, rent rates and taxes of ₹ 15.35 million and travelling and conveyance charges of ₹ 8.86 million.

#### ***Profit before tax***

Our profit before tax for the period ended September 30, 2023, amounted to ₹ 172.52 million constituting 11.11% of total income.

#### ***Tax Expenses:***

Our tax expenses for the period ended September 30, 2023, were ₹ 52.89 million. Our tax expenses were 3.41% of our total income.

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

Our profit after tax for the period ended September 30, 2023, amounted to ₹ 119.63 million constituting 7.71% of total income.

#### **COMPARISON OF F.Y. 2023 WITH F.Y. 2022:**

### ***Revenue from Operations***

The Company's revenue from operations the financial year 2022-23 is ₹ 2475.58 million. This represents ₹ 192.63 million or 7.22 % decrease compared to the previous financial year's revenue of ₹ 2668.21 million. Most of the revenue came from selling of products such as Bedsheets sets, Curtains, Table linens as well as Kitchen linens, Quilt covers etc. This decrease was due to decrease in muted demand from the overseas market which contribute majority of our revenue from operation which can be seen from 23.05% decrease in sales from export.

### ***Other Income***

Other Income in the Financial Year 2022-23 shrunk by 40.80%, reaching ₹ 32.31 million in comparison to the ₹ 54.58 million incurred in the Financial Year 2021-22. This decline was primarily due to decrease in net gains from foreign currency transactions of ₹ 32.40 million.

### ***Cost of material consumed***

Our cost of materials consumed for the Fiscal 2023 was ₹ 1202.66 million as compared to ₹ 1772.74 million for Fiscal 2022, representing an decrease of 32.16%. This was primarily due to decrease in purchase of raw materials such as printed fabrics and packing materials.

### ***Changes in inventory of finished goods, stock-in-trade and work-in-progress***

Changes in inventory of finished goods, stock-in-trade and work-in-progress for the Fiscal 2023 was ₹ (42.94) million as compared to ₹ 39.71 million for Fiscal 2022, representing a decrease of 208.12%. This was primarily due to higher opening stock when compared to closing stock in Fiscal 2023.

### ***Employee Benefits Expenses***

Employee benefit expenses in the Financial Year 2022-23 decreased by 0.06%, reaching ₹ 107.85 million in comparison to the ₹ 107.91 million incurred in the Financial Year 2021-22. This decline in employee expenses primarily due to marginal decrease in salaries and wages and contribution to provident fund and gratuity.

### ***Finance Cost***

Finance cost in the Financial Year 2022-23 increased by 8.59%, reaching ₹ 67.13 million in comparison to the ₹ 61.82 million incurred in the Financial Year 2021-22. The increase of the Finance Charges is on account increase in Interest expense by ₹ 9.31 million in the FY 2022-23.

### ***Depreciation and Amortisation Expenses***

Depreciation and amortization in the Financial Year 2022-23 decreased by 5.60%, reaching ₹ 36.22 million in comparison to the ₹ 38.37 million incurred in the Financial Year 2021-22. This decrease in depreciation was a result of sale of fixed assets.

### ***Other Expenses***

Other expenses in the Financial Year 2022-23 increased by 7.35%, reaching ₹ 349.03 million in comparison to the ₹ 325.14 million incurred in the Financial Year 2021-22. This rise in other expenses was primarily attributed to several factors, including ₹ 75.22 million increase in Processing charges, ₹ 12.07 million increase in Travelling and Conveyance expense and freight and Octroi of ₹ 6.24 million

### ***Tax Expenses:***

Tax expenses increased by 202.40%, reaching a total of ₹ 66.40 million in the financial year 2022-23, in contrast to the ₹ 21.96 million in the financial year 2021-22. This notable increase in tax expenses can be primarily attributed to ₹ 41.60 million rise in current tax payments due to increase in profit before tax by ₹ 166.36 million.

### ***Profit after Tax (PAT)***

Due to the aforementioned factors, the profit experienced an upswing, primarily driven by the growth in total income and a decrease in total expenses as a percentage of total income. The Profit After Tax (PAT) for the financial year 2022-23 reached ₹ 192.38 million, marking an increase from ₹ 70.46 million in the financial year 2021-22. In the financial year 2022-23, PAT constituted 7.67% of the total revenue, in contrast to 2.59% in the fiscal year 2021-22.

### **COMPARISON OF F.Y. 2022 WITH F.Y. 2021:**

#### ***Revenue from Operations***

The Company's revenue from operations the financial year 2021-22 is ₹ 2668.21 million. This represents ₹ 578.25 million or 27.67% increase compared to the previous financial year's total income of ₹ 2089.96 million. Most of the revenue came from selling of products such as Bedsheets sets, Curtains, Table linens as well as Kitchen linens, Quilt covers etc. The increase in revenue was majorly due to increase in sale of manufactured packsets by ₹ 1140.84 million.

#### ***Other Income***

Other Income in the Financial Year 2021-22 surged by 19.69%, reaching ₹ 54.48 millions in comparison to the ₹ 43.86 million incurred in the Financial Year 2020-21. This increase was mainly attributable to a rise in interest received on loan and advances, amounting to ₹ 1.88 million and Gain on foreign currency transactions amounting to ₹ 27.59 million.

#### ***Cost of material consumed***

Our cost of materials consumed for the Fiscal 2022 was ₹ 1772.74 million as compared to ₹ 1025.98 million for Fiscal 2021, representing an increase of 72.79%. This was primarily due to increase in raw materials consumed.

#### ***Changes in inventory of finished goods, stock-in-trade, and work-in-progress***

Changes in inventory of finished goods, stock-in-trade, and work-in-progress for the Fiscal 2022 was ₹ 39.71 million as compared to ₹ (203.52) million for Fiscal 2021, representing an increase of 119.51%. This was primarily due to increase in closing stocks as on March 31, 2022 to ₹ 272.46 million from ₹ 68.94 million as of March 31, 2021.

#### ***Employee Benefits Expenses***

Employee benefit expenses in the Financial Year 2021-22 increased by 5.43%, reaching ₹ 107.91 million in comparison to the ₹ 102.36 million incurred in the Financial Year 2020-21. This increase in employee costs was mainly driven by salaries and wages, amounting to a total of ₹ 5.80 million.

#### ***Finance Cost***

Finance cost in the Financial Year 2021-22 increased by 12.46%, reaching ₹ 61.82 million in comparison to the ₹ 54.97 million incurred in the Financial Year 2020-21. The decrease of the Finance Charges is on account increase in Interest Expense by ₹ 6.00 million.

#### ***Depreciation and Amortisation Expenses***

Depreciation and amortization in the Financial Year 2021-22 decreased by 10.62 %, reaching ₹ 38.37 million in comparison to the ₹ 42.93 million incurred in the Financial Year 2020-21.

### ***Other Expenses***

Other expenses in the Financial Year 2021-22 increased by 57.24%, reaching ₹ 325.14 million in comparison to the ₹ 205.44 million incurred in the Financial Year 2020-21. This rise in other expenses was primarily attributed to several factors, including ₹ 65.44 million increase in Processing charges, ₹ 4.33 million increase in Job worker charges, ₹ 5.66 million increase in Travel and Conveyance expenses.

### ***Tax Expenses:***

Tax expenses have decreased reaching a total of ₹ 21.96 million in the financial year 2021-22, in contrast to the ₹ 27.90 million in the financial year 2020-21. This decrease in tax expenses can be primarily attributed to decline in current tax payments and deferred tax payments due to decrease in profit before tax.

### ***Profit after Tax (PAT)***

Due to the previously mentioned factors, the profit registered a downtrend, primarily attributed to the increase of cost of raw material consumed and depreciation and amortisation. The Profit After Tax (PAT) for the fiscal year 2021-22 reached ₹70.46 million, contrasting with ₹89.18 million in the fiscal year 2020-21. In the fiscal year 2021-22, PAT constituted 2.59% of the total revenue, in comparison to 4.18% of the total revenue in the fiscal year 2020-21.

### **Cash Flow**

The table below summaries our cash flows from our Restated Financial Information for the period ended September 30, 2023, and for the financial years ended on 2023, 2022, and 2021:

<b>Particulars</b>	<b>For the period ended September 30, 2023</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>
Net cash (used in)/ Generated from operating activities	(221.11)	326.04	16.31	19.34
Net cash (used in)/ Generated from investing activities	(115.22)	(175.74)	(14.47)	(30.32)
Net cash (used in)/ Generated from finance activities	291.52	(168.35)	79.57	1.07
Net increase/ (decrease) in cash and cash equivalents	(44.81)	(18.05)	81.41	(9.91)
Cash and Cash Equivalents at the beginning of the period	98.94	116.99	35.58	45.49
Cash and Cash Equivalents at the end of period	54.13	98.94	116.99	35.58

### ***Net cash generated from operating activities***

Net cash used in operating activities for the six-month period ended September 30, 2023 was ₹ 221.11 million and our profit before tax that period was ₹ 172.52 million. The difference was primarily attributable to depreciation of ₹ 14.14 million, Finance costs of ₹ 37.65 million, and Gain due to lease modification and reduction in tenure of ₹ 20.39 million thereafter change in working capital of ₹ (397.47) million respectively, resulting in gross cash use in from operations at ₹ 194.45 million. We have income tax paid of ₹ 26.66 million.



Net cash generated from operating activities in the Fiscal 2023 was ₹ 326.04 million and our profit before tax that period was ₹ 258.78 million. The difference was primarily attributable to depreciation of ₹ 36.22 million, Finance costs of ₹ 67.13 million, and thereafter change in working capital of ₹ 31.70 million respectively, resulting in gross cash generated from operations at ₹ 380.65 million. We have income tax paid of ₹ 54.61 million.

Net cash generated from operating activities in Fiscal 2022 was ₹ 16.31 million and our profit before tax that period was ₹ 92.42 million. The difference was primarily attributable to depreciation of ₹ 38.37 million, Finance costs of ₹ 61.82 million, and thereafter change in working capital of ₹ (136.26) million respectively, resulting in gross cash generated from operations at ₹ 49.93 million. We have income tax paid of ₹ 33.62 million.

Net cash generated from operating activities in the Fiscal 2021 was ₹ 19.34 million and our profit before tax that period was ₹ 117.08 million. The difference was primarily attributable to depreciation of ₹ 42.93 million, Finance costs of ₹ 54.97 million, and thereafter change in working capital of ₹ (154.21) million respectively, resulting in gross cash generated from operations at ₹ 37.20 million. We have income tax paid received of ₹ 17.86 million.

#### ***Net cash used in investing activities***

For the six month period ended September 30, 2023, our net cash used in investing activities was ₹ 115.22 million, which was primarily for Net Purchase of property, plant & equipment (including capital work in progress) of ₹ 96.35 million, investment in preference shares of ₹ 20.00 million. Interest received of ₹ 1.13 million during the said year.

In the Fiscal 2023, our net cash used in investing activities was ₹ 175.74 million, which was primarily for sale of property, plant & equipment & tangible assets of ₹ 48.95 million, investment in preference shares of ₹ 230.00 million. Interest received of ₹ 5.31 million during the said year.

In the Fiscal 2022, our net cash used in investing activities was ₹ 14.47 million, which was primarily for Purchase of property, plant & equipment & tangible assets of ₹ 16.27 million. Interest received of ₹ 1.80 million during the said year.

In the Fiscal 2021, our net cash used in investing activities was ₹ 30.32 million, which was primarily for Purchase of property, plant & equipment & tangible assets of ₹ 32.99 million and We also received interest income ₹ 2.67 million.

#### ***Net cash generated from/ used in financing activities.***

For the six-month period ended September 30, 2023, our net cash generated in financing activities was ₹ 291.52 million. This was primarily due to interest paid ₹ 35.27 million, procurement of long-term borrowing ₹ 328.31 million, principal and interest repayment of lease liabilities ₹ 1.52 million.

In the Fiscal 2023, our net cash used in financing activities was ₹ 168.35 million. This was primarily due to interest paid ₹ 50.54 million, procurement of long-term borrowing/short-term borrowing ₹ 95.48 million, principal and interest repayment of lease liabilities ₹ 22.33 million.

In the Fiscal 2022, our net cash generated from financing activities was ₹ 79.57 million. This was primarily due to interest paid ₹ 40.61 million, procurement of long-term borrowing/short-term borrowing ₹ 145.93 million, principal and interest repayment of lease liabilities ₹ 25.75 million.

In the Fiscal 2021, our net cash from financing activities was ₹ 1.07 million. This was primarily due to proceeds from long term/short term borrowings of ₹ 60.54 million, payment of interest ₹ 32.83 million and principal and interest repayment of lease liabilities ₹ 26.64 million.

## **LIQUIDITY AND CAPITAL RESOURCES**

We fund our operations primarily with cash flow from operating activities and borrowings / credit facilities from banks. Our primary use of funds has been to pay for our working capital requirements and capital expenditure and for the expansion of our manufacturing facilities. We evaluate our funding requirements regularly considering the cash flow from our operating activities and market conditions. In case our cash flows from operating activities do not generate sufficient cash flows, we may rely on other debt or equity financing activities, subject to market conditions.

Our Company has cash and cash equivalents of ₹ 54.13 million, ₹ 98.94 million, ₹ 116.99 million ₹ 35.58 million as of for the six-month period ended September 30, 2023 and for the Fiscal 2023, 2022 and 2021, respectively.

We have long term borrowings and long term lease liabilities of ₹ 125.99 million as for the six-month period ended September 30, 2023 and Short term borrowing and short term lease liabilities of ₹ 1069.60 million as for the six month period ended September 30, 2023 of as per restated financial statement.

The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2023:

Particular	(in ₹ million)	
	Sanctioned amount as on February 29, 2024	Outstanding amount as on February 29, 2024
<b>Fund based</b>		
<b>Secured Loan</b>		
Term loan (#)	391.90	150.52
Guaranteed Emergency Credit Line	195.00	137.55
Bill discount (*)	258.40	59.39
Export Packing Credit Limit (**)	1,000.00	786.93
<b>Unsecured Loan</b>		
Directors (\$)	3.17	3.17
Vehicle Loan	14.80	12.73
<b>Total Fund based (A)</b>	<b>1,863.27</b>	<b>1,150.29</b>
<b>Non Fund Based</b>		
Pre Settlement Risk	100.00	-
<b>Total Non Fund based (B)</b>	<b>100.00</b>	<b>-</b>
<b>Total (A) + (B)</b>	<b>1,963.27</b>	<b>1,150.29</b>

(\*) includes sublimit of bank Guarantee of Rs 5.00 Million, Letter of Credit of Rs 15.00 Millions and Cash Credit of Rs 1.00 Millions.

(\*\*) includes sublimit of Pre / Post shipment credit of Rs 1000.00 Millions.

(#) Includes sublimit Letter of Credit limit of Rs. 386.30 Millions

(\$) Outstanding balance considered as sanction limit

For further and detailed information on our indebtedness, see “Risk Factor No 26. – We have incurred indebtedness and are required to comply with certain covenants based on documentation entered into with the lenders. Our inability to meet our obligations, including financial and other covenants, under our financing arrangements could adversely affect our business, results of operations, financial condition and cash flows. Further, the terms of our financing arrangements contain various covenants that may limit our business activities. on pages 61. and “Financial Indebtedness” on page 369 of this Draft Red Herring Prospectus

## CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

As of September 30, 2023, the estimated amount of contingent liabilities and capital commitment are as follows:

Sr. No.	Particulars	For the half year ended 30th September, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a)	<b>Contingent liability</b>				
	Compensation (Refer note 1 below)	2.94	2.94	2.94	2.94
	Corporate Guarantee to banks against credit facilities extended to related party	3,950.00	--	--	--
(b)	<b>Capital commitments</b>	<b>440.00</b>	<b>NIL</b>	<b>NIL</b>	<b>7.32</b>

One of the customers has filed a civil suit against the company before Hon'ble City Civil Court, Ahmedabad, claiming Rs. 2.94 million (inclusive of interest) as compensation for the inferior quality of material supplied by the company. Pursuant to the order of Hon'ble City Civil Court, Ahmedabad, the company has deposited a sum of Rs 2.5 million against the aforesaid claim. The company has not accepted the claim and thus not provided for in the books but considered as contingent liability.

The company has extended Corporate Guarantee in respect of credit facilities availed by its related party (Entity over which Key Management Personnel individually / jointly gaining control or exercise significant influence) from banks having aggregate sanction limits to the extent of ₹ 3950.00 million.

For further information on our contingent liabilities and commitments, see "Note 35 – Contingent Liabilities" under the chapter "Restated Financial Statements" on page 295.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

#### **RELATED PARTY TRANSACTIONS**

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions, see "Financial Information- Note 37 – Related Party Transactions" on page 300 and "Summary of Offer Document" on page 27 of this Draft Red Herring Prospectus.

#### **RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS BY THE STATUTORY AUDITORS.**

There are no reservations, qualifications and adverse remarks by our Statutory Auditors since incorporation.

*Details of Default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution*

There have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company for the six month period ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021.

### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, since incorporation.

## **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

### **Financial instrument and risk management**

#### **Capital management.**

The Company manages its capital structure in a manner to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves) and debt (borrowings).

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Company's plan is to ensure that the gearing ratio (debt equity ratio) is well within the limit of 2:1.

The capital structure of the Company consists of equity and debt. The capital structure of the Company consists of equity and debt.

<b>Particulars</b>	[₹ in Millions]			
	<b>As at 30<sup>th</sup> September, 2023</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>Debt</b>	1 183.58	855.27	950.81	804.92
<b>Average equity</b>	905.12	748.54	616.39	536.22
<b>Debt to equity ratio</b>	1.31	1.14	1.54	1.50

Debts is defined as all long term debt outstanding (including unamortised expense) + Contingent liability pertaining to corporate / financial guarantee given + Short term debt outstanding in lieu of long term debts.

Total Equity is defined as Equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets – intangible assets – intangible asset under development.

