

**DURGADEVI RAIMENT LIMITED**

Corporate Identification Number: U74999WB2016PLC218784

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
A5, Calcutta Land Premises No. E3-509/New, Shibrampur Road, PO-Ganipur, PS-Maheshtala, Kolkata - 700141, West Bengal, India.	N.A.	Ms. Nikita Agarwal, Company Secretary and Compliance Officer	E-mail: <a href="mailto:info@ddrl.in">info@ddrl.in</a> Tel: +91 7596-894111	www.ddrl.in

**PROMOTERS: VIVEK KUMAR KAJALIA, PRITI KAJALIA AND NEHA KAJALIA****DETAILS OF ISSUE TO PUBLIC**

Type of Issue	Fresh Issue Size	Offer For Sale Size	Total Offer Size	Eligibility
Fresh Issue and Offer for Sale	15,00,000 Equity Shares of face value of ₹ 10 each at the Offer Price of ₹ 40 each aggregating ₹ 600.00 Lakhs	15,00,000 Equity Shares of face value of ₹ 10 each at the Offer Price of ₹40 each aggregating ₹ 600.00 Lakhs	30,00,000 Equity Shares of face value of ₹ 10 each at the Offer Price of ₹40 each aggregating ₹ 1,200.00 Lakhs	This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. The Offer is being made pursuant to Regulation 229 (1) of SEBI (ICDR) Regulations, as the Company's post Offer paid up capital is less than ₹ 10.00 Cr.

**Details of OFS by Other Selling Shareholders**

Name of Selling Shareholder	Type	No. of Shares offered and Amount	Weighted Average Cost of Acquisition per Equity*
Sarad Kumar Jajodia	Other Selling Shareholder	9,00,000 Equity Shares of face value of ₹ 10 each at the Offer Price of ₹40 each aggregating ₹ 360.00 Lakhs	₹ 8.33 per Equity Share
Ajay Kumar Saraogi	Other Selling Shareholder	6,00,000 Equity Shares of face value of ₹ 10 each at the Offer Price of ₹40 each aggregating ₹ 240.00 Lakhs	₹ 8.33 per Equity Share

\*As certified by Maheshwari and Co., Chartered Accountants, by their certificate dated September 27, 2024.

**RISKS IN RELATION TO FIRST OFFER**

This being the first Public Offer 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 and the Offer Price of ₹ 40 is 4.00 times of the face value of the Equity Shares. The Offer Price (determined and justified by our Company in consultation with the Lead Manager) as stated under "Basis for Offer Price" beginning on page 61 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in 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 Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 18.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). For the purposes of this Offer, BSE is the Designated Stock Exchange.

**BOOK RUNNING LEAD MANAGER TO THE OFFER****REGISTRAR TO THE OFFER**

 <b>INVENTURE</b> <small>MERCHANT BANKER SERVICES PVT. LTD.</small> <small>Enhancing Fortunes. Enriching Lives.</small>			
<b>Name of Book Running Lead Manager to the Issue:</b>  <b>Inventure Merchant Banker Services Private Limited</b>	<b>Name of Contact Person:</b> Arvind Gala  <b>Tel No.:</b> +91 22 4075 1500  <b>Email:</b> <a href="mailto:sme.ipo@inventuremerchantbanker.com">sme.ipo@inventuremerchantbanker.com</a>	<b>Name of Registrar to the Issue:</b>  <b>Purva Share Registry (India) Private Limited</b>	<b>Name of Contact Person:</b> Deepali Dhuri  <b>Tel. No.:</b> +91 22 4961 4132 / 3522 0056;  <b>Email:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a>

**OFFER PROGRAMME**

<b>OFFER OPENS ON:</b>	●
<b>OFFER CLOSES ON:</b>	●



## DURGADEVI RAIMENT LIMITED

Our Company was incorporated as Durgadevi Raiment Private Limited on December 29, 2016 under the Companies Act, 2013 with the Registrar of Companies. The status of the Company was changed to public limited and the name of our Company was changed to Durgadevi Raiment Limited vide Special Resolution dated March 23, 2022. The fresh certificate of incorporation consequent to conversion was issued on April 28, 2022 by the Registrar of Companies, Kolkata. The Corporate Identification Number of our Company is U74999WB2016PLC218784. For further details of our Company, see "General Information" and "History and Certain Other Corporate Matters" on pages 38 and 89, respectively.

**Registered Office:** A5, Calcutta Land Premises No. E3-509/New, Shibrampur Road, PO-Ganipur, PS-Maheshtala, Kolkata - 700141, West Bengal, India.