### **Financial instrument and risk management**

#### **Category of financial instruments**

<b>Particulars</b>	[₹ in Million]
	<b>As at 30<sup>th</sup> September, 2023</b>

	Amortized cost	FVTPL	FVTOCI
<b>Financial assets</b>			
Investments	-	56.05	250.00
Loans	122.06	-	-
Trade receivable	271.08	-	-
Cash and cash equivalents	54.13	-	-
Other financial assets	135.81	-	-
<b>Total financial assets</b>	<b>583.08</b>	<b>56.05</b>	<b>250.00</b>
<b>Financial liabilities</b>			
Borrowings	1,183.58	-	-
Lease liabilities	12.01	-	-
Trade payables	23.39	-	-
Other financial liabilities	13.97	-	-
<b>Total financial liabilities</b>	<b>1,232.95</b>	<b>-</b>	<b>-</b>

[₹ in Millions]

Particulars	As at 31 <sup>st</sup> March, 2023		
	Amortized cost	FVTPL	FVTOCI
<b>Financial assets</b>			
Investments	-	54.26	230.00
Loans	4.97	-	-
Trade receivable	149.60	-	-
Cash and cash equivalents	98.94	-	-
Other financial assets	97.07	-	-
<b>Total financial assets</b>	<b>350.58</b>	<b>54.26</b>	<b>230.00</b>
<b>Financial liabilities</b>			
<b>Borrowings</b>	855.27	-	-
<b>Lease liabilities</b>	178.50	-	-
<b>Trade payables</b>	27.96	-	-
<b>Other financial liabilities</b>	7.94	-	-
<b>Total financial liabilities</b>	<b>1,069.67</b>	<b>-</b>	<b>-</b>

[₹ in Millions]

Particulars	As at 31 <sup>st</sup> March, 2022		
	Amortized cost	FVTPL	FVTOCI
<b>Financial assets</b>			
Investments	-	52.24	-
Loans	0.08	-	-
Trade receivable	302.72	-	-
Cash and cash equivalents	116.99	-	-
Other financial assets	163.90	-	-
<b>Total financial assets</b>	<b>583.69</b>	<b>52.24</b>	<b>-</b>

<b>Financial liabilities</b>			
Borrowings	950.81	-	-
Lease liabilities	183.85	-	-
Trade payables	77.34	-	-
Other financial liabilities	7.77	8.89	-
<b>Total financial liabilities</b>	<b>1,219.77</b>	<b>8.89</b>	<b>-</b>

[₹ in Millions]

Particulars	As at 31 <sup>st</sup> March, 2021		
	Amortized cost	FVTPL	FVTOCI
<b>Financial assets</b>			
Investments	-	49.48	-
Loans	2.40	-	-
Trade receivable	275.33	-	-
Cash and cash equivalents	35.58	-	-
Other financial assets	124.88	-	-
<b>Total financial assets</b>	<b>438.19</b>	<b>49.48</b>	<b>-</b>
<b>Financial liabilities</b>			
Borrowings	804.92	-	-
Lease liabilities	229.63	-	-
Trade payables	38.74	-	-
Other financial liabilities	5.47	5.85	-
<b>Total financial liabilities</b>	<b>1,078.76</b>	<b>5.85</b>	<b>-</b>

## Fair value measurement

### Financial instruments at fair value

As at 30<sup>th</sup> September, 2023

[₹ in Millions]

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments				
In Preference Shares	-	250.00	-	250.00
In Mutual Funds	56.05	-	-	56.05
<b>Financial liabilities</b>				
Borrowings	-	1,183.58	-	1,183.58
Lease liabilities	-	12.01	-	12.01
Derivatives Financial Instruments	-	-	-	-

As at 31<sup>st</sup> March, 2023

[₹ in Millions]

Particulars	Level 1	Level 2	Level 3	Total
-------------	---------	---------	---------	-------

<b>Financial assets</b>				
<b>Investments</b>				
In Preference Shares	-	230.00	-	230.00
In Mutual Funds	54.26	-	-	54.26
<b>Financial liabilities</b>				
Borrowings	-	855.27	-	855.27
Lease liabilities	-	178.50	-	178.50
Derivatives Financial Instruments	-	-	-	-

**As at 31st March, 2022**

[₹ in Millions]

<b>Particulars</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
<b>Investments</b>				
In Mutual Funds	52.24	-	-	52.24
<b>Financial liabilities</b>				
Borrowings	-	950.81	-	950.81
Lease liabilities	-	183.85	-	183.85
Derivatives Financial Instruments	-	8.89	-	8.89

**As at 31st March, 2021**

[₹ in Millions]

<b>Particulars</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
<b>Investments</b>				
In Mutual Fund	49.48	-	-	49.48
<b>Financial liabilities</b>				
Borrowings	-	804.92	-	804.92
Lease liabilities	-	229.63	-	229.63
Derivatives Financial Instruments	-	5.85	-	5.85

**Notes:** The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 : Inputs are Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This includes quoted equity instruments, investments in mutual funds that have quoted price.

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes unquoted equity shares, loans, security deposits, investments in Debentures, floating rate borrowings.

### **Fair value of financial assets and liabilities measured at amortized cost**

The management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to their short-term nature. The difference between carrying amount of bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### **Financial risk management**

The company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the key management personnel, who are responsible for developing and monitoring the Company's risk management policies. The key management personnel holds regular meetings and report to board on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board of directors oversee how key management personnel monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management of risk</b>
<b>Credit risk</b>	Cash and cash equivalents, loans, Financial assets measured at amortized cost.	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits.
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
<b>Market risk</b>	Borrowed fund at Interest Rate	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level.
<b>Price Risk</b>	Investments in mutual funds, equity securities	Credit ratings	Portfolio diversification and regular monitoring

### **Credit Risk**

Cash and Cash Equivalents



Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly, the Company considers that the related credit risk is low.

Trade receivables:

Exposures to credit risk

The company is exposed to the counterparty credit risk arising from the possibility that counterparties might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts.

Credit risk management.

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Company has established criteria for admission, approval systems, authorisation levels, exposure measurement methodologies, etc. the concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for the period ended 30<sup>th</sup> September 2023, for the year ended 31st March, 2023, 31st March, 2022 and 31<sup>st</sup> March, 2021. the Company is dependent on the domestic market for its business and revenues.

Other credit enhancements

The company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Age of receivables and expected credit loss

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. the provision matrix takes into account historical credit loss experienced and adjusted for forward - looking information. the expected credit loss allowance is based on ageing of the days the receivables are due.

The age of receivables and provision matrix at the end of the reporting period is as follows.

**As at 30<sup>th</sup> September, 2023**

Particulars	Expected loss rate	credit	Gross receivables	[₹ in Millions]	
				trade	Allowance expected loss for credit
Not Due		0.00%		259.77	0.00
Less than or equal to 6 months		0.00%		11.31	0.00
More than 6 months but less than or equal to 1 year		0.50%		0.00	0.00
More than 1 year but less than or equal to 2 years		2.50%		0.00	0.00

Particulars	Expected loss rate	credit	Gross receivables	trade	Allowance expected loss	for credit loss
More than 2 years but less than or equal to 3 years		5.00%		0.00		0.00
More than 3 years		10.00%		0.00		0.00
				<b>271.08</b>		<b>0.00</b>

### As at 31st March, 2023

Particulars	Expected loss rate	credit	Gross receivables	[₹ in Millions]		
				trade	Allowance expected loss	for credit loss
Less than or equal to 6 months		0.00%		149.60		-
More than 6 months but less than or equal to 1 year		0.50%		0.00		0.00
More than 1 year but less than or equal to 2 years		2.50%		0.00		0.00
More than 2 years but less than or equal to 3 years		5.00%		0.00		0.00
More than 3 years		10.00%		0.00		0.00
				<b>149.60</b>		<b>0.00</b>

### As at 31st March, 2022

Particulars	Expected loss rate	credit	Gross receivables	[₹ in Millions]		
				trade	Allowance expected loss	for credit loss
Less than or equal to 6 months		0.00%		302.58		-
More than 6 months but less than or equal to 1 year (*)		0.50%		0.14		0.00
More than 1 year but less than or equal to 2 years		2.50%		0.00		0.00
More than 2 years but less than or equal to 3 years		5.00%		0.00		0.00
More than 3 years		10.00%		0.00		0.00
				<b>302.72</b>		<b>0.00</b>

(\*) Allowance for doubtful debts below INR 1000

### As at 31st March, 2021

[₹ in Millions]

Particulars	Expected loss rate	credit	Gross trade receivables	Allowance expected loss	for credit loss
Less than or equal to 6 months		0.00%	275.29		-
More than 6 months but less than or equal to 1 year(*)		0.50%	0.04		0.00
More than 1 year but less than or equal to 2 years		2.50%	0.00		0.00
More than 2 years but less than or equal to 3 years		5.00%	0.00		0.00
More than 3 years		10.00%	0.00		0.00
			<b>275.33</b>		<b>0.00</b>

(\*) Allowance for doubtful debts below INR 1000

#### Movement in the expected credit loss allowance

Particulars	[₹ in Millions]			
	As at 30 <sup>th</sup> September, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Opening Balance (*)	0.00	0.00	0.00	0.00
Movement in expected credit loss allowance on trade receivable ((*)	0.00	0.00	0.00	0.00
Closing Balance (*)	0.00	0.00	0.00	0.00

(\*) Allowance for doubtful debts below INR 1000

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with security deposit.

Other financial assets:

The Company is having balances in cash and cash equivalents, term deposits with banks, Loans to related parties, and investment in mutual funds. With respect to investments, the Company limits its exposure to credit risk by investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. The Company's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Company therefore considers credit risks on such investments to be negligible. Loans receivable from related parties have negligible credit risk and hence no risk of default is perceived on them.

## Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and other committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

## Financing arrangements

The working capital position of the Company is given below:

Particulars	[₹ in Millions]			
	As at 30 <sup>th</sup> September, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>Financial assets</b>				
Cash and cash equivalents	54.13	98.94	116.99	35.58

## Liquidity table

The company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the company may be required to pay.

### As at 30<sup>th</sup> September, 2023

Financial Liabilities	[₹ in Millions]		
	Less than 1 year	1-5 years	5 years and above
<b>Non-current financial liabilities</b>			
Borrowings	-	116.00	-
Lease liabilities	-	9.99	-
	-	125.99	-
<b>Current financial liabilities</b>			
Borrowings	1,067.58		
Lease liabilities	2.02	-	-
Trade payables	23.39	-	-
Other financial liabilities	13.97	-	-
	<b>1106.96</b>	-	-
<b>Total financial liabilities</b>	<b>1106.96</b>	<b>125.99</b>	<b>-</b>

As at 31st March, 2023

				[₹ in Millions]
Financial Liabilities	Less than 1 year	1-5 years	5 years and above	
<b>Non-current financial liabilities</b>				
Borrowings	-	139.59		-
Lease liabilities	-	38.42		134.25
	-	178.01		134.25
<b>Current financial liabilities</b>				
Borrowings	715.68			
<b>Lease liabilities</b>	5.84	-		-
Trade payables	27.96	-		-
Other financial liabilities	7.94	-		-
	<b>757.42</b>	-		-
<b>Total financial liabilities</b>	<b>757.42</b>	<b>178.01</b>		<b>134.25</b>

As at 31st March, 2022

				[₹ in Millions]
Financial Liabilities	Less than 1 year	1-5 years	5 years and above	
<b>Non-current financial liabilities</b>				
Borrowings	-	168.04		-
Lease liabilities	-	35.15		143.36
	-	203.19		143.36
<b>Current financial liabilities</b>				
Borrowings	782.77	-		-
Lease liabilities	5.34	-		-
Trade payables	77.34	-		-
Other financial liabilities	16.66	-		-
	<b>882.11</b>	-		-
<b>Total financial liabilities</b>	<b>882.11</b>	<b>203.19</b>		<b>143.36</b>

As at 31st March, 2021

				[₹ in Millions]
Financial Liabilities	Less than 1 year	1-5 years	5 years and above	
<b>Non-current financial liabilities</b>				
<b>Borrowings</b>		-	168.37	-
<b>Lease liabilities</b>		-	35.91	188.25
		-	204.28	188.25
<b>Current financial liabilities</b>				
<b>Borrowings</b>	636.55		-	-

<b>Lease liabilities</b>	5.47	-	-
<b>Trade payables</b>	38.74	-	-
<b>Other financial liabilities</b>	11.32	-	-
<b>Total financial liabilities</b>	692.08	204.28	188.25

## Market risk

Market risk is the risk arising from changes in market prices such as interest rates will affect the company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including long term debt. The company is exposed to market risk primarily related to interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities.

## Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's debt obligations with floating interest rates and investments

Most of the company's borrowings are on a floating of interest. the company has exposure to interest rate risk, arising principally on changes in marginal cost of funds based lending rate (MCLR). the company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term credit lines besides internal accruals.

The exposures of the company's financial liabilities at the end of the reporting period are as follows:

Particulars	[₹ in Millions]			
	As at 30 <sup>th</sup> September, 2023	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Fixed rate borrowings</b>	2.80	3.29	1.36	4.54
<b>Floating rate borrowings</b>	1,180.78	851.98	949.45	800.38
	1,183.58	855.27	950.81	804.92

## Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rate had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

Particulars	[₹ in Millions]			
	As at 30 <sup>th</sup> September, 2023	As at March 31, 2023	As at March 31, 2022	As at 31 <sup>st</sup> March, 2021
<b>Impact on profit-increase in 50 basis points</b>	(5.90)	(4.26)	(4.75)	(4.00)

<b>Impact on profit-decrease in 50 basis points</b>	5.90	4.26	4.75	4.00
---	------	------	------	------

## Price risk

### Exposure

The company's exposure to securities price risk arises from investments held in mutual funds and equity instruments which are classified in the balance sheet at fair value through profit or loss and fair value through other comprehensive income respectively. To manage its price risk arising from such investments, the company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (nav) of these investments in mutual fund are available from the mutual fund houses and unquoted price of these investments in equity instruments is available from the audited / unaudited financial statements.

Profit and other comprehensive income for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss and fair value through other comprehensive income respectively.

### Disclosure for Unhedged Foreign Currency Exposure:

The details of the unhedged foreign currency exposure as at the reporting date:

Nature	Curren cy	[₹ in Millions]							
		As at 30 <sup>th</sup> September , 2023		As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
		Amo unt in Fore ign Curr ency	Amo unt in Rup ees	Amo unt in Fore ign Curr ency	Amo unt in Rup ees	Amo unt in Fore ign Curr ency	Amo unt in Rup ees	Amo unt in Fore ign Curr ency	Amo unt in Rup ees
<b>Trade Payables</b>	USD	--	--	--	--	--	--	0.14	10.35
	EURO	--	--	0.04	0.37	--	--	0.04	3.67
<b>Trade Receivables</b>	USD	31.33	260.28	1.34	106.47	--	--	2.39	168.10
	EURO	0.02	1.73	0.05	3.85	0.05	4.02	0.13	11.05
<b>Advance from Customer</b>	USD	0.24	19.50	--	--	--	--	--	--
	EURO	0.02	1.58	--	--	--	--	--	--
<b>Advance for capital goods</b>									

USD	0.07	5.61	--	--	--	--	--	--
EURO	--	--	--	--	--	--	--	--

**Information required as per Item 11 (II) © (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 years other than shut down of business due to COVID-19.

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

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the section entitled "*Risk Factors*" beginning on page 42 of this Draft Red Herring Prospectus. To our knowledge, except as we have described in this Draft Red Herring 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**

Income and sales of our Company mainly consists of selling of products such as Bedsheets sets, Curtains, Table linens as well as Kitchen linens, Quilt covers.

**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 Section titled "*Risk Factors*" beginning on page 42 in this Draft Red Herring 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 increased sales volume, introduction of new products or services or increased sales prices.**

Increase in revenue is largely correlated with an expansion in the volume of business.

**7. Total turnover of each major industry services in which the issuer company operated.**

The Company is in the business of, the relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page 146 of this Draft Red Herring Prospectus.

**8. Status of any publicly announced new products or business services.**

Our Company has not announced any new services or business services.

**9. The extent to which business is seasonal.**

Our Company's business is not seasonal.

**10. Any significant dependence on a single or few suppliers or customers.**



The % of contribution of our Company’s suppliers vis-à-vis the total revenue from operations respectively as of for the quarter ended September 30, 2023 and for the Fiscal 2021, 2022 and 2023 is as follows:

<b>Particulars</b>	<b>Top Suppliers as a percentage (%) of total purchases</b>			
	<b>Six month ended September 30, 2023</b>	<b>Fiscal 2023</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>
<b>Top 5</b>	90.61	66.71	88.99	94.24
<b>Top 10</b>	95.47	78.97	92.23	96.59

The % of contribution of our Company’s customers vis-à-vis the total revenue from operations respectively as of for the quarter ended September 30, 2023 and for the Fiscal 2021, 2022 and 2023 is as follows:

<b>Particulars</b>	<b>Top Customers as a percentage (%) of total sales</b>			
	<b>Six month ended September 30, 2023</b>	<b>Fiscal 2023</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>
<b>Top 5</b>	33.87	41.68	37.13	34.24
<b>Top 10</b>	55.21	59.60	52.97	50.71

#### **11. Competitive conditions.**

Competitive conditions are as described under the Chapters titled “*Industry Overview*” and “*Our Business*” beginning on pages 146 and 170, respectively of this Draft Red Herring Prospectus.

## FINANCIAL INDEBTEDNESS

Our Company avails loans and borrowings in their ordinary course of its business, primarily for meeting their working capital and business requirements. For details regarding the borrowing powers of our Board, see “*Our Management –Borrowing Powers of our Board*” on page 210.

Set forth below is a brief summary of our aggregate borrowings as on February 29, 2024:

*(₹ in Million)*

Particular	Sanctioned amount as on February 29, 2024 (in ₹ million)	Outstanding amount as on February 29, 2024 (in ₹ million)*
<b>Fund based</b>		
<b>Secured Loan</b>		
Term loan <sup>(#)(1)(2)</sup>	391.90	150.52
Guaranteed Emergency Credit Line	195.00	137.55
Bill discount <sup>(^)</sup>	258.40	59.39
Export Packing Credit Limit <sup>(**)</sup>	1,000.00	786.93
<b>Unsecured Loan</b>		
Directors <sup>(\$)</sup>	3.17	3.17
Vehicle Loan	14.80	12.73
<b>Total Fund based (A)</b>	<b>1,863.27</b>	<b>1,150.29</b>
<b>Non-Fund Based</b>		
Pre-Settlement Risk	100.00	-
<b>Total non-fund based (B)</b>	<b>100.00</b>	<b>-</b>
<b>Total (A) + (B)</b>	<b>1,963.27</b>	<b>1,150.29</b>

\* As certified by M/s. G. K. Choksi & Co., the Statutory Auditor of our Company pursuant to their certificate dated March 29, 2024

(^) includes sublimit of bank Guarantee of Rs 5.00 million, Letter of Credit of Rs 15.00 million and Cash Credit of Rs 1.00 million

(\*\*) includes sublimit of Pre / Post shipment credit of Rs 1000.00 million

(#) Includes sublimit Letter of Credit limit of Rs. 386.30 million

(\$) Outstanding balance considered as sanction limit

(1) Secured primary by way of hypothecation over the current assets of our Company viz. inventory which includes raw materials, work in progress, finished goods, export receivables, book-debts, plant and machinery and other chargeable current assets of the company both existing and future.

(2) Secured by way of personal guarantee by our Directors namely, Sunil Agarwal, Hardik Agarwal and Yash Agarwal.

Specific properties as collateral security:

(i) Industrial land Block 10 Pirana Kamod Road, Kamod Survey no 14 and 15, Nr Raghuvir Exim Limited Unit 1382405, opp Devraj Industrial Estate

(ii) Industrial land Survey no 80/2 Kamod, Piplaj Pirana Road opp Devraj Industrial Estate, Pirana Road, Ahmedabad – 382405

(iii) Commercial property 1035/A, Near Ayodhya Township, Rancharda Road, Shilaj, Shilaj, Ahmedabad, Daskroi, Gujarat, India, 380059

There have been no defaults in repayment of borrowings with any financial institutions/ banks as on the date of this Draft Red Herring Prospectus. We have received necessary approval from the concerned lenders for the proposed Offer.

For further information, see Risk Factor No. 26 – “We have incurred indebtedness and are required to comply with certain covenants based on documentation entered into with the lenders. Our inability to meet our obligations, including financial and other covenants, under our financing arrangements could adversely affect our business, results of operations, financial condition and cash flows. Further, the terms of our financing arrangements contain various covenants that may limit our business activities.” on page 61 of this Draft Red Herring Prospectus.

**Principal terms of the borrowings availed by us:**

A summary of the principal terms of our borrowings are as set out below. The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us:

1. **Tenor:** The tenor of the loans ranges from 12 months to 10 years.
2. **Interest:** The interest rate applicable to our borrowing facilities is typically tied to the lender’s lending rate prevailing at the time, as applicable and which may vary for each facility.
3. **Security:** In terms of our borrowings where security needs to be created, we are typically required to:
  - a. Equitable mortgage over the Company’s free hold land and building at 1035/A near Ayodhya Shilaj, Mouje, Shilaj for the thereon;
  - b. create a pari passu charge by way of hypothecation on entire current assets and movable fixed assets, present and future, of our Company;
  - c. charge on current asset, movable fixed assets and immovable properties of the Company;
  - d. personal guarantee by our Promoter and Promoter Group Member namely Sunil Agarwal, Pamita Agarwal, Hardik Agarwal, Yash Agarwal, Aditi Agarwal, Shubhi Agarwal.

The above is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. **Events of default:** The terms of our borrowings contain certain standard events of default which may attract penal charges, including:
  - a. fails to promptly pay any amount now or hereafter owing to the Bank as and when the same shall become due and payable
  - b. overdue interest/ installment in respect of term loans and over-drawings above the drawing power/ limit in fund based working capital accounts;
  - c. any representation have been false at any time or misleading as of the date on which the same was made or deemed to be made;

- d. failure in performance of any covenant, condition or agreement;
  - e. breach of financial covenants;
  - f. the cessation of business by or the dissolution, winding-up, insolvency or liquidation.
5. ***Consequences of event of default:*** Upon the occurrence of an event of default the lender may levy penal/ interest charges over and above the normal interest applicable in the account.
6. ***Negative Covenants:*** The borrowing arrangements entered into by us restrict us from carrying out certain actions, including:
- a. change in the capital structure;
  - b. any change in the capital structure of the Company resulting in dilution of the promoter's shareholding, without the prior permission of the Bank;
  - c. formulate any scheme of amalgamation or reconstruction;
  - d. undertake any new project/scheme without obtaining the Bank's prior consent;
  - e. invest, lend or advance funds to any other concern;
  - f. enter into any borrowing or financing arrangements and any term loans proposed to be obtained from Financial Institutions/Banks;
  - g. issue any corporate guarantee on behalf of any company;
  - h. declare dividend for any year except out of profits relating to that year and after payment of outstanding dues to the lenders;
  - i. make material changes in the management set up without prior approval of the Banks;
  - j. create charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons;
  - k. withdraw/allow to be withdrawn any money brought in by the Company, Promoter or Directors;
  - l. extend loans to Directors/Associates or other companies;
  - m. sell, assign, mortgage or dispose of any of any bank charged fixed assets.
  - n. not pay any consideration whether by way of commission, brokerage, fees or in any other form to the guarantors for giving the personal guarantee;
  - o. to avoid entering long-term contracts without bank approval;
  - p. to not to alter any director's compensation practices;
  - q. any trading activity other than the sale of products arising out of its own manufacturing operations;
  - r. opening of Current Account with another bank or a bank which is not a member of consortium/MBA;

- s. payment of commission to the guarantor(s) for guaranteeing the credit facilities sanctioned by the bank.
- t. change in Machinery/ manufacturer/ cost of machinery;
- u. modification/disbursement in repayment period of term loans;
- v. issuance of BGs with auto renewal clause;
- w. any increase in project cost on account of any item not listed in the project details submitted for evaluation will be funded by the promoter;

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities; (iii) claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount; and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Directors and our Promoters (“Relevant Parties”); or (v) pending litigation involving each of our Group Company which has a material impact on our Company. Further, there are no disciplinary actions (including penalties) imposed by SEBI or a recognized Stock Exchanges against our Promoters in the last five Financial Years immediately preceding the date of this Draft Red Herring Prospectus, including any outstanding action.*

*For the purposes of identification of material litigation in (iv) above any pending litigation (including arbitration proceedings) involving the Relevant Parties, our Board has considered and adopted the Materiality Policy at its meeting held on December 09, 2023 has determined ‘Material Litigation’ as:*

- (i) if the aggregate amount involved in such individual litigation, to the extent quantifiable, exceeds 10% of the Company’s profit after tax for the most recently completed fiscal year, as per the last Restated Financial Statements; or*
- (ii) where the monetary impact is not quantifiable or the amount involved may not exceed the materiality threshold set out under (i) above, but where an adverse outcome in any litigation would materially and adversely affect our Company’s business, prospects, operations, financial position or reputation, irrespective of the amount involved in such litigation.*

*The profit after tax of our Company as per the last restated financial statements for Financial Year 2022-23 was ₹ 192.38 million. Accordingly, all such outstanding litigation proceedings where the aggregate monetary claim made by or against the Relevant Parties, in any such outstanding litigation or arbitration proceeding is equal to or in excess of ₹ 19.23 million have been disclosed in this Draft Red Herring Prospectus.*

*It is clarified that for the purposes of the Materiality Policy, pre-litigation notices (other than those issued by governmental, statutory or regulatory, judicial authorities) received by the Relevant Parties shall in any event not be considered as litigation until such time that Relevant Parties are made a party to proceedings initiated before any court, tribunal or governmental, statutory authority or any judicial authority, or is notified by any governmental, statutory or regulatory or any judicial authority of any such proceeding that may be commenced.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, our Board, at its meeting held on December 09, 2023 has determined ‘Material Dues’ as outstanding dues to any creditors of our Company if the amount due to any one of them (‘Material Creditor’) exceeds 7.5% of the trade payables of the Company as per last Restated Financial Statements. The trade payables of our Company, as per the last Restated Financial Statements as per the last restated financial statements for Financial Year 2022-23 is ₹ 27.96 million and accordingly, any outstanding dues exceeding ₹ 2.10 million have been considered as material*

*outstanding dues for the purposes of disclosure in this section. Details of Material Dues to creditors as required under the SEBI ICDR Regulations have been disclosed on our website at <https://www.raghuvirexims.com>. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“MSME”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

*All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of date of this Draft Red Herring Prospectus.*

## **I. Litigation involving our Company**

### *A. Litigation filed against our Company*

#### **1. Criminal proceedings**

Nil

#### **2. Outstanding actions by regulatory and statutory authorities**

- (i) An application (W.C. Application 01/2023) has been filed on January 19, 2023 before the Hon’ble Labour Court, Ahmedabad under Section 82 of the Employees Compensation Act, 1923 by one Pratikshaben Solanki (the “**Complainant**”), the widow of our employee/ workman (late Ravikumar Solanki) against our Company and the contractor, RajuBhai Batrisi. As per the complaint, the Complainant has alleged that her husband who was working as a conductor with our Company died due to extreme pressure on mind and body while fulfilling employment duty and has claimed from our Company a sum of ₹ 1.5 million towards compensation and a penalty thereon at the rate of 50% of the compensation i.e. ₹ 0.75 million. The matter is currently pending before the Hon’ble Court.

#### **3. Material Civil proceedings**

Nil

### *B. Litigation filed by our Company*

#### **1. Criminal proceedings**

Nil

#### **2. Material Civil proceedings**

Nil

## **II. Litigation involving the Directors**

### *A. Litigation filed against our Directors*

**1. Criminal proceedings**

Nil

**2. Outstanding actions by regulatory and statutory authorities**

Nil

**3. Material Civil proceedings**

Nil

*B. Litigation filed by our Directors*

**1. Criminal proceedings**

Nil

**2. Material Civil proceedings**

Nil

**III. Litigation involving our Promoters**

*A. Litigation filed against our Promoters*

**1. Criminal proceedings**

Nil

**2. Outstanding actions by regulatory and statutory authorities**

- (i) A complaint (No. 19566/2018) has been filed on May 04, 2015 before Hon'ble Additional Chief Metropolitan Magistrate Court, at Ahmedabad by the Employee State Insurance Corporation ("ESIC") against our group company, Raghuvir Synthetics Limited (RSL) and our Promoter, Sunil Agarwal in his capacity as Chairman & Director of RSL for the alleged default of Section 38 of the Employees' State Insurance Act, 1948 ("ESI Act") read with Regulation 12(1) of the ESI (General) Regulations, 1950 ("ESI Regulations") thereby committing an offence under section 85(g) of the ESI Act which is punishable under Section 85(ii) of the ESI Act. As per the complaint, RSL is alleged not to have registered its employee, Rajnish Ranjitsingh Rajput under Regulation 12 of ESI Regulations prior to their commencement of his employment on July 1, 2014 and it is alleged that that the employee's details were registered post the occurrence of his accident on July 4, 2014. The matter is currently pending before the Hon'ble Court.

**3. Material Civil proceedings**

Nil



*B. Litigation filed by our Promoters*

**1. Criminal proceedings**

Nil

**2. Material Civil proceedings**

Nil

**IV.** Save and except as disclosed below, as on the date of this Draft Red Herring Prospectus, there is no litigation involving our Group Companies which may have a material impact on our Company.

A complaint (No. 19566/2018) has been filed on May 04, 2015 before Hon'ble Additional Chief Metropolitan Magistrate Court, at Ahmedabad by the Employee State Insurance Corporation ("ESIC") against our group company, Raghuvir Synthetics Limited (RSL) and our Promoter, Sunil Agarwal in his capacity as Chairman & Director of RSL for the alleged default of Section 38 of the Employees' State Insurance Act, 1948 ("ESI Act") read with Regulation 12(1) of the ESI (General) Regulations, 1950 ("ESI Regulations") thereby committing an offence under section 85(g) of the ESI Act which is punishable under Section 85(ii) of the ESI Act. As per the complaint, RSL is alleged not to have registered its employee, Rajsingh Ranjitsingh Rajput under Regulation 12 of ESI Regulations prior to their commencement of his employment on July 1, 2014 and it is alleged that that the employee's details were registered post the occurrence of his accident on July 4, 2014. The matter is currently pending before the Hon'ble Court.

The aforesaid proceedings also involve our Promoter, Sunil Agarwal as a party, and the same have been separately disclosed in "*-Litigation involving our Promoter –Outstanding actions by statutory and regulatory authorities*" on page 375, and vice versa.

**V. Tax proceedings against our Company, Directors and Promoters.**

Except as disclosed below, there are no claims related to direct and indirect taxes, involving our Company, Directors and Promoters:

<b>Nature of Proceedings</b>	<b>Number of cases</b>	<b>Amount involved</b>
<b><i>Company</i></b>		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
<b><i>Directors</i></b>		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
<b><i>Promoter</i></b>		
Direct tax	7	28.23
Indirect tax	Nil	Nil

## OUTSTANDING DUES TO CREDITORS

In accordance with the Materiality Policy, details of outstanding dues (trade payables) owed to MSME (as defined under *section 2* of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at September 30, 2023, are set out below:

Types of creditors	Number of Creditors	Amount Outstanding (₹ In million)
Material Creditors	Nil	Nil
Micro, Small and Medium Enterprises*	3	0.56
Other creditors	197	22.83
<b>Total</b>	<b>200</b>	<b>23.39</b>

\*As defined under the Micro, Small and Medium Enterprises Development Act, 2006.

The details *pertaining* to outstanding dues to creditors as on September 30, 2023 along with the name and amount involved for each such Material Creditors, are available on the website of our Company [www.raghuvirexim.com](http://www.raghuvirexim.com).

## DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, our Promoters nor our Directors are or have been classified as a wilful defaulter or fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI.

## MATERIAL DEVELOPMENTS

Except as disclosed in the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 342 of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since the date of the Restated financial information as disclosed in this Draft Red Herring Prospectus, any circumstances that materially and adversely affect, or likely to affect, within the next 12 months, our profitability taken as a whole or the value of our assets or our ability to pay material liabilities.

## **GOVERNMENT AND OTHER APPROVALS**

*We have set out below a list of consents, licenses, registrations, permissions and approvals from the Government of India and various governmental agencies required to be obtained by our Company which are considered material and necessary for the purposes of undertaking our present business activities and operations. In view of the approvals listed below, our Company can undertake this Issue and its business activities, as applicable.*

*Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals and licenses are valid as on the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired we have either made application for renewal or are in the process of making an application for renewal. In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations. For further details in connection with the regulatory and legal framework within which we operate, see the section titled “Key Regulations and Policies” on page 190.*

### **I. INCORPORATION DETAILS OF OUR COMPANY**

1. Certificate of incorporation dated October 28, 1992, issued to our Company by the Registrar of Companies, Gujarat at Dadra and Nagar Haveli to our Company in its name, being “Raghuvir Exim Limited”.
2. The Corporate Identity Number of our Company is U51909GJ1992PLC018496.

### **II. APPROVALS IN RELATION TO THE ISSUE**

For details regarding the approvals and authorisations obtained by our Company in relation to the Issue, please see “*Other Regulatory and Statutory Disclosures - Authority for the Offer*” on page 381 of this Draft Red Herring Prospectus.

### **III. APPROVALS IN RELATION TO BUSINESS OPERATIONS OF OUR COMPANY**

#### *Tax Related Approvals*

1. The permanent account number of our Company is AAACR7492N.
2. The tax deduction account number of our Company is AHMR00571E.
3. The GST registration obtained by our Company is 24AAACR7492N1ZU, issued by the Government of India for GST payment in the state of Gujarat where our business operations are situated.

#### *Labour and Employee Related Approvals*

1. Under the provisions of the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, our Company has been allotted EPF code number GJAHD0055488000.
2. Under the provisions of the Employees’ State Insurance Act, 1948, our Company has been allotted code number 37000264680000199.

3. Under the Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976, our Company has been allotted registration number PRC010657000112.

**A. *Business Related Approvals***

**(i) *General Approvals***

1. Udyam Registration bearing number UDYAM-GJ-01-0019961 dated October 13, 2020, as Micro Enterprise under the Micro, Small and Medium Enterprise Act, 2006.
2. The importer exporter code for our Company issued on March 29, 1993 by the Office of Additional Director General of Foreign Trade, Ahmedabad, Ministry of Commerce and Industry, Government of India is 0891019855.
3. Registration of establishment under respective state shops and establishment acts under the provisions of the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019, as amended, our Company has been issued registration no. PII/SHLJG/4000986/0278021 in relation to our registered office.
4. Final No Objection Certificate from fire safety authorities in relation to our registered office.

**(ii) *Unit - I***

1. License to work a factory dated March 16, 2021, bearing registration number 2074/17211/2003 issued by the Directorate of Industrial Safety and Health (Labour Department), Ahmedabad, Government of Gujarat under the Factories Act, 1948, as amended (and rules made thereunder) for our manufacturing facility.
2. Registration as Principal Employer bearing registration no. AHD/2024/CLRA/22 dated February 19, 2024 issued by Office of the Assistant Commissioner of Labour, Labour Department, Gujarat, under the provisions of Contract Labour (Regulation and Abolition) Act, 1970.

**(iii) *Unit - II***

1. License to work a factory dated November 15, 2021, bearing registration number 5748/13139/2014 issued by the Directorate of Industrial Safety and Health (Labour Department), Ahmedabad, Government of Gujarat under the Factories Act, 1948, as amended (and rules made thereunder) for our manufacturing facility.
2. Registration as Principal Employer bearing registration no. AHD/2024/CLRA/21 dated February 19, 2024 issued by Office of the Assistant Commissioner of Labour, Labour Department, Gujarat, under the provisions of Contract Labour (Regulation and Abolition) Act, 1970.

**IV. APPROVALS APPLIED FOR BUT NOT YET RECEIVED:**

Nil

**V. MATERIAL LICENSES/ APPROVALS REQUIRED BUT NOT OBTAINED OR APPLIED FOR:**

- (i) Permission from the revenue department by Sunil Agarwal for seeking change in the use of land from agriculture to non-agriculture purpose in respect of land bearing
  - a) Survey No. 80, Behind Unique Press House, Pirana Road, Piplej, Ahmedabad, Gujarat – 382405; and
  - b) Block No. 54, Survey No. 65/67, Opp. Vinod Fabrics, Laxmipura, Piplej, Ahmedabad, Gujarat – 382405 where our Manufacturing Facilities are located.
- (ii) Certificate of Registration under the Legal Metrology Act 2009 read with Legal Metrology (Packaged Commodities) Rules, 2011 for Unit I and Unit II.

**VI. APPROVALS EXPIRED AND RENEWAL TO BE APPLIED FOR:**

NIL

**VII. APPROVALS OBTAINED IN RELATION TO INTELLECTUAL PROPERTY RIGHTS**

- (i) Our Company has on December 01, 2023 made an application vide no. 6203606 for registration of our logo 'Raghuvir Exim Limited' under Class 24 with the registrar of trademarks in India under the Trade Marks Act, 1999.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

The Offer, including the Fresh Issue of up to 14,000,000, has been authorised by our Board pursuant to a resolution passed at its meeting held on March 11, 2024 and by our Shareholders pursuant to a special resolution passed at their meeting held on March 12, 2024.

Further, our Board has taken on record the consent of the Promoter Selling Shareholder participate in the Offer for Sale pursuant to the resolution dated March 11, 2024.

Our Board has on March 31, 2024 approved the Draft Red Herring Prospectus for filing with Securities and Exchange Board of India (“SEBI”) and the Stock Exchanges.

### *Consent by the Promoter Selling Shareholder*

The Promoter Selling Shareholder, has confirmed its participation in the Offer for Sale in relation to the Offered Shares, as set out below:

Promoter Selling Shareholder	Aggregate number of Equity Shares being offered in the Offer for Sale	Date of consent letter
Sunil Agarwal	Up to 4,500,000	March 11, 2024

The Equity Shares being offered by the Promoter Selling Shareholder in the Offer for Sale have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale

### In-principle Listing Approvals

Our Company has received in-principle approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by SEBI or any other regulatory authorities

We confirm that our Company, the Promoter Selling Shareholder, our Promoters, the members of our Promoter Group, our Directors and persons in control of our Company or our Promoters are not prohibited from accessing the capital market for any reason or debarred from buying, selling or dealing in securities, under any order or directions by the SEBI or any other securities market regulator in any other jurisdiction or any other authority/ court as on the date of this Draft Red Herring Prospectus.

None of our Directors are associated with the securities market in any manner and there is no outstanding action against them initiated by the SEBI in the past five years against our Directors or any other entity with which our Directors are associated as promoters or director.

Our Company, Promoters or Directors have neither been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on

wilful defaulters or fraudulent borrowers issued by the RBI. Further, there have not been any violations of securities laws by our Promoters and our Directors.

Further, none of our Promoters or Directors have been declared as fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, our Promoters Promoter Selling Shareholder and members of our Promoter Group, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to each of them in respect of its respective holding in our Company as on the date of this Draft Red Herring Prospectus.

### **Directors associated with the securities market**

None of our Directors are associated with the securities market in any manner including securities market related business. There are no outstanding action(s) initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus

### **Eligibility for the Offer**

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria calculated in accordance with the Restated Financial Information, as indicated below:

- a. Our Company has had net tangible assets of at least ₹ 30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each) (i.e. Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021), of which not more than 50% are held in monetary assets;
- b. Our Company has an average operating profit of at least ₹ 150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- c. Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and
- d. Our Company has not changed its name in the last one year to the date of this Draft Red Herring Prospectus

<b>Particulars</b>	<b>Financial Year ended March 31, 2023</b>	<b>Financial Year ended March 31, 2022</b>	<b>Financial Year ended March 31, 2021</b>
Restated net tangible assets <sup>(1)</sup>	907.77	710.02	634.23
Restated monetary assets <sup>(2)</sup>	98.94	116.99	35.58
Restated monetary assets, as a percentage of net tangible assets, as restated (in %) <sup>(3)</sup>	10.90	16.48	5.61
Operating profit (on a restated basis) <sup>(4)</sup>	293.60	99.66	128.19
Net worth (on a restated basis) <sup>(5)</sup>	845.15	651.92	580.85

Notes:

1. *“Net Tangible Assets” means the sum of all net assets (arrived at by deducting non-current liabilities, current liabilities from total assets) of the Company, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 and deferred tax assets as defined in Ind AS 12 and excluding the impact of deferred tax liabilities as defined in Ind AS 12 issued by Institute of Chartered Accountants of India.*
2. *“Monetary Assets” is the aggregate of cash on hand, cash equivalents and balance with banks (including other bank balances and interest accrued thereon*
3. *“Operating Profit” is defined as profit before tax excluding finance expense and other income.*
4. *“Net Worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Financial Statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*

The average Operating Profit, as restated for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 is ₹173.82 million.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

- (i) Our Company, Promoters/ Promoter Selling Shareholder, members of Promoter Group and our Directors are not debarred from accessing the capital markets by SEBI;
- (ii) The companies with which our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;
- (iii) Neither our Company, nor our Promoters or our Directors are Wilful Defaulters or Fraudulent Borrowers;
- (iv) None of our Promoters or Directors have been declared as a Fugitive Economic Offender;
- (v) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus;
- (vi) Our Company along with Registrar to the Offer has entered into tripartite agreements dated December 20, 2023 and [●] with NSDL and CDSL, respectively, for dematerialisation of the equity shares;
- (vii) The Equity Shares of our Company held by the Promoters are in dematerialised form;
- (viii) All the equity shares are fully paid-up and there are no partly paid-up equity shares as on the date of filing of this Draft Red Herring Prospectus; and

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY**



**SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, UNISTONE CAPITAL PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE PROMOTER SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF OR THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 31, 2024, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 33(1) and 33(2) of the Companies Act.

**Disclaimer from our Company, our Promoters, the Directors, the Promoter Selling Shareholder and the BRLM**

Our Company, our Promoters, the Directors, the Promoter Selling Shareholder and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.raghuvirexim.com](http://www.raghuvirexim.com), would be doing so at his or her own risk. It is clarified that the Promoter Selling Shareholder do not accept and/or undertake any responsibility for any statements made or undertakings provided other than those specifically made or undertaken by such Promoter Selling Shareholder in relation to itself and/or the respective portion of the Equity Shares offered by it through the Offer for Sale.