**Tel No.:** +91 33 +91 7596-894111; **Email:** info@ddrl.in; **Website:** www.ddrl.in

**Contact Person:** Ms. Nikita Agarwal, Company Secretary and Compliance Officer.

### PROMOTERS: VIVEK KAJALIA, PREETI KAJALIA AND NEHA KAJALIA

INITIAL PUBLIC OFFERING OF UP TO 30,00,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF DURGADEVI RAIMENT LIMITED ("DDRL" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ 40.00 PER EQUITY SHARE (THE "OFFER PRICE"), AGGREGATING TO ₹ 1,200.00 LAKHS ("THE OFFER"), COMPRISING A FRESH ISSUE OF UP TO 15,00,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING TO ₹ 600.00 LAKHS BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 15,00,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH BY SELLING SHAREHOLDERS AJAY KUMAR SARAOGI AND SARAD KUMAR JAJODIA ("THE SELLING SHAREHOLDER") AGGREGATING TO ₹ 600.00 LAKHS ("OFFER FOR SALE"). OF THE OFFER, 1,50,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH AGGREGATING TO ₹60.00 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. OFFER OF 28,50,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN OFFER PRICE OF ₹40.00 PER EQUITY SHARE AGGREGATING TO ₹1,140.00 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE 38.76% AND 36.82%, RESPECTIVELY OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, SEE "TERMS OF THE OFFER" ON PAGE 161 OF THE DRAFT PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE OFFER PRICE OF ₹40.00 IS 4.00 TIMES OF THE FACE VALUE

THIS OFFER IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN OFFER FOR AT LEAST 25% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS OFFER IS A FIXED PRICE OFFER AND ALLOCATION IN THE NET OFFER TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, SEE "OFFER PROCEDURE" ON PAGE 170 OF THE DRAFT PROSPECTUS.

All potential investors shall participate in the Offer only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the irrespective bank accounts and / or UPI IDs, in case of RIs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. A copy will be delivered for registration to the Registrar of Companies as under Section 26 and Section 28 of the Companies Act, 2013. For details in this regard, specific attention is invited to "Offer Procedure" on page 170. A copy of the Prospectus will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

### RISKS IN RELATION TO FIRST OFFER

This being the first Offer of the Issuer, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is ₹10.00. The Offer Price should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Issuer and this 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 Prospectus. **Specific attention of the investors is invited to 'Risk Factors' on page 18.**

### ISSUER'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). Our Company has received the approval letter dated [●], 2024 from BSE for using its name in the offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Offer, the Designated Stock Exchange will be BSE.

### LEAD MANAGER TO THE OFFER

### REGISTRAR TO THE OFFER



**INVENTURE**  
MERCHANT BANKER SERVICES PVT. LTD.  
Enhancing Fortunes. Enriching Lives.

INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED  
2<sup>nd</sup> Floor, Viraj Tower, Nr. Andheri Flyover (North End),  
Western Express Highway, Andheri (East) Mumbai – 400 069, Maharashtra, India  
**Tel No.:** +91 22 4075 1500;  
**Email:** compliance@inventurmerchantbanker.com  
**Investor Grievance Email:** compliance@inventurmerchantbanker.com  
**Website:** www.inventurmerchantbanker.com  
**SEBI Registration No:** INM000012003  
**Contact Person:** Arvind Gala



**PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED**  
9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital Lane,  
Lower Parel (E), Mumbai – 400011, Maharashtra, India  
**Tel No.:** +91 22 4961 4132 / 3522 0056  
**Email:** support@purvashare.com  
**Investor Grievance Email:** support@purvashare.com  
**Website:** www.purvashare.com  
**SEBI Registration No:** INR000001112  
**Contact Person:** Deepali Dhuri, Compliance Officer

### OFFER PROGRAMME

OFFER OPENS ON: [●]

OFFER CLOSES ON: [●]

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## SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

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

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

*Notwithstanding the foregoing in ‘Main Provisions of the Articles of Association’, ‘Summary of Our Business’, ‘Our Business’, ‘Risk Factors’, ‘Industry Overview’, ‘Key Regulations and Policies in India’, ‘Financial Information’, ‘Outstanding Litigation and Material Developments’ and ‘Part B’ of ‘Offer Procedure’, defined terms, will have the meaning ascribed to such terms in these respective sections.*