The BRLM accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement to be entered into between the Underwriters, the Promoter Selling Shareholder and our Company.

All information shall be made available by our Company, each of the Promoter Selling Shareholder, (to the extent that the information pertain to its and its respective portions of the Offered Shares) and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives, as applicable that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholder, 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 the Equity Shares.

The BRLM and their respective associates and affiliates, in their capacity as principal or agents, may engage in transactions with, and perform services for, our Company, our Promoters, members of the Promoter Group, the Promoter Selling Shareholder and their respective directors, officers, group companies, 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 our Company, the Promoter Selling Shareholder and their directors, officers, respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

### **Disclaimer in respect of Jurisdiction**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India) who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, multilateral and bilateral development financial institutions, public financial institutions as specified in Section 2(72) of the Companies Act, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs (under Schedule I of the FEMA Rules) and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Offer will be subject to jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

This Draft Red Herring Prospectus does not constitute an offer to sell an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, other than in India, to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India which comprises the Red Herring Prospectus . Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date. Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

#### **Eligibility and Transfer Restrictions**

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 in 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 in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

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

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or 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 in accordance with applicable laws.

#### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, will be included in the Red Herring Prospectus and the Prospectus prior to the filing with the RoC.

#### **Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, will be included in the Red Herring Prospectus and the Prospectus prior to the filing with the RoC.

## **Listing**

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being issued in the Offer and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by SEBI.

If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

The Promoter Selling Shareholder undertake to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from the Promoter Selling Shareholder in relation to the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

## **Consents**

Consents in writing of the Promoter Selling Shareholder, our Promoters, our Directors, our Company Secretary and Compliance Officer, Chief Financial Officer, Legal Counsel to the Offer, the Book Running Lead Manager, Statutory & Peer Reviewed Auditor, the Registrar to the Offer, Banker to the our Company, in their respective capacities have been obtained; and consents in writing of the Syndicate Members, Underwriter, Monitoring Agency, Escrow Collection Bank(s), Banker(s) to the Offer/ Public Offer Bank(s)/ Refund Bank(s) and Sponsor Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Sections 26 and 32 of the Companies Act. Further, consents received prior to filing of this Draft Red Herring Prospectus have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus with SEBI

## **Experts to the Offer**

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

Our Company has received written consents from the following persons to include their names in this Draft Red Herring Prospectus as an "Expert" as defined under Section 2(38) and 26 of the Companies Act, read

with SEBI ICDR Regulations and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus:

- (i) Consent dated March 29, 2024 from our Statutory and the Peer Review Auditor namely, M/s. G K Choksi., Chartered Accountants, in respect of the report of the Statutory Auditors on the Restated Financial Statements dated March 11, 2024, and the Statement of Special Tax Benefits dated March 29, 2024 included in this Draft Red Herring Prospectus.
- (ii) Consent dated April 15, 2024 from PRT & Associates, Practicing Company Secretary for Physical search report.
- (iii) Consent dated March 28, 2024 from M/s. Ameer Engineer, Independent Chartered Engineer in respect of their certificates dated January 19, 2024 on our Company's installed capacity and capacity utilisation at our Units included in this Draft Red Herring Prospectus;
- (iv) Consent dated March 28, 2024 from Sambhubhai Karkar, Independent Chartered Engineer in respect of their certificate dated March 28, 2024 for the Proposed Facilities at Proposed Facility at Survey No: 897 Moje Gam: Vansva, Taluka: Viramgam, Dist: Ahmedabad, Gujarat - 382150 and Survey No: 916P Moje Gam: Vansva, Taluka: Viramgam, Dist: Ahmedabad, Gujarat - 382150 included in this Draft Red Herring Prospectus.

Such consents have not been withdrawn as on the date of this DRHP. However, the term "expert" and the consent thereof shall not be construed to mean an "expert" or consent within the meaning as defined under the U.S. Securities Act.

#### **Capital issue during the previous three years by our Company**

Except as disclosed in "*Capital Structure – Notes to the capital structure*" on page 89 of this Draft Red Herring Prospectus, our Company has not made any capital issues during the previous three years.

#### **Public or rights issues by our Company during the last five (5) years**

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.

#### **Commission and brokerage on previous issues**

Since this is an Initial Public Offer of the Equity Shares, 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 our Equity Shares in the five years preceding the date of this Draft Red Herring prospectus.

#### **Capital issue during the previous three years by listed Group-Companies/ subsidiaries/ associates of our Company**

Except as stated under chapter titled "*Capital Structure*" beginning on page 99 of the Draft Red Herring Prospectus, our Company has not undertaken any capital issue. As on the date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiary or associate companies.

Except Raghuvir Synthetics Limited, none of our Group Companies have their equity shares listed on the Stock Exchanges.

#### **Performance vis-a-vis objects – Public/ rights issue of our Company**

Except as stated under chapter titled “*Capital Structure*” beginning on page 99 of the Draft Red Herring Prospectus, our Company has not undertaken any previous rights issue. Further, this Offer is an “Initial Public Offer” in terms of SEBI ICDR Regulations and our Company has not undertaken any previous public issue.

**Performance vis-a-vis objects – Last one Public Offer/ Rights Offer of Subsidiaries/ Listed Promoters**

Our Company has not undertaken any rights issue in the five years preceding the date of this Draft Red Herring Prospectus. Our Company has not made any public issues in the five years preceding the date of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, our Company does not have any listed Subsidiary.

**Stock Market Data of the Equity Shares**

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

### Price Information and track record of past issues handled by the Book Running Lead Manager

Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by *Unistone Capital Private Limited*

Sr. No.	Issue Name	Issue Size (Millions)	Issue price	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
<b>Main Board</b>								
1	Global Surfaces Limited	1549.8	140	March 23, 2023	163	54.64% [3.90%]	43.32% [10.42%]	- 22.89% [16.54%]
2	Ratnaveer Precision Engineering Limited	1650.32	98	September 11, 2023	123.2	16.63% [-0.93%]	19.90% [4.87%]	-0.16% [11.68%]
3	Valiant Laboratories Limited	1524.60	140	October 03, 2023	162.15	44.25% [-2.07%]	23.71% [11.28%]	-
4	BLS E-Services Limited	3092.93	135	February 06, 2024	305.00	5.36% [2.57%]	-	-
5	Platinum Industries Limited	2,353.17	171	March 5, 2024	225.00	-		
<b>SME Platform</b>								
1	MOS Utility Limited	499.65	76	April 18, 2023	90	39.47% [2.66%]	15.39% [11.62%]	17.28% [11.84]
2	Sahana System Limited	327.38	135	June 12, 2023	163	8.22% [4.21%]	97.67% [6.55%]	321.67% [12.73%]
3	Sangani Hospitals Limited	151.68	40	August 17, 2023	44	-4.55% [4.27%]	-1.25% [1.60%]	7.87% [12.28%]
4	Mono Pharmacare Limited	148.40	28	September 7, 2023	29	40.18% [-0.37%]	69.82% [4.87%]	103.45% [13.33%]
5	Unihealth Consultancy Limited	565.49	132	September 21, 2023	135	4.84% [-1.02%]	-2.92% [8.67%]	-3.70% [10.51%]

Source: [www.nseindia.com](http://www.nseindia.com)

(1) NSE as Designated Stock Exchange.

Notes:

- Issue size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY 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.
- Price on NSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
- Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

### Summary statement of price information of past public issues handled by Unistone Capital Private Limited

Financial year	Total no. of IPO*	Total funds Raised (₹ Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> 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%
<b>Main Board</b>														
FY 2021-22	2	251.39	-	1	-	-	-	1	1	-	-	-	-	1
FY 2022-23	1	154.39	-	-	-	-	1	-	-	-	1	-	-	-
FY 2023-24	4	862.10	-	-	-	1	1	2	-	-	2	-	-	-
<b>SME Platform</b>														
FY 2021-22	2	8.99	-	-	-	-	1	1	-	-	-	1	1	-
FY 2022-23	2	56.52	-	-	1	-	-	1	-	-	2	-	-	-
FY 2023-24	5	169.27	-	-	1	-	2	2	-	-	1	2	-	2

### Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the BRLM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website [www.unistonecapital.com](http://www.unistonecapital.com).



## Mechanism for Redressal of Investor Grievances

SEBI, by way of its master circular bearing number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 (“June 2023 Circular”), circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 (“March 2021 Circular”), has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders 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.

Subsequently, by way of its circular dated June 2, 2021 (“June 2021 Circular”) and its circular dated April 20, 2022 (“April 2022 Circular”), SEBI modified the process timelines and extended the implementation timelines for certain measures introduced by the March 2021 Circular. Per the March 2021 Circular read with the June 2021 Circular and the April 2022 Circular, for initial public offerings opening for subscription on or after May 1, 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 and invoice in the inbox by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) periodic sharing of statistical details of mandate blocks/unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Bank to the intermediaries forming part of the closed user group vide email; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members only to once per Bid; 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 finalisation 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 two Working Days from the Bid / Offer Closing Date, in accordance with the March, 2021 Circular, as amended by the June 2021 Circular and June 2023 Circular, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of June 2023 Circular and subject to applicable law, any ASBA Bidder 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.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

<b>Scenario</b>	<b>Compensation amount</b>	<b>Compensation period</b>
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-Allotted / partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to 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 post-Offer BRLM 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 Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with March 2021 Circular read with June 2021 Circular and April 2022 Circular.

Further, in terms of April 2022 Circular, read with SEBI master circular (SEBI/HO/MIRSD/POD1/P/CIR/2023/70) dated May 17, 2023 and SEBI circular (SEBI/HO/CFD/TPD1/CIR/P/2023/140) dated August 9, 2023, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The agreement between the Registrar to the Offer, our Company and the Selling Shareholder provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the last date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

**Bidders can contact the Company Secretary and Compliance Officer, the BRLM and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLM or the Registrar to the Offer, in the manner provided below.**

All grievances in relation to the Bidding process, other than those of the Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum

Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum

Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM with whom the Bid cum Application Form was submitted by the Anchor Investor. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of Designated Intermediaries including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Chief Compliance Officer, Company Secretary and Head-Legal and Compliance, the BRLM or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode. 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.

Our Company shall obtain SCORES authentication in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 read with the SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and SEBI circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 in relation to redressal of investor grievances through SCORES.

Our Company, the Promoter Selling Shareholder, the BRLM, and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 7 (seven) Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has obtained authentication on the Securities and Exchange Board of India Complaints Redress System ("SCORES") and is in compliance with the SEBI circulars in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details, please refer to the chapter titled "*Our Management*" beginning on page 200 of this Draft Red Herring Prospectus.

Our Company has appointed Deepika Ladha, as the Company Secretary and Compliance Officer to redress complaints, if any, of the investors participating in the Offer. Contact details for our Company Secretary and Compliance Officer are as follows:

**Deepika Ladha**

c/o Raghuvir Exim Limited  
Rakhial Road, Kashiram Mills Compound,  
Near Gujarat Bottling, Rakhial,  
Ahmedabad – 380023  
Telephone: +91 8530558745  
Website: [www.raghuvirexim.com](http://www.raghuvirexim.com)  
Email id: [cs@raghuvirexim.com](mailto:cs@raghuvirexim.com)

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

**Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

Our Company has not sought for any exemptions from complying with any provisions of securities laws from the SEBI, as on the date of this Draft Red Herring Prospectus

## SECTION VII - OFFER RELATED INFORMATION

### TERMS OF THE OFFER

*The Equity Shares being offered and Allotted pursuant to the Offer will be subject to the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the Abridged Prospectus and other terms and conditions as may be incorporated in the CAN (for Anchor Investors), Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale and listing and trading of securities, issued from time to time, by SEBI and the Stock Exchanges, the Government of India, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as maybe prescribed by SEBI, the Government of India, the Stock Exchanges, the RoC, the RBI and/or any other governmental, statutory or regulatory authorities while granting approval for the Offer.*

#### **The Offer**

The Offer comprises of a Fresh Issue of Equity Shares by our Company and an Offer for Sale by the Promoter Selling Shareholder.

Expenses for the Offer shall be borne our Company and the Promoter Selling Shareholder in the manner specified in “*Objects of the Offer- Offer related expenses*” on page 124.

#### **Ranking of the Equity Shares**

The Equity Shares being offered, Allotted and transferred pursuant to the Offer will rank pari passu in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with applicable laws. For details, please see “*Main Provisions of the Articles of Association*” on page 434 of this Draft Red Herring Prospectus.

#### **Mode of Payment of Dividend**

Our Company will pay dividends, if declared, to the Shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect or any other applicable law. Any dividends declared by our Company, after the date of Allotment in this Offer, will be payable to the Allottees who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. See “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” 235 and 434 respectively of this Draft Red Herring Prospectus.

#### **Face Value, Offer Price and Price Band**

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band, and the minimum Bid Lot will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLM, and shall be published by our Company in all editions of

[●] (a widely circulated English national daily newspaper) and all editions of [●], (a widely circulated Gujarati national daily newspaper, (Gujarati being the regional language of Gujarat, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading the same on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum Application Forms available at the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point in time there will be only one denomination for the Equity Shares.

### **Compliance with disclosure and accounting norms**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders will have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy or e-voting in accordance with the provisions of the Companies Act, 2013;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013 the terms of the SEBI Listing Regulations, our Memorandum of Association, Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see “Main Provisions of the Articles of Association” on page 434 of this Draft Red Herring Prospectus.

### **Allotment only in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in dematerialised form only. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

In this context, two agreements have been entered into amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated December 20, 2023 amongst our Company, NSDL and the Registrar to the Offer.
- Tripartite agreement dated [●] amongst our Company, CDSL and the Registrar to the Offer.

### **Market Lot and Trading Lot**

Since trading of the Equity Shares on the Stock Exchanges shall only be in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised form in multiples of [●] Equity Share, subject to a minimum Allotment of [●] Equity Shares

### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, Maharashtra, India .

### **Joint holders**

Subject to the provisions of our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest, to the exclusion of all other persons, unless the nomination is verified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the holder of such Equity Share(s). A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. Fresh nomination can be made only on the prescribed form available on request at the Registered Office or at the Collecting Registrar and Share Transfer Agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013 will, on the production of such evidence as may be required by our Board, elect either:

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

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

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective

Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

### **Bid/ Offer Period**

<b>EVENT</b>	<b>INDICATIVE DATE</b>
<b>BID/OFFER OPENS ON<sup>(1)</sup></b>	On or about [●]
<b>BID/OFFER CLOSES ON<sup>(2)(3)</sup></b>	On or about [●]
<b>FINALIZATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE</b>	On or about [●]
<b>INITIATION OF REFUNDS (IF ANY, FOR ANCHOR INVESTORS)/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT</b>	On or about [●]
<b>CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS OF ALLOTTEES</b>	On or about [●]
<b>COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGES</b>	On or about [●]

- (1) *Our Company, in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
- (2) *UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM and shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated by the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 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, and the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the Self Certified Syndicate Bank(s), to the extent applicable. 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 in 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, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 read with SEBI master circular no. SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023.

**The aforesaid timetable, is indicative in nature and does not constitute any obligation or liability on our Company or the Promoter Selling Shareholder or the Members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, with reasonable support and co-operation of the Promoter Selling Shareholder, as may be required in respect of its respective portion of the**



Offered Shares, the timetable may be subject to change for various reasons, including extension of Bid/Offer Period by our Company and the Promoter Selling Shareholder in consultation with the BRLM, due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. The Promoter Selling Shareholder, severally and not jointly, confirm that they shall extend reasonable support and co-operation required by our Company and the BRLM, to the extent Promoter Selling Shareholder portion of the Offered Shares, to facilitate the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the registrar and share transfer agents on a daily basis, as prescribed by SEBI.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on mandatory basis, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

In terms of the UPI Circulars, in relation to the Offer, the BRLM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working days of Bid/ Offer Closing Date or such time prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

**Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/ Offer Period (except the Bid/ Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10:00 a.m. and 5:00 p.m. Indian Standard Time (“IST”)
<b>Bid/ Offer Closing Date*</b>	
Submission of electronic applications (Online ASBA through 3-in-1 accounts) – For RIIs, other than QIBs and Non-Institutional Bidders	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic applications (Bank ASBA through Online channels like	Only between 10.00 a.m. and up to 4.00 p.m. IST

internet banking, mobile banking and Syndicate UPI ASBA applications)	
Submission of electronic applications (Syndicate Non-Retail, NonIndividual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of physical applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of physical applications (Syndicate Non-Retail, Non-Only between 10.00 a.m. and up to 12.00 p.m. IST Individual Applications of QIBs and Non-Institutional Bidders	Only between 10.00 a.m. and up to 12.00 p.m. IST
<b>Modifications/Revisions/Cancellation of Bids</b>	
Upward or downward Revision of Bids or cancellation of Bids by RIIs	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST on Bid/Offer Closing Date

*\*UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

*#QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/ withdraw their Bids*

**On the Bid/Offer Closing Date, the Bids shall be uploaded until:**

(i) 4:00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLM to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the Registrar to the Offer on a daily basis.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and 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.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 12.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that if a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. 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 the SCSBs would be rejected. Bids will be accepted only on Working Days. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date 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 July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006, issued by the BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company and the Promoter Selling Shareholder, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price provided that the Cap Price shall be at least 105% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days.**

**Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a public notice and by indicating the change on the respective websites of the BRLM and terminals of the Syndicate Members and will also be intimated to the Designated Intermediaries and the Sponsor Banks, as applicable. However, in case of a revision in the Price Band, the Bid Lot shall remain the same.**

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

### **Minimum subscription**

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond two days, our Company shall pay interest at the rate of 15% per annum including the circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by SEBI and master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.

In case of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and complying with Rule 19(2)(b) of SCRR, allotment of Equity Shares shall be first made towards the Fresh Issue followed by transfer of/ sale of the Offered Shares in the Offer for Sale. Additionally, even if the minimum subscription for 90% of the Fresh Issue is achieved, the Allotment for the balance valid Bids will be made (i) firstly, towards all the Offered Shares of Investor Promoter Selling Shareholder; (ii) secondly, towards the remaining Equity Shares offered pursuant to the Fresh

Issue; and (iii) lastly, towards the Offered Shares proportionately between the Promoter Selling Shareholder, respectively. In the event any Equity Shares are not sold in the Offer for Sale on account of under-subscription, such unsold Equity Shares shall be subject to lock-in in accordance with the Draft Red Herring Prospectus and applicable provisions of the SEBI ICDR Regulations.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders.

The Promoter Selling Shareholder shall severally and not jointly adjust or reimburse, in proportion to the portion of its respective Offered Shares, any expenses (with regard to delayed payment of refunds) and interest incurred by our Company on behalf of such Promoter Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law as agreed among our Company and the Promoter Selling Shareholder in writing, provided that no Promoter Selling Shareholder shall be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Promoter Selling Shareholder.

### **Arrangements for disposal of odd lots**

Since the Equity Shares will be traded in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

### **New financial instruments**

Our Company is not issuing any new financial instruments through this Offer.

### **Option to receive Equity Shares in dematerialized form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

### **Restrictions, if any on transfer and transmission of Equity Shares**

Except for the lock- in of the pre-offer Equity Share Capital of our Company, lock- in of the Promoter's contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 89 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of the Equity Shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of Articles of Association*" beginning on page 434 of this Draft Red Herring Prospectus

### **Withdrawal of the Offer**

Our Company and Promoter Selling Shareholder, in consultation with the BRLM, reserves the right not to proceed with the Offer, after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company will issue a public notice within two days from the Bid/Offer Closing Date, or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLM, through the Registrar to the Offer, will instruct the SCSBs or the Sponsor Bank(s), as the case may be, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly by our Company.

If our Company and the Promoter Selling Shareholder in consultation with the BRLM, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, our Company will file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within such time period as prescribed under applicable law.

## OFFER STRUCTURE

The Offer is 18,500,000 Equity Shares of face value of ₹ 10 each, for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million comprising of a Fresh Issue of 14,000,000 Equity Shares aggregating up to ₹ [●] million by our Company and an Offer for Sale of up to 4,500,000 Equity Shares aggregating to ₹ [●] million by the Promoter Selling Shareholder.

The Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process in compliance with Regulation 6(1) and 31 of the SEBI ICDR Regulations.

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation <sup>*(2)</sup>	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or the Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or the Offer less allocation to QIB Bidders and Non- Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	Not more than 50% of the Offer shall be Allotted to QIBs. However, up to 5% of the Net QIB Portion (excluding Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs in the remaining Net QIB Portion.	Not less than 15% of the Offer less allocation to QIB Bidders and RIBs will be available for allocation subject to the following:  Further, one-third of the Non-Institutional Portion will be made available for allocation to Bidders with a Bid size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with a Bid size of more than ₹1.00 million and under-subscription in either of these two subcategories of the Non-Institutional Portion may be allocated to Bidders in the other subcategory of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price	Not less than 35% of the Net Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation

<p>Basis of Allotment/ allocation respective category is oversubscribed*</p>	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>a) [●] Equity Shares shall be available for allocated on a proportionate basis to Mutual Funds only; and</p> <p>b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to 60% of the QIB Portion Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bid received from domestic Mutual Funds at or above the Anchor Investor Allocation Price</p>	<p>The Equity Shares available for allocation to Bidders in the Non-Institutional Portion shall be subject to the following:</p> <p>(a) One-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size more than ₹0.20 million upto ₹1.00 million; and</p> <p>(b) Two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million.</p> <p>Provided that the unsubscribed portion in either of these two subcategories of Non-Institutional Portion may be allocated to the Bidders in the other subcategory of Non-Institutional Portion in accordance with the SEBI ICDR Regulations.</p> <p>The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Bid Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis, in accordance with the SEBI ICDR Regulations</p>	<p>Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, “Offer Procedure” on page 410</p>
<p>Minimum Bid</p>	<p>Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹0.20 million</p>	<p>Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹0.20 million</p>	<p>[●] Equity Shares.</p>

Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the Anchor Investor Portion), subject to applicable limits, applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, (excluding the QIB Portion), subject to applicable limits, applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹0.20 million
Who can apply <sup>(3)</sup>	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under subsection (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the GoI through resolution	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts, and FPIs who are individuals, corporate bodies and family offices and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)



	F. No.2/3/2005-DDII dated November 23, 2005, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs in accordance with applicable laws.		
Mode of Bidding	Through ASBA Process only except in case of Anchor Investors. <sup>5</sup>		
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.		
Trading Lot	One Equity Share		

\* Assuming full subscription in the Offer.

- (1) Our Company in consultation with the Book Running Lead Manager may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by our Company in consultation with the Book Running Lead Manager.
- (2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.
- (3) 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. The relevant Bidders should ensure that the depository account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company and the Promoter Selling Shareholder reserve the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories. The Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Book Running Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.
- (4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.
- (5) Anchor Investors are not permitted to use the ASBA process. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. Retail, QIB, NIB and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

The Bids by FPIs with certain structures as described under “*Offer Procedure - Bids by FPIs*” on page 417 and having same PAN will be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) will be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager, and the Designated Stock Exchange, on a proportionate basis. For further details, see the “*Terms of the Offer*” on page 396.

## OFFER PROCEDURE

All Bidders should read 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 issued by SEBI 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 SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by the UPI Bidders. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“**CAN**”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, had introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”).

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars.

*In terms of Regulation 23(5) and Regulation 52 of the SEBI ICDR Regulations, the timelines and processes mentioned in the SEBI RTA Master Circular, 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.*

*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. 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 and the SEBI Master Circular, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. Bidders are advised to make their independent investigations and ensure that their Bids 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 Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.*

### **Book Building Procedure**

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholder may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for Non-Institutional Bidders with Bid size exceeding ₹0.20 million and up to ₹1.00 million; and (b) two third of such portion shall be reserved for Non-Institutional Bidders with Bid size of more than ₹1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, 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 combination of categories, at the discretion of our Company, in consultation with the Book Running Lead Manager, and the Designated Stock Exchange and subject to applicable laws. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

**Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the CBDT dated February 13, 2020 read with press releases dated June 25, 2021 and September 17, 2021, read with press release dated September 17, 2021. CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023.**

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms, which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (in case of UPI Bidders using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.**

### **Phased implementation of UPI**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (“**Previous UPI Circulars**”) and the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through Designated 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 payment mechanism, the UPI Circulars and the Previous UPI Circulars have introduced 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 till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued 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 bearing number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase was extended till further notice. Under this phase, submission of the ASBA Form without UPI by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“**T+3 Notification**”). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification, as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI. The Offer has been made under UPI Phase III of the UPI Circular.

Pursuant to the UPI Circulars, 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 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 finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

Our Company will appoint one or more of the SCSBs as a Sponsor Bank(s) 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.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the relevant Bidding Centres, and at our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid / Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Manager.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The UPI Bidders can additionally Bid through the UPI Mechanism.

ASBA Bidders (not using the UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA 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 pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022.

All ASBA Bidders are required to provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable to be rejected.

The UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit

balance such that an amount equivalent to the full Bid Amount 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.

Anchor Investors are not permitted to participate in the Issue through the ASBA process. For Anchor Investors, the Anchor Investor Application is available with the Book Running Lead Manager.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

<b>Category</b>	<b>Colour of Bid cum Application Form*</b>
Resident Indians, including QIBs, Non-institutional Bidders and Retail Individual Bidders, each resident in India and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors**	[●]

\* Excluding electronic Bid cum Application Form.

\*\* Bid cum Application Forms for Anchor Investors will be made available at the office of the Book Running Lead Manager.

Electronic Bid cum Application forms will also be available for download on the website of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)).

The Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders) 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 through API integration 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. 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 Bankers to the Offer) 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 Bankers to the Offer. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Manager for analysing 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 the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 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 Bid/Offer Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking of funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

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

### **Electronic registration of Bids**

a)The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b)On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

### **Participation by Promoters, Promoter Group, the Book Running Lead Manager, the Syndicate Members and persons related to Promoters/Promoter Group/the Book Running Lead Manager**

The Book Running Lead Manager and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Manager and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the NonInstitutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis or in any other manner as introduced under applicable laws, 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 Book Running Lead Manager and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager can apply in the Offer under the Anchor Investor Portion:

- (i)mutual funds sponsored by entities which are associate of the Book Running Lead Manager;
- (ii)insurance companies promoted by entities which are associate of the Book Running Lead Manager;
- (iii)AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or
- (iv)FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Manager.

Except to the extent of participation in the Offer for Sale by the Promoter Selling Shareholder, shall not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoters and Promoter



Group shall not apply in the Offer under the Anchor Investor Portion. A qualified institutional buyer who has any of the following rights in relation to our Company shall also be deemed to be a person related to the Promoters or Promoter Group of our Company:

- (i) rights under a Shareholders agreement or voting agreement entered into with the Promoters or Promoter Group of our Company;
- (ii) veto rights; or
- (iii) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Manager” if:

- (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or
- (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
- (iii) there is a common director, excluding nominee director, amongst the Anchor Investors, the Book Running Lead Manager.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

### **Bids by Eligible Non-Resident Indians**

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB to block their NRE accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB to block their NRO accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Offer

through the UPI Mechanism are advised to enquire with their 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 members of the Indian company in a general meeting.

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 432.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

### **Bids by HUFs**

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant 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/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals”.

### **Bids 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-Offer 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 reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI 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.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the

Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations (“**MIM Structure**”), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. 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 the MIM Structure and indicate the name of their respective investment Manager in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment Manager in such confirmation; (ii) offshore derivative instruments (“**ODI**”) which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/subfunds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24%, 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

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

- (a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250

million (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 Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company, in consultation with the Book Running Lead Manager 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.

### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations, *inter alia*, prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, subject to FEMA Rules, VCFs and FVCIs can invest only up to 33.33% of their investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations 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. Our Company, the Promoter Selling Shareholder, the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer 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.**

### **Bids by Limited Liability Partnerships**

In case of Bids 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 Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof.

### **Bids by Banking Companies**

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Manager, 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, as amended, (the "**Banking Regulation Act**"), and the Master Directions - Reserve Bank of India

(Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, 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 (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) 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. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, 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 applications.

### **Bids 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, our Company, in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended (“**IRDAI Investment Regulations**”), 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. Insurance companies participating in the Offer are advised to refer to the IRDAI 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.

### **Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds/pension funds with minimum corpus of ₹250 million, subject to applicable law, a certified copy of a 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 the Book Running Lead Manager, reserve the right to reject any Bid, without assigning any reason thereof.

### **Bids by Systemically Important Non-Banking Financial Companies**

Applications made by systemically important non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) memorandum and

articles of association/charter of constitution; (ii) power of attorney; (iii) board Resolution authorizes investments; and (iv) specimen signature of authorized person.

### **Bids by Anchor Investors**

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

- 1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Manager.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and will be completed on the same day.
- 5) Our Company, in consultation with the Book Running Lead Manager will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the Book Running Lead Manager before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- 9) The Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 50% Equity Shares allotted to Anchor Investors shall be locked-in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.
- 10) Neither the (a) Book Running Lead Manager(s) or any associate of the Book Running Lead Manager (other than mutual funds sponsored by entities which are associate of the Book Running Lead Manager or insurance companies promoted by entities which are associate of the Book Running Lead Manager or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Manager or FPIs, other than individuals, corporate bodies and family offices, sponsored

by the entities which are associate of the Book Running Lead Manager) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category.

- 11) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

**The information set out above is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder, the Book Running Lead Manager are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders 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 law or regulations, or as will be specified in the Red Herring Prospectus.**

**In accordance with RBI regulations, OCBs cannot participate in the Offer.**

### **General Instructions**

Please note that QIBs and Non-Institutional Bidders 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. RIBs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
3. Ensure that you have Bid within the Price Band;
4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;
7. UPI Bidders Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
8. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;

9. Ensure that you mandatorily have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
10. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
11. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
12. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment.
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, 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 the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the Income Tax Act, 1960. 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 beneficial 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;
15. 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;
16. 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;
17. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
18. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
19. 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.
20. 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 Manager 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;



21. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and PAN available in the Depository database;  
  
22. 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>);
23. Ensure that you have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation 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. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
24. Ensure that the Demographic Details are updated, true and correct in all respects;
25. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;
26. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Banks issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
27. Bidding through 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 authorize the UPI Mandate Request using his/her UPI pin. Upon the authorization of the mandate using his/her UPI pin, a UPI Bidder Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RIB Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;
28. UPI Bidders 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;
29. UPI Bidders 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 authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;
30. Bids by Eligible NRIs for a Bid Amount of less than ₹0.20 million would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹0.20 million would be considered under the Non-Institutional Category for allocation in the Offer;

31. UPI Bidders using 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. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
32. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date. and
33. The ASBA bidders shall ensure that bids above ₹0.50 million, are uploaded only by the SCSBs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid Lot;
2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
3. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
4. Do not Bid/ revise the Bid amount to less than the Floor Price or higher than the Cap Price;
5. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
6. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not submit the Bid for an amount more than funds available in your ASBA account;
10. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
11. 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;
12. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
13. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer 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 Red Herring Prospectus;
14. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

15. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
16. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
17. Anchor Investors should not bid through the ASBA process;
18. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
19. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
20. Do not submit the GIR number instead of the PAN;
21. Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Manager;
22. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
23. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;
24. 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. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
25. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
26. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
27. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;
28. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
29. 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;
30. Do not Bid if you are an OCB;
31. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;
32. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders.
33. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹0.50 million;

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

#### **Grounds for Technical Rejection**

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Banks);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of the SEBI circular CIR/MRD/DP/22/2010 dated July 29, 2010; GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹0.20 million;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance officer. For details of the Company Secretary and Compliance officer, see “*General Information*” on page 90.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchanges, along with the Book Running Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in the SEBI ICDR Regulations.

### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares offered through this Offer document. The allotment of Equity Shares to applicants other than to the RIBs, NIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion and the remaining available shares, if any, shall be allotted on a proportionate basis. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders of which one-third portion shall be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹0.20 million and up to ₹1.00 million and two-third portion shall be available for allocation to Non-Institutional Bidders with an application size of more than ₹1.00 million in accordance with the SEBI ICDR Regulations. Provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. Further, the allocation to each Non-Institutional Investor shall not be less than Minimum NIB Application Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

### **Payment into Anchor Investor Escrow Accounts**

Our Company, in consultation with the Book Running Lead Manager will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholder, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, all editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat where our Registered Office is located) each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

### **Allotment Advertisement**

Our Company, the Book Running Lead Manager and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and all editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located) each with wide circulation.

**The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Promoter Selling Shareholder, the Book Running 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 Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations. Signing of the Underwriting Agreement and Filing with the RoC**

- a) Our Company, the Promoter Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

### **Impersonation**

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:**

*“Any person who:*

*(a)makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

*(b)makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

*(c)otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹1 million or 1% of the turnover of our 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 ₹1 million 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 ₹5 million or with both.

### **Undertakings by our Company**

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps 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 are taken within three Working Days of the Bid/Offer Closing Date or within such other time period prescribed by SEBI will be taken; the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within the prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- the Promoter's contribution, if any, shall be brought in advance before the Bid/Offer Opening Date, in accordance with the applicable provisions of the SEBI ICDR Regulations;
- that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- that if the Offer is withdrawn after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently; and
- no further Offer of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, under-subscription, etc.

#### **Undertakings by the Promoter Selling Shareholder**

The Promoter Selling Shareholder, undertake, in relation to itself as a Promoter Selling Shareholder and its respective portion of the Offered Shares that:

- the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- it is the legal and beneficial owner of the Offered Shares, and that the Offered Shares shall be transferred in the Offer, free from encumbrances;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person (whether related to itself or not) for making a Bid in the Offer, and
- it shall not have recourse to its proceeds of the Offer for Sale until final approval for trading of the Equity Shares from the Stock Exchanges has been received;
- that it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement; and

- that it shall provide assistance to our Company and the Book Running Lead Manager in redressal of such investor grievances that pertain to the Offered Shares.

The statements and undertakings provided above, in relation to the Promoter Selling Shareholder, are statements which are specifically confirmed or undertaken by the Promoter Selling Shareholder in relation to itself and the Offered Shares. All other statements or undertakings or both in this Draft Red Herring Prospectus in relation to the Promoter Selling Shareholder, shall be statements made by our Company, even if the same relate to the Promoter Selling Shareholder.

#### **Utilisation of Offer Proceeds**

- (i) All the monies received out of the Offer 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;
- (ii) details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invest



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The government bodies responsible for granting foreign investment approvals under the Consolidated FDI Policy and FEMA are the concerned ministries or departments of the Government of India and the RBI.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy by way of circular bearing number DPIIT File Number 5(2)/2020-FDI Policy dated October 15, 2020 (“**Consolidated FDI Policy**”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on Consolidated FDI Policy once every year and therefore, the Consolidated FDI Policy will be valid until the DPIIT issues an updated circular.

On October 17, 2019, the Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. 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, 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 issued on December 8, 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 or fund in India. These investment restrictions shall also apply to subscribers of offshore derivative instruments. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/Offer Period.

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

In accordance with the FEMA NDI Rules, participation by non-residents in the Offer is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Instruments Rules, in the Offer subject to limit of the individual holding of an FPI below 10% of the post-Offer paid-up capital of our Company on a fully diluted basis and the aggregate limit for FPI investment currently not exceeding the sectoral or statutory cap; and (ii) Eligible NRIs only on non-repatriation basis under Schedule IV of the FEMA NDI Rules.

As per the existing policy of the Government, OCBs cannot participate in the Offer. For further details, see “*Offer Procedure*” on page 410.

**The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws in 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 in accordance with any applicable U.S. state securities laws.**

**Accordingly, the Equity Shares are being offered and sold outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. There will be no public offering of Equity Shares in 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 Bids 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 Bidders. Our Company, the Promoter Selling Shareholder, the Book Running 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 Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws.**

## SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

### COMPANY LIMITED BY SHARES ARTICLES OF ASSOCIATION OF RAGHUVIR EXIM LIMITED

*The regulations contained in Table 'F' of the First Schedule to the Companies Act, 2013 shall not apply to the Company, except in so far as they are embodied in the following Articles, which shall be regulations for the management of the Company.*

#### 1. Interpretations:

1.1 In the interpretation of these Articles, the following words and expressions shall have the meanings assigned hereunder, unless repugnant to the subject matter or context thereof:

Act	Means the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force and Companies Act, 1956 (to the extent not repealed/ not replaced by the Companies Act, 2013), as applicable.
Articles or these Articles	Means the articles of association of the Company, as amended from time to time.
Annual General Meeting	Means a general meeting of the members held in accordance with the provisions of Section 96 of the Act or any adjourned meeting thereof.
Auditors	Means and include those persons appointed as such for the time being by the Company or, where so permitted by Applicable Law, by its Board
Applicable Law	Means the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.
Beneficial Owner	Means and include beneficial owner as defined in clause (a) sub-Section (1) of Section 2 of the Depositories Act, 1996.
Board Meeting	Means a meeting of the Directors or a committee thereof, duly called and constituted.
Board or Board of Directors or the Board	Means the board of Directors for the time being of the Company
Chairperson	Shall mean the Person who acts as a chairperson of the Board of the Company
Committee	Means any committee of the Board of Directors of the Company formed as per the requirements of Act or for any other purpose as the Board may deem fit
Company or This Company	Means Raghuvir Exim Limited

<sup>2</sup> Adopted new set of Articles of Association of the Company vide Special Resolutions passed in Extraordinary General Meeting held on July 17, 2023.

Chief Executive Officer	Means an officer of a Company, who has been designated as such by the Company
Chief Financial Officer	Means a person appointed as the Chief Financial Officer of a Company
Company Secretary or Secretary	Means a company secretary as defined in clause (c) of sub-Section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by the Company to perform the functions of a company secretary under the Act
Debenture	Includes debenture-stock, bonds and any other debt securities of the Company, whether constituting a charge on the assets of the Company or not.
Depositories Act	Shall mean the Depositories Act, 1996 and includes any statutory modification or enactment thereof
Depository	Shall mean a Depository as defined in clause (e) sub-section (1) of section 2 of the Depositories Act, 1996 and includes a company formed and registered under the Companies Act, 1956 which has been granted a certificate of registration under sub Section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
Director	Means a director of the Company for the time being, appointed as such.
Dividend	Includes interim dividend.
Extraordinary General Meeting	Means an extraordinary general meeting of the Members duly called and constituted and any adjourned meeting thereof.
Financial Year	Means the same as in Section 2(41) of the Act
Free Reserves	Means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as Dividend: Provided that— (i) any amount representing unrealized gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or (ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves
In writing or written	Means and include printing, typing, lithographing, computer mode and other modes of reproducing words in visible form
Independent Director	Means a Director fulfilling the criteria of independence and duly appointed as per Applicable Law.
Key Managerial Personnel	Means such persons as defined in Section 2(51) of Act
Managing Director	Means a Director who, by virtue of the Articles of the Company or an agreement with the Company or a resolution passed in its General Meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a Director occupying the position of managing Director, by whatever name called.
General Meeting	Means a meeting of Members of the Company.
Members	Member in relation to the Company, means- (a) the subscribers to the Memorandum of Association of the Company who shall be deemed to have agreed to become members of the company, and on its registration, shall be entered as member in its register of members, (b) every other person who

		agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company; (c) every person holding shares in the Company and whose name is entered in as a Beneficial Owner in the records of a Depository.
Memorandum of Association	or of	Means the memorandum of association of the Company, as amended from time to time.
Month		Means a calendar month
Ordinary Resolution		Means a resolution referred to in Section 114 of the Act.
Persons		Includes any artificial juridical person, corporations or such other entities as are entitled to hold property in their own name.
Postal Ballot		Means voting by post through postal papers distributed amongst eligible voters and shall include voting by electronic mode or any other mode as permitted under Applicable Law
Register of Beneficial Owners		Means the register of members in case of shares held with a Depository in any media as may be permitted by law, including in any form of electronic mode
Register of Members		Means the register of Members, including any foreign register which the Company may maintain pursuant to the Act and includes Register of Beneficial Owners.
Registrar		Means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated
Seal		Means the common seal, if any, adopted for the time being of the Company
Section		Means the relevant section of the Act; and shall, in case of any modification or re-enactment of the Act shall be deemed to refer to any corresponding provision of the Act as so modified or reenacted.
Securities		Means Shares, Debentures and/or such other securities as may be treated as securities under Applicable Law.
Shares		Means the shares into which the Share Capital of the Company is divided.
Share Capital or Capital		Means the share capital for the time being raised or authorized to be raised, for the purpose of the Company
Special Resolution		Means a resolution referred to in Section 114 of the Act.
These Presents		Means the Memorandum of Association and the Articles of Association of the Company.
Tribunal		Means the National Company Law Tribunal constituted under section 408 of the Act
Voting Right		Means the right of a Member of a Company to vote in any meeting of the Company
Written” or “in writing		means and includes the word printed, lithographed, represented in or reproduced in any mode in a visible form
Year		Means the Financial Year of the Company

1.2 Public Limited Company : means as Company which – a. is not a private company  
b. has a minimum paid up share capital, as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its

articles 1.3 Expressions not specifically defined in these Articles shall bear the same meaning as assigned to them in the Act

1.4 In the interpretation of these Articles,

- (a) any reference to the singular shall include the plural and vice-versa; and
- (b) any references to the masculine, the feminine and the neuter shall include each other.

1.5 The marginal notes hereto shall not affect the construction of these Articles.

## **SHARE CAPITAL, INCREASE AND REDUCTION OF CAPITAL**

### ***Amount of Capital***

2. The Authorized Share Capital of the Company shall be such as may be specified from time to time in Clause 5 of the Memorandum of Association, with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes as permissible in Applicable Law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions.

### ***Increase of Capital by the Company***

3. Subject to Applicable Law, the Board may, from time to time, increase the paid-up Share Capital by creation of new Shares. Such increase shall be of such aggregate amount and to be divided into such Shares of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased Share Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine, and in particular, such Shares may be issued with a preferential or qualified right to dividends, or otherwise, or with a right to participate in some profits or assets of the Company, or with such differential or qualified right of voting at General Meetings of the Company, as permitted in terms of Section 47 of the Act or other Applicable Law.

### ***New Capital part of the existing Capital***

4. Except in so far as otherwise provided in the conditions of issue of Shares, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital, and shall be subject to provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

### ***Issue of redeemable preference shares***

5. Subject to the provisions of Section 55 of the Act and these Articles, the Company shall have the power to issue redeemable preference Shares liable to be redeemed at the option of the Company and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

### ***Provisions applicable to any other Securities***

6. The Board shall be entitled to issue, from time to time, subject to Applicable Law, any other Securities, including Securities convertible into Shares, exchangeable into Shares, or carrying a warrant, with or without any attached Securities, carrying such terms as to coupon, returns, repayment, servicing, as may

be decided by the terms of such issue. Such Securities may be issued at premium or discount, and redeemed at premium or discount, as may be determined by the terms of the issuance: Provided that the Company shall not issue any Shares or Securities convertible into Shares at a discount.

***Reduction of Capital***

7. The Company may, subject to the provisions of Section 66 of the Act or any other Applicable Law for the time being in force, by way of Special Resolution reduce its Share Capital, any capital redemption reserve account or share premium account in any manner for the time being authorized by law.

***Sub-division, consolidation and cancellation of Shares***

8. Subject to the provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them, and the resolution where by any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend or otherwise over or as compared with the others. Subject as aforesaid the Company in General Meeting may also cancel Shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

***Variation of rights***

9. Whenever the Share Capital is divided into different types or classes of shares, all or any of the rights and privileges attached to each type or class may, subject to the provisions of Sections 48 of the Act, be varied with the consent in writing by holders of at least three-fourths of the issued Shares of the class or is confirmed by a Special Resolution passed at a separate Meeting of the holders of Shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such class Meeting.

***Further issue of Capital***

10. Where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further Shares, then:
  - 10.1. Such further Shares shall be offered to the persons who on the date of the offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the Capital paid-up on those shares at the date.
  - 10.2. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
  - 10.3. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of any other person and the notice referred to in Article 10.2 hereof shall contain a statement of this right.
  - 10.4. After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the interest of the Company.

11. Notwithstanding anything contained in the Article 10, the further Shares aforesaid may be offered in any manner whatsoever, to:
  - 11.1. employees under a scheme of employees' stock option scheme;
  - 11.2. to any persons on private placement or on preferential basis, whether or not those persons include the persons referred to Article 10, either for cash or for a consideration other than cash, if so decided by a Special Resolution, as per Applicable Law.;
12. Nothing contained in these Articles shall apply to the increase of the subscribed Capital of the Company caused by the exercise of an option attached to the Debenture issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company:

Provided that the terms of issue of such Debentures or the terms of such loans containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in general meeting.

#### *Shares at the disposal of the Directors*

13. Subject to the Applicable Law, the Securities of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, 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 and to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of the Company or other Securities on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

#### *Power to issue Shares outside India*

14. Pursuant to the provisions of Applicable Law and subject to such approvals, permissions and sanctions as may be necessary from the Government of India, Reserve Bank of India and/or any other authorities or institutions as may be relevant (hereinafter collectively referred to as "**Appropriate Authorities**") and subject to such terms and conditions or such modifications thereto as may be prescribed by them in granting such approvals, permissions and sanctions, the Company will be entitled to issue and allot in the international capital markets, Equity Shares and/or any instruments or securities (including Global Depository Receipts) representing Equity Shares, any such instruments or securities being either with or without detachable Warrants attached thereto entitling the Warrant holder to Equity Shares/instruments or Securities (including Global Depository Receipts) representing Equity Shares, (hereinafter collectively referred to as "the Securities") to be subscribed to in foreign currency / currencies by foreign investors (whether individuals and/or bodies corporate and/or institutions and whether shareholders of the Company or not) for an amount, inclusive of such premium as may be determined by the Board. Such issue and allotment to be made on such occasion or occasions, at such value or values, or at a premium and in such form and in manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with Lead Manager and/or Underwriters and/or Legal or other Advisors, or as may be prescribed by the Appropriate Authorities while granting their approvals, permissions and sanctions as aforesaid which the Board be and is hereby authorized to accept at its sole



discretion. The provisions of this Article shall extend to allow the Board to issue such foreign Securities, in such manner as may be permitted by Applicable Law.

***Acceptance of Shares***

15. Any application signed by or on behalf of an applicant, for Shares in the Company, followed by an allotment of any Share shall be an acceptance of shares within the meaning of these Articles and every person who, does or otherwise accepts Shares and whose name is on the Register of Members shall for the purpose of these Articles, be a member.

***Deposit and call to be a debt payable immediately***

16. The money (if any) which the Board shall, on the allotment of any Share being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

***Liability of Members***

17. Every member, or his heirs, executors or administrators shall pay to the Company the portion of the Capital represented by his Share(s) which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

***Shares not to be held in trust***

18. Except as required by law, no person shall be recognized by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

***The first named joint holder deemed to be sole holder***

19. If any Share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of dividends or bonus or service of notice and all or any earlier matter connected with the Company, except voting at meetings, be deemed the sole holder thereof, but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such Shares for all incidents thereof according to the Company's regulations.

***Register of Members and index***

20. The Company shall maintain a Register of Members and index in accordance with Section 88 of the Act. The details of shares held in physical or dematerialized forms may be maintained in a media as may be permitted by law including in any form of electronic media.
21. A member, or other Security holder or Beneficial Owner may make inspection of Register of Members and annual return. Any person other than the Member or Debenture holder or Beneficial Owner of the Company shall be allowed to make inspection of the Register of Members and annual return on payment of Rs. 50 or such higher amount as permitted by Applicable Law as the Board may determine, for each

inspection. Inspection may be made during business hours of the Company during such time, not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time.

22. Such person, as referred to in Article 21 above, may be allowed to make copies of the Register of Members or any other register maintained by the Company and annual return, and require a copy of any specific extract therein, on payment of Rs. 10 for each page, or such higher amount as permitted under Applicable Law.

#### ***Foreign Registers***

23. The Company may also keep a foreign register in accordance with Section 88 of the Act containing the names and particulars of the Members, Debenture holders, other Security holders or Beneficial Owners residing outside India; and the Board may (subject to the provisions of aforesaid Section) make and vary such regulations as it may think fit with respect to any such register.

### **SHARES CERTIFICATES**

#### ***Share certificate to be numbered progressively and no Share to be subdivided***

24. The shares certificates shall be numbered progressively according to their several denominations specify the shares to which it relates and bear the Seal, if any, of the Company and except in the manner hereinbefore mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share certificate shall continue to bear the number by which the same was originally distinguished.

Provided however that the provision relating to progressive or distinctive numbering of shares shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form.

#### ***Limitation of time for issue of certificates***

25. Every Member, other than a Beneficial Owner, shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates each for one or more of such Shares and the Company shall complete and have ready for delivery of such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide or within one months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of Shares shall be under the Seal, if any, of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a Share(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders.

#### ***Issue of new certificate in place of one defaced, lost or destroyed***

26. If any certificate be worn out, defaced, mutilated, old/ or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation then upon production and surrender such certificate to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating

the evidence produced as the Board deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued in case of splitting or consolidation of Share certificate(s) or in replacement of Share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50 for each certificate) as the Directors shall prescribe.

Further, no duplicate certificate shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board and only on furnishing of such supporting evidence and/or indemnity as the Board may require, and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced, without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50 for each certificate) as the Directors shall prescribe.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable thereof in this behalf; Provided further that the Company shall comply with the provisions of Section 46 of the Act and other Applicable Law, in respect of issue of duplicate Share certificates.

27. The provision of this Article shall *mutatis mutandis* apply to issue of certificates of Debentures of the Company

#### **BUY BACK OF SECURITIES BY THE COMPANY**

28. Notwithstanding anything contained in these Articles but subject to the provisions of the Act and other Applicable Law as prescribed by Securities and Exchange Board of India (SEBI) or any other authority for the time being in force, the Company may purchase its own Shares or other specified Securities. The power conferred herein may be exercised by the Board, at any time and from time to time, where and to the extent permitted by Applicable Law, and shall be subject to such rules, applicable consent or approval as required.

#### **UNDERWRITING AND BROKERAGE**

##### ***Commission may be paid***

29. Subject to the provisions of the Act and other Applicable Law, and subject to the applicable SEBI guidelines and subject to the terms of issue of the Shares or Debentures or any Securities, as defined in the Securities Contract (Regulations) Act, 1956, the Company may, at any time pay a commission out of proceeds of the issue or profit or both to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or Debentures of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares, Debentures or of the Company but so that the commission shall not exceed in the case of shares, five per cent of the price at which the Shares are issued, and in the case of Debentures, two and a half per cent of the price at which the Debentures are issued or at such rates as may be fixed by the Board within the overall limit prescribed under the Act or Securities and Exchange Board of India Act, 1992. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid Shares, Securities or Debentures or partly in one way and partly in the other.

***Brokerage***

30. The Company may, subject to Applicable Law, pay a reasonable and lawful sum for brokerage to any person for subscribing or procuring subscription for any Securities, at such rate as approved by the Directors.

**CALL ON SHARES**

***Directors may make calls***

31. The Board of Directors may, from time to time and subject to the terms on which Shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, or otherwise as permitted by Applicable Law make such call as it thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively, and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable in instalments.

***Notice of calls***

32. 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.
33. A call may be revoked or postponed at the discretion of the Board.

***Calls to date from resolution***

34. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed as provided herein and may be required to be paid by instalments.

***Directors may extend time***

35. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, but no member shall be entitled to such extension save as a member of grace and favor.

***Calls to carry interest***

36. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such percentage as the Board of Directors may determine. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such member.
37. The Board shall be at liberty to waive payment of any such interest wholly or in part.

***Sums deemed to be calls***

38. Any sum, which may by the terms of issue of a Share become 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 Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles 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.

***Proof on trial of suit for money due on Shares***

39. At the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member, in respect of whose Shares, the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of such money is sought to be recovered, that the resolution making the call is duly recorded in the Minutes Book, and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

***Partial payment not to preclude forfeiture***

40. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

***Payment in anticipation of call may carry interest***

41. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
42. The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debenture or other Securities of the Company.

**LIEN**

***Company to have lien on Shares***

43. The Company shall have a first and paramount lien upon all the Shares/ Debentures/Securities (other than fully paid-up Shares/Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures/Securities and no equitable interest in any Shares shall be created except upon the footing, and upon the condition that this Article will have full effect and any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares/Debentures/Securities:

Provided that, fully paid shares shall be free from all lien and that in case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

*As to enforcing lien by sale*

44. For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their number to execute a transfer thereof on behalf of and in the name of such member. The purchaser of such transferred Shares shall be registered as the holder of the Shares comprised in any such transfer. 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.
45. No sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of fourteen days after a notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

*Application of proceeds of sale*

46. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and 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 persons entitled to the Shares at the date of the sale.

**FORFEITURE OF SHARE**

*If call or installment not paid notice may be given*

47. If any member fails to pay any call or installment on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or installment remains unpaid, serve notice on such Member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

*Form of notice*

48. The notice shall:
- 48.1. 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
- 48.2. shall detail the amount which is due and payable on the Shares and shall state that in the event of non-payment at or before the time appointed, the Shares will be liable to be forfeited.

*If notice not complied with, Shares may be forfeited*

49. If the requisitions of any such notice as aforesaid be not complied with, any Shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

*Notice of forfeiture to a Member*

50. When any Shares shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission to give such notice or to make any such entry as aforesaid.

*Forfeited Share to become property of the Company*

51. Any Share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as think fit.

*Power to annul forfeiture*

52. The Board may, at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

*Liability on forfeiture*

53. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture of the payment, at such rate as the Board may determine and the Board may enforce the payment thereof, if it thinks fit. 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.

*Effect of forfeiture*

54. The forfeiture of a Share involves extinction, at the time of the forfeiture, of all interest and all claims and demands against the Company in respect of the Share and all other rights, incidental to the Share except only such of those rights as by these Articles are expressly saved.

*Evidence of forfeiture*

55. A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that certain Shares in the Company have 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 Shares.

*Cancellation of Share certificate in respect of forfeited shares*

56. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said Shares to the person or persons, entitled thereto as per the provisions herein.

56.1. 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 favor of the person to whom the Share is sold or disposed of.

56.2. The transferee shall thereupon be registered as the holder of the Share; and

56.3. 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.

*These Articles to apply in case of any non-payment*

57. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

**EMPLOYEES STOCK OPTIONS**

58. Subject to the provisions of Section 62 of the Act and the Applicable Law, the Company may issue options to the any Directors, not being Independent Directors, officers, or employees of the Company, its subsidiaries or its parent, which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the Securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees share purchase or both: Provided that it will be lawful for such scheme to require an employee, officer, or Director, upon leaving the Company, to transfer Securities acquired in pursuance of such an option/scheme, to a trust or other body established for the benefit of employees of the Company.

**POWER TO ISSUE SWEAT EQUITY SHARES**

59. Subject to and in compliance with Section 54 and other Applicable Law, the Company may issue equity Shares to its employees or Director(s) at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.

**PREFERENTIAL ALLOTMENT**

60. Subject to the provisions of Section 62 the Act, read with the conditions as laid down in the Applicable Law, and if authorized by a Special Resolution passed in a General Meeting, the Company may issue Shares, in any manner whatsoever, by way of a preferential offer or private placement. Such issue on preferential basis or private placement should also comply with the conditions as laid down in Section 42 of the Act and/or Applicable law.

**CAPITALIZATION OF PROFITS**

61. The Company in General Meeting may, upon the recommendation of the Board, resolve:

61.1. that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (including capital redemption reserve account), or to the credit of the profit and loss account, otherwise available for distribution or securities premium account; and



- 61.2. that such sum be accordingly set free for distribution in the manner specified in 61.1 amongst the members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.
62. The sum aforesaid shall not be paid in cash but shall be applied, subject to applicable provisions contained herein, either in or towards:
- 62.1. paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
- 62.2. 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;
- 62.3. partly in the way specified in Article 62.1 and partly in that specified in Article 62.1;
- 62.4. The Board shall give effect to the resolution passed by the members of the Company in pursuance of this Article.
- 62.5. Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- 62.5.1. 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
- 62.5.2. generally, do all such acts and things required to give effect thereto.
63. For the purpose of giving effect to any resolution under Articles 61 and 62, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient.

## **TRANSFER AND TRANSMISSION OF SHARES**

### ***Register of transfers***

64. The Company shall keep a register to be called the 'Register of Transfers', and therein shall be fairly and directly entered particulars of every transfer or transmission of any Share. Entries in the register should be authenticated by the secretary of the Company or by any other person authorized by the Board for the purpose, by appending his signature to each entry.

### ***Instruments of transfer***

65. The instrument of transfer shall be in writing and duly stamped and in such form as may be prescribed under the Act from time to time and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof.

### ***To be executed by transferor and transferee***

66. Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such Shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any Share in favor of a minor (except in cases when they are fully paid up).

67. Application for the registration of the transfer of a Share may be made either by the transferee or the transferor. Where an application is made by the transferor and relates to partly paid up shares, no registration shall be effected unless the Company gives notice of the application to the transferee subject to the provisions of these Articles, Section 56 of the Act and other Applicable Law, and the transferee gives no objection to the transfer within two weeks from the receipt of the notice. In the event of non-receipt of any objection from the transferee within the period of two weeks as aforesaid, the Company shall enter in the Register the name of transferee in the same manner and subject to the same conditions as it the application for registration of the transfer was made by the transferee.

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.

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.

***Transfer books when closed***

68. Subject to the applicable provisions of the Act, SEBI Regulations and these Articles, the Board shall have to close the transfer books, the Register of Members, Register of Debenture holders or the Register of other Security holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.

***Directors may refuse to register transfer***

69. Subject to the provisions of the Act and other Applicable Law, the Board may at its own, discretion, decline to register or acknowledge any transfer of Securities, whether fully paid or not (notwithstanding that the proposed transferee be already a Member), provided in such cases it shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer: Provided that registration of transfer shall not be refused on the ground of the transferor being, either alone or jointly with any person or persons, indebted to the Company on any account whatsoever except where the Company has lien on the Securities.

***Directors to recognize Beneficial Owners of securities***

70. Notwithstanding anything contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.
71. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its Securities held by a Depository.
72. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the securities in the records

of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognize any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

***Nomination***

73. Every holder of Shares in, or Debentures of the Company may, at any time, nominate, in the manner prescribed under the Act, a person to whom his Shares in or Debentures of the Company shall vest in the event of death of such holder.
74. Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.
75. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or Debentures of the Company, the nominee shall, on the death of the shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.
76. Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the shares in or Debentures of the Company, in the event of his death, during the minority.

***Transmission in the name of nominee***

77. Any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any Security holder, or by any lawful means other than by a transfer in accordance with these Presents, may with the consent of the Board of Directors and subject as hereinafter provided, elect, either:
  - 77.1. to be registered himself as holder of the Securities; or
  - 77.2. to make such transfer of the Securities as the deceased Security holder could have made.

Provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of any evidence including any legal representation upon such terms as to indemnity or otherwise as the Directors may deem fit.

78. 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.
79. If the nominee, so becoming entitled, elects himself to be registered as holder of the Securities, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice

shall be accompanied with death certificate of the deceased Security holder or proof of lunacy, bankruptcy or insolvency of the Security holder, as the case may be, and the certificate(s) of Securities held by such Security holder in the Company.

80. If the person aforesaid shall elect to transfer the Securities, he shall testify his election by executing a transfer of the Securities.
81. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Security holder had not occurred and the notice or transfer were a transfer signed by that Member.
82. A nominee on becoming entitled to Securities by reason of the death of the holder or joint holders shall be entitled to the same Dividend or interest and other advantages to which he would be entitled if he were the registered holder such Securities, except that he shall not before being registered as holder of such Securities, be entitled in respect of them to exercise any right conferred on a Security holder in relation to meetings of the Company.

*No transfer to minor, insolvent etc.*

83. No transfer shall be made to a minor or person of unsound mind. However, in respect of fully paid up shares, Securities may be transferred in favor of a minor acting through legal guardian, in accordance with the provisions of Applicable Law.

*Transfer to be presented with evidence of title*

84. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

*Company not liable for disregard of a notice in prohibiting registration of transfer*

85. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effort to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.

## **DEMATERIALIZATION OF SECURITIES**

*Dematerialization of Securities*

86. The Board shall be entitled to dematerialize its existing Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended and the rules framed thereunder, if any.

*Options for investors*

87. Subject to the Applicable Law, every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is a Beneficial Owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Securities held by him in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue and deliver to the Beneficial Owner, the required certificates for the Securities.

*Securities in depositories to be in fungible form*

88. All securities held by a Depository shall be dematerialized and be in fungible form.

*Service of Documents*

89. Notwithstanding anything contained in these Articles to the contrary, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of electronic mode

*Transfer of securities*

90. Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

*Allotment of securities dealt with in a Depository*

91. Notwithstanding anything contained in these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

*Register and index of Beneficial Owners*

92. The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

**COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

93. Copies of Memorandum and Articles of Association of the Company shall be furnished to every Member within seven days of his request on payment of an amount as may be fixed by the Board to recover reasonable cost and expenses, not exceeding such amount as fixed under Applicable Law.

**BORROWING POWERS**

*Power to borrow*

94. Subject to the provisions of these Articles, the Act and other Applicable Law, the Board may, from time to time, at its discretion, by way of a resolution passed at the meeting of Board, accept deposits from its members or otherwise, raise or borrow, either from the Directors or from elsewhere and secure the

payment of any sum or sums of money to be borrowed together with the moneys already borrowed;, or where a power to delegate the same is available, by a decision/resolution of such delegate, provided that the Board shall not without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up Capital of the Company and its free reserves.

***Conditions on which money may be borrowed***

95. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, or other Securities, or any mortgage, or other Security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being).

***Terms of issue of Debentures***

96. Any Debentures, Debenture stock, bonds or other Securities may be issued on such terms and conditions as the Board may think fit: Provided that Debenture with a right to allotment or conversion into shares shall be issued in conformity with the provisions of Section 62 of the Act. Debentures, Debenture stock, bonds and other Securities may be made assignable free from any equities from the Company and the person to whom it may be issued. Debentures, Debenture- stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with such sanctions as may be applicable.

***Instrument of transfer***

97. Save as provided in Section 56 of the Act, no transfer of Debentures shall be registered unless a proper instrument of transfer duly executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the Debentures: Provided that the Company may issue non-transferable Debentures and accept an assignment of such instruments.

***Register of charges, etc.***

98. The Board shall cause a proper Register to be kept in accordance with the provisions of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 77 to 87 of the Act, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.

***Register and index of Debenture holders***

99. The Company shall, if at any time it issues Debentures, keep register and index of Debenture holders in accordance with Section 88 of the Act. Subject to the Applicable Law, the Company shall have the power to keep in any State or Country outside India, a register of Debenture-stock holders, resident in that State or Country.

**GENERAL MEETINGS**

100. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year.
101. Every Annual General Meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the registered office of the Company

or at some other place within the city, town or village in which the registered office of the Company is situate

102. All General Meetings other than annual general meeting shall be called extraordinary general meeting.
103. In the case of an Annual General Meeting, all businesses to be transacted at the meeting shall be deemed special, with the exception of business relating to:
  - 103.1. the consideration of financial statements and the reports of the Board of Directors and Auditors;
  - 103.2. the declaration of any Dividend;
  - 103.3. the appointment of Directors in place of those retiring;
  - 103.4. the appointment of, and the fixing of the remuneration of, the Auditors
104. In case of any other meeting, all business shall be deemed special.
105. The Board may, whenever it thinks fit, call an Extraordinary General Meeting.
106. Where permitted or required by Applicable Law, Board may, instead of calling a meeting of any Members/ class of Members/ Debenture holders, seek their assent by Postal ballot, including e-voting. Such Postal ballot will comply with the provisions of Applicable Law in this behalf.
107. The intent of these Articles is that in respect of seeking the sense of the Members or Members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of Members, members of a class of Members or any holders of Securities using such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution including consent obtained through electronic mode shall be deemed to be sanction provided by the Member, Member of a class or other Security holder by way of personal presence in a meeting.
108. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up Capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.
109. Any meeting called as above by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

***E-voting in case of General Meetings***

110. Where the Company conducts General Meetings by way of e-voting, the Company shall follow the procedure laid down under the Act and Applicable Law.
111. Where Member has been allowed the option of voting through electronic mode as per Applicable Law, such Member, or Members, who have voted using the electronic facility, generally, shall be allowed to speak at a General Meeting, but shall not be allowed to vote again at the meeting.

Provided that voting may also be allowed to be case by way of post or any other mode which any Applicable Law may allow.

***Notice of General Meetings***

112. Subject to the Applicable Law, at least 21 clear days' notice of every General Meeting, specifying the day, date, place and hour of meeting, containing a statement of the business to be transacted thereat, shall be given, either in writing or through electronic mode, to every Member or legal representative of any deceased Member or the assignee of an insolvent Member, every Auditor(s) and Director of the Company.
113. A General Meeting may be called at a shorter notice if consented to by either by way of writing or any electronic mode by not less than 95% of the Members entitled to vote at such meeting.

***Quorum at General Meeting***

114. 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.
115. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
116. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or to such other day and at such other time and place as the Board may determine subject to Applicable Law and if at such adjourned meeting, a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.

***Chairperson at General Meetings***

117. The Chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.
118. 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 among themselves to be Chairperson of the General Meeting.
119. 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 themselves to be Chairperson of the General Meeting.
120. No business shall be discussed at any General Meeting except the election of a Chairperson, while the chair is vacant.

***Adjournment of Meeting***

121. 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.
122. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.



123. 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.

***Voting rights***

124. No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.

125. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

125.1. on a show of hands, every member present in person shall have one vote; and

125.2. 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.

125.3. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

126. 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.

For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

127. 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.

128. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

129. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting shall be valid for all purposes.

130. Any such objection made in due time shall be referred to the Chairperson of the General Meeting, whose decision shall be final and conclusive.

***Proxy***

131. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote by a representative duly authorized in accordance with Section 113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.

132. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; and in default the instrument of proxy shall not be treated as valid.
133. Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate, under the common seal of such corporate, if any, or be signed by an officer or any attorney duly authorized by it, and any committee or guardian may appoint such proxy. An instrument appointing a proxy shall be in the form as prescribed in terms of Section 105 of the Act.
134. A Member present by proxy shall be entitled to vote only on a poll, except where Applicable Law provides otherwise.
135. The proxy so appointed shall not have any right to speak at the General Meeting.
136. 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.

***Maintenance of records and Inspection of minutes of General Meeting by Members***

137. Where permitted/required by Applicable Law, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and the conditions as laid down in the Applicable Law. Such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law. The term 'records' would mean any register, index, agreement, memorandum, minutes or any other document required by the Act and Applicable Law made there under to be kept by the Company.
138. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
139. Any such minutes shall be evidence of the proceedings recorded therein.
140. The book containing the minutes of proceedings of General Meetings shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time, to the inspection of any Member without charge.
141. Any Member of the Company shall be entitled to a copy of minutes of the General Meeting on receipt of a specific request and at a fee of Rs. 10/- (Rupees Ten only) for each page, or such higher amount as the Board may determine, as permissible by Applicable Law.

## BOARD OF DIRECTORS

142. Until otherwise determined by a General Meeting and subject to provisions of the Act, the number of directors shall not be less than three or more than fifteen.

Following are the First Directors of the Company:

1. **Shri Raghuvir R. Agarwal**
2. **Shri Kamlesh R. Agarwal**
3. **Shri Sunil R. Agarwal**
4. **Shri Girish R. Agarwal**

143. The Directors are not required to hold any qualification shares.
144. Composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (a) be entitled to transaction business for the purpose of attaining the required composition of the Board; and (b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime.

### *Board's power to appoint Additional Directors*

145. Subject to the provisions of Sections 149, 152 and 161 of the Act and Applicable Laws, 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 these Articles.
146. 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.

### *Nominee Directors*

147. The Company shall, subject to the provisions of the Act and these Articles, be entitled to agree with any Person that he or it shall have the right to appoint his or its nominee on the Board, not being an Independent Director, upon such terms and conditions as the Company may deem fit.
148. Whenever the Company enters into the contract with any government, central, state or local, any bank or financial institution or any person or persons (hereinafter referred to as "**the appointer**") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Board shall have, subject to the provisions of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such director or directors shall not be liable to retire by rotation nor be required to hold any qualification shares. The directors may also agree that any such director or directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reason whatsoever. The directors appointed or nominated under this Article shall be entitled

to exercise and enjoy all or any privileges and rights exercised and enjoyed by the directors of the Company including payment of remuneration and travelling expenses to such director or directors as may be agreed by the Company with the appointer.

***Appointment of Alternate Directors***

149. Subject to the provisions of Section 161 of the Act, the Board may appoint an Alternate Director to act for a Director (hereinafter called “**the Original Director**”) during his absence for a period of not less than three months from India. No person shall be appointed as an Alternate Director in place of an Independent Director unless he is qualified to be appointed as an Independent Director under the Act and Applicable Law. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director, and not to the Alternate Director.

For the purpose of absence in the Board meetings in terms of Section 167 (1) (b) of the Act, the period during which an Original Director has an Alternate Director appointed in his place, shall not be considered.

***Board’s power to fill casual vacancies***

150. Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

***Independent Directors***

151. Subject to the provisions of the Act and other Applicable Law, the Board or any other Committee as per the Act shall identify potential individuals for the purpose of appointment as Independent Director either from the date bank established under Section 150 of Act or otherwise.
152. The Board on receiving such recommendation shall consider the same and propose his appointment for approval at a General Meeting. The explanatory statement to the notice for such General Meeting shall provide all requisite details as required under the Act.
153. Any casual vacancy in the post of an Independent Director caused by way of removal, resignation, death, vacation of office under Section 167 of the Act and Applicable Law or these Articles, removal from Directorship pursuant to any court order or due to disqualification under Section 164 of Act shall be filled by following the process laid down herein below and in accordance with the Applicable Law. No such casual vacancy shall prejudice the functioning of the Board during the intervening period.
154. Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence.

155. The Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act.
156. An Independent Director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board and other meetings and also to such commission based on profits, as may, subject to provisions of Applicable Law, be approved by the Members.
157. An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.
158. The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.

*Term of Office of Independent Director*

159. Subject to Applicable Law, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.
160. No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of 3(three) years of ceasing to become an Independent Director provided that he shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

*Retirement and rotation of Directors*

161. At least two-thirds of the total number of Directors, excluding Independent Directors, will be the Directors who are liable to retire by rotation (hereinafter called "**the Rotational Directors**").
162. Subject to the provisions of the Act and these Articles, the managing Director and/or the whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation.
163. At every Annual General Meeting of the Company, one-third of the Rotational Directors, or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office.
164. A retiring Director shall be eligible for re-election.

*Resignation of Directors*

165. Subject to the provisions of Applicable Law, a Director may resign from his office by giving a notice in writing to the Company and Board shall take note of the same. The fact of such resignation shall be mentioned in the report of Directors laid in the immediately following Annual General Meeting by the Company.
166. A Managing Director or a Whole-time Director or any Executive Director who has any terms of employment with the Company shall not give any notice of resignation in breach of the conditions of employment as may be applicable, either to a Director specifically, or to employees of the Company

generally. A nominee Director shall not give any notice of resignation except through the nominating person.

167. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later:

Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

#### ***Removal of Directors***

168. Any Director of the Company, except the one appointed by the National Company Law Tribunal, may be removed by way of Ordinary Resolution before the expiry of his term of office, subject to the provisions of Section 169 of Act.

#### ***Remuneration of Directors***

169. Subject to the provisions of Section 197 of the Act, a Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

Provided that where the Company takes a Directors' and Officers' Liability Insurance, specifically pertaining to a particular Director and/or officer, then the premium paid in respect of such insurance, for the period during which a Director and/or officer has been proved guilty, will be treated as part of remuneration paid to such Director and/or officer.

170. The Board or a relevant Committee constituted for this purpose shall seek to ensure that the remuneration paid to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

171. The fees payable to a Director for attending the meetings of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors from time to time within the maximum limit as prescribed under the Act and Applicable Law. Fee shall also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act. Fee shall also be payable for participating in meetings through permissible electronic mode.

172. In addition to the remuneration payable pursuant to Section 197 of the Act, the Directors may be paid all conveyance, hotel and other expenses properly incurred by them:

172.1. in attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings of the Company; or

172.2. in connection with the business of the Company.

#### ***Directors may act notwithstanding any vacancies on Board***

173. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by these Articles, the continuing Directors may act for the purpose of increasing the number of Directors to the minimum number fixed by these Articles or for summoning a General Meeting for the purpose increasing the number of Directors to such minimum number, but for no other purpose.

### ***Vacation of office of Director***

174. The office of a Director shall ipso facto be vacated:
- 174.1. on the happening of any of the events as specified in Section 167 of the Act.
  - 174.2. if a person is a Director of more than the number of Companies as specified in the Act at a time;
  - 174.3. in the case of alternate Director, on return of the original Director in terms of Section 161 of the Act;
  - 174.4. having been appointed as a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, he ceases to hold such office or other employment in that company;
  - 174.5. if he is removed in pursuance of Section 169 of the Act;
  - 174.6. any other disqualification that the Act for the time being in force may prescribe.

### ***Notice of candidature for office of Directors except in certain cases***

175. No person, not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some Member intending to propose him as a Director, has, not less than fourteen days before the General Meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office along with the requisite deposit of Rs. 1,00,000/- (Rupees One Lakh only) or such higher amount as the Board may determine, as permissible by Applicable Law.
176. Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed.

### ***Director may contract with the Company***

177. Subject to such sanctions as required by Applicable Law, a Director or any related party as defined in Section 2 (76) of the Act or other Applicable Law may enter into any contract or any arrangement with the Company.
178. Unless so required by Applicable Law, no sanction shall, however, be necessary for any contracts with a related party on entered into on arm's length basis. Where a contract complies with such conditions or indicia of arms' length contracts as laid down in a policy on related party transactions framed by the Board in accordance with the Applicable Law, the contract shall be deemed to be a contract entered into on arm's length basis.

### ***Disclosure of interest***

179. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other body corporate where the Director of the Company either himself or in association with any other Director hold or holds less than two per cent of the shareholding in such other body corporate.

***Interested Director not to participate or vote in Board's proceeding***

180. Subject to the provisions of Section 184 of the Act, no Director shall as Director take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.

***Register of contracts in which Directors are interested***

181. The Company shall keep a register of contracts or arrangements in which directors are interested in accordance with the provisions of Act. Such register shall be kept at the registered office of the Company and shall be preserved permanently be kept in the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.

182. Such a Register shall be open to inspection at such office, and extracts maybe taken therefrom and copies thereof may be provided to a Member of the Company on his request, within seven days from the date on which such request is made and upon the payment of Rs. 10 (Rupees Ten only) per page, as such higher amount as may be laid by the Board, as permitted by Applicable Law.

***Register of Directors and Key Managerial Personnel and their shareholding***

183. The Company shall keep at its registered office a register containing the particulars of its Directors and Key Managerial Personnel, which shall include the details of Securities held by each of them in the Company or its holding, subsidiary, subsidiary of Company's holding Company or associate companies in accordance to Section 170 of the Act and Applicable Law.

***Miscellaneous***

184. 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.

**PROCEEDINGS OF THE BOARD**

***Meetings of Board***

185. The Directors may meet together as a Board from time to time for the conduct of the business of the Company, adjourn or otherwise regulate its meetings, as it thinks fit.

186. A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic mode.

187. The notice of the meeting shall inform the Directors regarding the option available to them to participate through electronic mode, and shall provide all the necessary information to enable the Directors to participate through such electronic mode.

188. Certain matters, as may be specified under the Applicable Law from time to time, shall not be dealt with in a meeting of the Board through video conferencing or other audio visual means.



189. A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting, or in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director.
190. The Board shall so meet at least once in every four months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
191. 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. The names of Directors who have participated in Board meetings through electronic mode shall be entered and initialled by the Company Secretary, stating the manner in which the Director so participated

***Meetings of Board by Video/audio-visual conferencing***

192. Subject to the provisions of the Act and Applicable Law, the Directors may participate in meetings of the Board otherwise through physical presence, electronic mode as the Board may from time to time decide and Directors shall be allowed to participate from multiple locations through modern communication equipment for ascertaining the views of such Directors who have indicated their willingness to participate by such electronic mode, as the case may be.

***Regulation for meeting through electronic mode***

193. The Board may, by way of a resolution passed at a meeting, decide the venues where arrangements may be made by the Company, at the Company's cost, for participation in Board meetings through electronic mode, as the case may be, in accordance to the provisions of the Act and Applicable Law. In case of a place other than such places where Company makes arrangements as above, the Chairperson may decline the right of a Director to participate through electronic mode in view of concerns of security, sensitivity and confidentiality of Board proceedings. Where the Chairperson so permits a Director to participate from a place other than the designated places where the Company has made the arrangements, the security and confidentiality of the Board proceedings shall be the responsibility of the Director so participating, and the cost and expense in such participation, where agreed to by the Chairperson, may be reimbursed by the Company.
194. Subject as aforesaid, the conduct of the Board meeting where a Director participates through electronic mode shall be in the manner as laid down in Applicable Law.
195. The rules and regulations for the conduct of the meetings of the Board, including for matters such as quorum, notices for meeting and agenda, as contained in these Articles, in the Act and/or Applicable Law, shall apply to meetings conducted through electronic mode, as the case may be.
196. Upon the discussions being held by electronic mode, as the case may be, the Chairperson or the Company Secretary shall record the deliberations and get confirmed the views expressed, pursuant to circulation of the draft minutes of the meeting to all Directors to reflect the decision of all the Directors participating in such discussions.

197. Subject to provisions of Section 173 of the Act and the Applicable Laws, a Director may participate in and vote at a meeting of the Board by means of electronic mode which allows all persons participating in the meeting to hear and see each other and record the deliberations. Where any Director participates in a meeting of the Board by any of the means above, the Company shall ensure that such Director is provided with a copy of all documents referred to during such Board meeting prior to the commencement of this Board Meeting.

***When can a meeting be convened***

198. The Managing Director or a Director may, and the Manager or Company Secretary upon the requisition of Director(s) shall, at any time, summon a meeting of the Board.

***Chairperson for Board Meetings***

199. The Board may elect a Chairperson, and determine the period for which he is to hold office. The Managing Director may also be appointed by the Board as the Chairperson.
200. 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 numbers to be Chairperson of the meeting.

***Quorum***

201. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 174 of the Act. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairperson of the Board shall decide.

***Exercise of powers to be valid in meetings where quorum is present***

202. A meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board, or in accordance with Section 179 of the Act, the powers of the Company.

***Matter to be decided on majority of votes***

203. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.

***Power to appoint Committee and to delegate powers***

204. The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its powers to committees consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Unless a power of the Board is not capable of being delegated, such power may be delegated by the Board to any officer or committee of officers as the Board may determine.
205. Any committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board.

206. The meetings and the proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board.

***Resolution without Board Meeting/ Resolution by Circulation***

207. Save as otherwise expressly provided in the Act to be passed at a meeting of the Board and subject to Section 175 of the Act or Applicable Laws, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, at their addresses registered with the Company in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and has been approved by a majority of the Directors or members as are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a Board Meeting.

Provided further that where the resolution has been put to vote at a Board Meeting, the consent or dissent of the Directors obtained by way of resolution by circulation shall be rendered void and given effect to.

***Acts of Board / Committee valid notwithstanding formal appointment***

208. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained or in these Articles, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

***Minutes of proceedings of meeting of Board***

209. The Company shall cause minutes of proceedings of every meeting of the Board and Committee thereof to be kept in such form by making within thirty days of the conclusion of every such meeting, entries thereof in the books kept for that purpose with their pages consecutively numbered in accordance to Section 118 of the Act or Applicable Laws.
210. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting.
211. In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise, if the minutes are kept in physical form.
212. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

213. Where the meeting of the Board takes place through electronic mode, the minutes shall disclose the particulars of the Directors who attended the meeting through such means. The draft minutes of the meeting shall be circulated among all the Directors within fifteen days of the meeting either in writing or in electronic mode as may be decided by the Board and/or in accordance with Applicable Laws.
214. Every Director who attended the meeting, whether personally or through electronic mode, shall confirm or give his comments in writing, if any, about the accuracy of recording of the proceedings of that particular meeting in the draft minutes, within seven days or some reasonable time as decided by the Board, after receipt of the draft minutes failing which his approval shall be presumed.
215. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.
216. The minutes shall also contain:
- 216.1. The names of the Directors present at the meeting; and
  - 216.2. In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
217. Nothing contained in these Articles shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairperson of the meeting:
- 217.1. is, or could reasonably be regarded as defamatory of any person.
  - 217.2. is irrelevant or immaterial to the proceedings; or
  - 217.3. is detrimental to the interest of the Company.
218. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article.
219. Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
220. Any Director of the Company may requisition for physical inspection of the Board Meeting minutes in accordance with the Applicable Law.

#### ***Powers of Board***

221. The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act and Applicable Law made thereunder, or any other Act, or by the Memorandum, or by these Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act and the Applicable Law made thereunder, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

222. The Board may subject to Section 186 of the Act and provisions of Applicable Law made thereunder shall by means of unanimous resolution passed at meeting of Board from time to time, invest, provide loans or guarantee or security on behalf of the Company to any person or entity.

***Restriction on powers of Board***

223. The Board of Directors shall exercise the following powers subject to the approval of Company by a Special Resolution:

- 223.1. to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings;
- 223.2. to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
- 223.3. to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up Share Capital and free-reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business;
- 223.4. to remit, or give time for the repayment of, any debt due from a Director.

***Contribution to charitable and other funds***

224. The Board of Directors of a Company may contribute to bona fide charitable and other funds. A prior permission of the Company in general meeting by way of ordinary resolution shall be required for if the aggregate of such contributions in a financial year exceeds 5 % (five percent) of its average net profits for the three immediately preceding financial years

***Absolute powers of Board in certain cases***

225. Without prejudice to the general powers conferred by Section 179(3) of the Act or Applicable Laws and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in these Articles or the Applicable Law, it is hereby declared that the Directors shall have the following powers; that is to say, power:
- 225.1. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- 225.2. To pay any interest lawfully payable under the provisions of Section 40 of the Act.
- 225.3. To act jointly and severally in all on any of the powers conferred on them.
- 225.4. To appoint and nominate any Person(s) to act as proxy for purpose of attending and/or voting on behalf of the Company at a meeting of any Company or association.
- 225.5. To comply with the provisions of Applicable Law which in their opinion shall, in the interest of the Company be necessary or expedient to comply with.

- 225.6. To make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and servants.
- 225.7. Subject to Sections 179 and 188 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- 225.8. Subject to the provisions of the Act and Applicable Laws, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in Shares, bonds, Debentures, mortgages, or other securities of the Company, and such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled Capital or not so charged;
- 225.9. To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the Company being or in such manner as they may think fit;
- 225.10. To accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;
- 225.11. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of Debenture or Debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future).
- 225.12. To open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company.
- 225.13. To appoint any Person (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- 225.14. To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company.
- 225.15. To refer any claims or demands or differences by or against the Company or to enter into any contract or agreement for reference to arbitration, and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same.;
- 225.16. To act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankrupts and insolvents;
- 225.17. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

- 225.18. Subject to the provisions of Sections 179 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;
- 225.19. To execute in the name and on behalf of the Company in favor of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- 225.20. To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;
- 225.21. Subject to provisions of Applicable Law, to give a Director or any officer or any other person whether employed or not by the Company, share or shares in the profits of the Company, commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
- 225.22. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit;
- 225.23. To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
- 225.24. Before recommending any Dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking fund, or any Special Fund to meet contingencies or to repay Debentures or Debenture stock, or for special dividends or for equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may

be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve into such special Funds as the Board may think fit, with full power to transfer the whole, or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division, of a Reserve Fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or Debenture stock, and without being bound to keep the same, separate from the other assets ,and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

- 225.25. Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- 225.26. To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient to comply with;
- 225.27. Subject to applicable provisions of the Act and Applicable Law, to appoint purchasing and selling agents for purchase and sale of Company's requirement and products respectively.
- 225.28. From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such local boards and to fix their remuneration.
- 225.29. Subject to Section 179 & 180 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow or moneys, and to authorize the Members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.
- 225.30. At any time and from time to time by power of attorney under the Seal, if any, of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these Presents and excluding the powers to make calls and excluding also, except in their limits authorized by the Board, the power to make loans and borrow money') and for' such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favor of the members or any of the Members of any Local Board, established as aforesaid or in favor of any Company, or the Shareholders, Directors, nominees or managers of any Company or firm or otherwise in favor of any fluctuating body of persons whether nominated directly by the Board and any such



power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;

225.31. Subject to Sections 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, agreements and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;

225.32. Subject to the provisions of the Act, the Board may pay such remuneration to Chairperson / Vice Chairperson of the Board upon such conditions as they may think fit.

225.33. To take insurance of any or all properties of the Company and any or all the employees and their dependants against any or all risks.

225.34. To take insurance on behalf of its managing Director, whole-time Director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary or any officer or employee of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

## **MANAGING DIRECTOR**

### ***Board may appoint Managing Director(s)***

226. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director(s) of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of these Articles the Board may by resolution vest in such Managing Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.

227. Subject to the Article above, the powers conferred on the Managing Director shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. The Managing Director shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.

### ***Restriction on Management***

228. The Board of Directors may, subject to Section 179 of the Act, entrust to and confer upon a Managing or whole time Director any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

### ***Remuneration to Managing Directors/ Whole time Directors***

229. A Managing or whole time Director may be paid such remuneration, whether by way of monthly payment, or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act, as the Board of Directors may determine.

#### **POWER TO AUTHENTICATE DOCUMENTS**

230. Subject to the Applicable Law, any Director or the Company Secretary or any officer appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts thereof; and where any books, records documents or accounts are then, at the office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.
231. Document purporting to be a copy of resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of the preceding Article shall be conclusive evidence in favor of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that extract is a true and accurate records of a duly constituted meeting of the Directors.

#### **THE SEAL**

232. The Board may, in its absolute discretion, adopt a common seal for the Company.
233. The Board shall provide for the safe custody of the Seal, if adopted and shall have the power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Company shall also be at liberty to have an official Seal for use in any territory, district or place outside India.
234. The Seal of the Company, if any, shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of such Directors or such other person as the Board may specify/appoint for the purpose; and the Director.

#### **MANAGEMENT OUTSIDE INDIA AND OTHER MATTERS**

235. Subject to the provisions of the Act, the following shall have effect:
- 235.1. The Board may from time to time provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.
- 235.2. Subject to the provisions of the Act, the Board may at any time establish any local Directorate for managing any of the Delegation. affairs of the Company outside India, and may appoint any person to be member of any such local Directorate or any manager or agents and may fix their remuneration and, save as provided in the Act, the Board may at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board

and such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and annual or vary any such delegations.

- 235.3. The Board may, at any time and from time to time by power of attorney under Seal, if any, appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those which may be delegated by the Board under the Act and for such period and subject to such conditions as the Board may, from time to time, think fit, and such appointments may, if the Board thinks fit, be made in favor of the members or any of members of any local Directorate established as aforesaid, or in favor of the Company or of the members, Directors, nominees or officers of the Company or firm or In favor of any fluctuating body of persons whether nominated directly or indirectly by the Board, and any such Power of Attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board thinks fit.
- 235.4. Any such delegate or Attorney as aforesaid may be authorized by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- 235.5. The Company may exercise the power conferred by the Act with regard to having an Official seat for use abroad, and such powers shall be vested in the Board, and the Company may cause to be kept in any state or country outside India, as may be permitted by the Act, a Foreign Register of Member or Debenture holders residents in any such state or country and the Board may, from time to time make such regulations not being inconsistent with the provisions of the Act, and the Board may, from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of the local law and shall In any case comply with the provisions of the Act.

## **DIVIDENDS AND RESERVE**

### *Division of profits*

236. The profits of the Company, subject to any special rights as to dividends or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of Capital paid-up on the Shares held by them respectively.

### *The Company in general meeting may declare a Dividend*

237. The Company in general meeting may declare dividends to be paid to members according to their respective rights, but no Dividend shall exceed the amount recommended by the Board; the Company in general meeting may, however declare a smaller Dividend. No Dividend shall bear interest against the Company.

### *Dividend only to be paid out of profits*

238. Subject to the provisions of the Act, the Dividend can be declared and paid only out of:
- 238.1. Profits of the financial year, after providing depreciation;
- 238.2. Accumulated profits of the earlier years, after providing for depreciation;
- 238.3. Out of monies provided by Central or State Government for payment of Dividend in pursuance of a guarantee given by the Government.

239. If the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of the Act, or against both.

***Transfer to reserve***

240. The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
241. Such reserve, being free reserve, may also be used to declare dividends in the event the Company has inadequate or absence of profits in any financial year, in accordance to Section 123 of the Act and Applicable Law made in that behalf. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

***Interim Dividend***

242. Subject to the provisions of Section 123 of the Act and Applicable Law, 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.

***Calls in advance not to carry rights to participate in profits***

243. Where Capital is paid in advance of calls such Capital may carry interest but shall not in respect thereof confer a right to Dividend or participate in profits.

***Payment of pro rata Dividend***

244. 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.

***Deduction of money owed to the Company***

245. 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.

***Rights to Dividend where shares transferred***

246. A transfer of Share shall not pass the right to any Dividend declared thereon before the registration of the transfer.

***Dividend to be kept in abeyance***

247. The Board may retain the dividends payable in relation to such Shares in respect of which any person is entitled to become a Member by virtue of transmission or transfer of Shares and in accordance sub-

Section (5) of Section 123 of the Act or Applicable Law. The Board may also retain dividends on which Company has lien and may apply the same towards satisfaction of debts, liabilities or engagements in respect of which lien exists.

***Notice of Dividend***

248. 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.

***Manner of paying Dividend***

249. Subject to the Applicable Law, any Dividend, interest or other monies payable in cash in respect of shares may be paid by any electronic mode to the shareholder entitled to the payment of the Dividend, or by way of 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.
250. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any Dividend lost to the member of person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the Dividend by any other means.

***Receipts for Dividends***

251. 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.

***Non-forfeiture of unclaimed Dividend***

252. No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provision of Sections 124 and 125 of the Act in respect of all unclaimed or unpaid dividends.

## ACCOUNTS

***Directors to keep true accounts***

253. The Company shall keep at the registered office or at such other place in India as the Board thinks fit, proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act.
254. Where the Board decides to keep all or any of the Books of Account at any place in India other than the registered office of the Company the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.
255. The Company shall preserve in good order the books of account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.
256. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the preceding Article if proper Books of Account relating to the transactions effected

at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its registered office or at any other place in India, at which the Company's Books of Account are kept as aforesaid.

257. The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

***Preparation of revised financial statements or Boards' Report***

258. Subject to the provisions of Section 131 of the Act and the Applicable Law made thereunder, the Board may require the preparation of revised financial statement of the Company or a revised Boards' Report in respect of any of the three preceding financial years, if it appears to them that (a) the financial statement of the Company or (b) the report of the Board do not comply with the provisions of Section 129 or Section 134 of the Act.

***Places of keeping accounts***

259. 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.
260. 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 authorized by the Board or by the Company in general meeting.

**AUDIT**

***Auditors to be appointed***

261. Statutory Auditors and Cost Auditors, if any, shall be appointed and their rights and duties regulated in accordance with Sections 139 to 148 of the Act and Applicable Laws. Where applicable, a Secretarial Auditor shall be appointed by the Board and their rights and duties regulated in accordance with Sections 204 of the Act and Applicable Laws.
262. Subject to the provisions of Section 139 of the Act and Applicable Laws made thereunder, the Statutory Auditors of the Company shall be appointed for a period of five consecutive years, subject to ratification by members at every annual general meeting. Provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons as may be recommended by the Board, in accordance with Section 140 of the Act or Applicable Laws.

***Remuneration of Auditors***

263. The remuneration of the Auditors shall be fixed by the Company in Annual general meeting or in such manner as the Company in general meeting may determine.

**DOCUMENTS AND NOTICES**

*Service of documents and notice*

264. A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission, as prescribed in Section 20 of the Act and Applicable Law made thereunder.
265. Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

*Notice to whom served in case of joint shareholders*

266. A document or notice may be served or given by the Company on or given to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the Share.

*Notice to be served to representative*

267. A document or notice may be served or given by the Company on or to the persons entitled to a Share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

*Service of notice of General Meetings*

268. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company.

*Members bound by notice*

269. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such shares, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.

*Documents or notice to be signed*

270. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorized by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.

#### **WINDING UP**

271. Subject to the provisions of the Act and Applicable Law:

- 271.1. 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, but subject to the rights attached to any preference Share Capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.
- 271.2. 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.
- 271.3. 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.

#### **BONAFIDE EXERCISE OF MEMBERSHIP RIGHTS**

272. Every Member and other Security holder will use rights of such Member/ Security holder as conferred by Applicable Law or these Articles bonafide, in best interest of the Company or for protection of any of the proprietary interest of such Member/security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, and in case of persistent abuse of powers, expulsion of such Member or other Security holder, in case any Member/Security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes

#### **INDEMNITY**

273. For the purpose of this Article, the following expressions shall have the meanings respectively assigned below:
- 273.1. **“Claims”** means all claims for fine, penalty, amount paid in a proceeding for compounding or immunity proceeding, actions, prosecutions, and proceedings, whether civil, criminal or regulatory;
- 273.2. **“Indemnified Person”** shall mean any Director, officer or employee of the Company, as determined by the Board, who in bonafide pursuit of duties or functions or of honest and reasonable discharge any functions as a Director, officer or employees, has or suffers any Claims or Losses, or against whom any Claims or Losses are claimed or threatened;



273.3. “Losses” means any losses, damages, cost and expense, penalties, liabilities, compensation or other awards, or any settlement thereof, or the monetary equivalent of a non-monetary suffering, arising in connection with any Claim;

***Indemnification***

274. Where Board determines that any Director, officer or employee of the Company should be an Indemnified Person herein, the Company shall, to the fullest extent and without prejudice to any other indemnity to which the Indemnified Person may otherwise be entitled, protect, indemnify and hold the Indemnified Person harmless in respect of all Claims and Losses, arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Indemnified Person’s powers, duties or responsibilities as a Director or officer of the Company or of any of its subsidiaries, together with all reasonable costs and expenses (including legal and professional fees).
275. The Company shall further indemnify the Indemnified Person and hold him harmless on an ‘as incurred’ basis against all legal and other costs, charges and expenses reasonably incurred in defending Claims including, without limitation, Claims brought by, or at the request of, the Company and any investigation into the affairs of the Company by any judicial, governmental, regulatory or other body.
276. The indemnity herein shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification against:
- 276.1. Any liability incurred by the Indemnified Person to the Company due to breach of trust, breach of any statutory or contractual duty, fraud or personal offence of the Indemnified Person;
- 276.2. Any liability arising due to any benefit wrongly availed by the Indemnified Person;
- 276.3. Any liability on account of any wrongful information or misrepresentation done by the Indemnified Person
277. The Indemnified Person shall continue to be indemnified under the terms of the indemnities in this Deed notwithstanding that he may have ceased to be a Director or officer of the Company or of any of its subsidiaries.

**SECRECY**

278. Every manager, Auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge In the discharge of his duties except when required to do so by the Directors or by any general meeting or by the law of the country and except so far as maybe necessary in order to comply with any of the provisions in these Presents and the provisions of the Act.

279. Subject to the provisions of these Articles and the Act, no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or to examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be expedient in the interest of the Company to communicate.

## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of this Draft Red Herring Prospectus which will be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents and contracts for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Red Herring Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/ Offer Closing Date). Copies of the documents for inspection referred to hereunder, will also be available on the website of the Company at <https://www.raghuvirexim.com/> from the date of this Draft Red Herring Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/ Offer Closing Date). Any of the contracts or documents mentioned in this Draft Red Herring 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 with the provisions of the Companies Act and other applicable law.*

#### **A. Material Contracts for the offer**

1. Offer Agreement dated March 31, 2024 entered into between our Company, Promoter Selling Shareholder and the BRLM;
2. Registrar Agreement dated March 31, 2024 entered into amongst our Company, Promoter Selling Shareholder and the Registrar to the Offer;
3. Cash escrow and sponsor bank agreement dated [●] amongst our Company, Promoter Selling Shareholder, the Registrar to the Offer, the BRLM, the Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Banks and the Refund Bank(s);
4. Share Escrow Agreement dated [●], 2024 amongst the Promoter Selling Shareholder, our Company and the Share Escrow Agent.
5. Syndicate agreement dated [●] amongst our Company, Promoter Selling Shareholder, the BRLM, the Syndicate Members and the Registrar to the Offer;
6. Underwriting agreement dated [●] amongst our Company, Promoter Selling Shareholder and the Underwriters; and
7. Monitoring agency agreement dated [●] amongst our Company and the Monitoring Agency.

#### **B. Material Documents**

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time;
2. Certificate of incorporation dated October 28, 1992 issued by the RoC;
3. Resolution of the Board of Directors dated March 11, 2024 and special resolution dated March 12, 2024 passed by our Shareholders in relation to the Offer and other related matters;
4. Resolution of our Board of Directors dated March 31, 2024 approving this Draft Red Herring Prospectus;
5. Examination report dated March 11, 2024, of our Statutory Auditors on our Restated Financial Statements, included in this Draft Red Herring Prospectus;
6. Copies of the annual reports of the Company for the Fiscal 2023, 2022 and 2021;
7. The statement of Special Tax Benefits dated March 29, 2024 from the Statutory Auditors;

8. Consents of our Promoters, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Legal Counsel to the Offer, the Book Running Lead Manager, the Registrar to the Offer, to act in their respective capacities;
9. Consent dated March 29, 2024 by Statutory Auditors, M/s. G K Choksi and Co, Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an “Expert” defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act, in respect of the examination report of the Auditors on the Restated Financial Statements and statement of possible special tax benefits dated March 29, 2024 included in this Draft Red Herring Prospectus;
10. Certificate dated March 29, 2024 by the Statutory Auditors, M/s. G K Choksi and Co., Chartered Accountants verifying the key performance indicators (KPI).
11. Consent dated March 28, 2024 from CARE, to include contents or any part thereof from their report titled “*Cotton Yarn and Home Textiles Industry*” dated March 2024 in this Draft Red Herring Prospectus;
12. Report titled “*Cotton Yarn and Home Textiles Industry*” dated March 2024, prepared and issued by CARE Analytics and Advisory Private Limited (CareEdge Research) and commissioned by our Company for an agreed fees;
13. Tripartite agreement dated December 20, 2023 between our Company, NSDL and the Registrar to the Offer;
14. Tripartite agreement dated [●], 2024 between our Company, CDSL and the Registrar to the Offer;
15. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively; and
16. Due diligence certificate dated March 31, 2024, addressed to the SEBI from the BRLM.

## **DECLARATION**

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY**

---

**Yash Agarwal**  
**Managing Director**

**Date:** March 31, 2024

**Place:** Ahmedabad

## **DECLARATION**

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY**

---

**Sunil Agarwal**  
**Joint Managing Director**

**Date:** March 31, 2024

**Place:** Ahmedabad

## **DECLARATION**

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY**

---

**Hardik Agarwal**  
**Executive Director and Chief Financial Officer**

**Date:** March 31, 2024

**Place:** Ahmedabad

## **DECLARATION**

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY**

---

**Pamita Agarwal**  
**Non-Executive Director**

**Date:** March 31, 2024

**Place:** Ahmedabad



## **DECLARATION**

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY**

---

**Samirbhai Sheth**  
**Independent Director**

**Date:** March 31, 2024

**Place:** Ahmedabad

## DECLARATION

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY

---

**Sweta Panchal**  
**Independent Director**

**Date:** March 31, 2024

**Place:** Ahmedabad

## **DECLARATION**

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY**

---

**Pawansut Swami**  
**Independent Director**

**Date:** March 31, 2024

**Place:** Ahmedabad

## **DECLARATION**

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY**

---

**Mayank Agarwal**  
**Independent Director**

**Date:** March 31, 2024

**Place:** Ahmedabad