### Company Related Terms

Term	Description
“Durgadevi Raiment Limited”, “DDRL”, “We” or “us” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to Durgadevi Raiment Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at A5, Calcutta Land Premises No. E3-509/New, Shibrampur Road, PO-Ganipur, PS-Maheshtala, Kolkata - 700141, West Bengal, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, our Company.
“you”, “your” or “yours”	Prospective investors in this Offer
AOA/Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014
Board/ Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted Committees thereof.
Compliance Officer	The Company Secretary of our Company, being Nikita Agarwal, Company Secretary and Compliance Officer.
Director(s)	Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified.
Equity Shareholders	The holders of the Equity Shares
Equity Shares/Shares	The equity shares of our Company of a face value of ₹10.00 each unless otherwise specified in the context thereof
Group Companies / Group Entities	Such companies as covered under the applicable accounting standards, being Accounting Standard 18 or other entities as considered material in accordance with the Materiality Policy, as described in “Our Group Entities” on page 106.
Key Management Personnel / KMP	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI (ICDR) Regulations, Section 2(51) of the Companies Act, 2013. For details, please refer “Our Management” on page 92.
Materiality Policy	A policy adopted by our Company, in its Board meeting held on September 2, 2024 for identification of group companies, material creditors and material litigations.
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Peer Reviewed Auditor	The independent peer reviewed Auditor of our Company M/s Maheshwari and Company, Chartered Accountants
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(zb) of the SEBI (ICDR) Regulations.
Promoter	Vivek Kumar Kajalia, Priti Kajalia and Neha Kajalia

Registered Office	The registered office of our Company situated at A5, Calcutta Land Premises No. E3-509/New, Shibrampur Road, PO-Ganipur, PS-Maheshtala, Kolkata - 700141, West Bengal, India..
Registrar of Companies / ROC	Registrar of Companies, Kolkata, West Bengal
Restated Summary Statements	Audited restated summary statements of assets and liabilities as at March 31, 2024; 2023 and 2022 and audited restated summary statements of profits and losses and cash flows for the financial years ended March 31, 2024, 2023 and 2022 of the Company.
Statutory Auditor	The Statutory Auditor of our Company, being M/s Maheshwari and Company, Chartered Accountants.

### Offer Related Terms

Term	Description
Acknowledgement Slip	The slip, document or counter foil issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Offer of Equity Shares to the successful Applicants.
Allottee	A successful Applicant to whom the Equity Shares are Allotted.
Applicant	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form.
Application	An indication to make an offer during the Offer Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Offer Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of the Prospectus.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by an Applicant authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by UPI Applicants using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by UPI Applicants using the UPI Mechanism.
ASBA Applicant(s)	Any prospective investors in this Offer who applies for Equity Shares of our Company through the ASBA process in terms of the Prospectus.
Bankers to the Offer/ Public Offer Bank	The banks which are clearing members and registered with SEBI as Banker to an Offer with whom the Public Offer Account will be opened and in this case being [●].
Banker to the Offer Agreement	Agreement to be entered into amongst the Company, LM, the Registrar, Sponsor Bank, and the Banker of the Offer.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Offer, described in “Offer Procedure” on page 170.
Broker Centres	Broker centres notified by the Stock Exchange, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the name and contact details of the Registered Brokers, are available on the website of BSE on the following link <a href="http://www.bseindia.com">www.bseindia.com</a> .
Broker to the Offer	All recognized members of the stock exchange would be eligible to act as the Broker to the Offer.
BSE SME	The SME Platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI (ICDR) Regulations, 2018.
CAN / Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number of the Applicant’s beneficiary 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 Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Collection Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms.

<b>Term</b>	<b>Description</b>
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Offer and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The details of the Applicants including the Applicants' address, names of the Applicants' father/husband, investor status, occupations, and bank account details.
Depository /Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ).
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account or unblock such amounts, as appropriate in terms of the Prospectus.
Designated Intermediaries / Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an Offer and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker / Market Maker	In our case, GCM Securities Limited.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ).
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Application Form from the applicants and 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	BSE Limited
Draft Prospectus / DP	The Draft Prospectus dated September 27, 2024, filed with BSE Limited.
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Prospectus constitutes an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs. 10/- each
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFI	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialised accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations.
First Applicant	The Applicant whose name appears first in the Application Form or the Revision Form.
General Information Document	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, suitably modified and updated pursuant to, among others, the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020
Offer / Public Offer/ Offer size / Initial Public Offer/ Initial Public Offering / IPO	Initial Public Offering of up to 30,00,000 Equity Shares of face value of ₹10.00 each ("Equity Shares") of Durgadevi Raiment Limited ("DDRL" or the "Company") For cash at a price of ₹ 40.00 per Equity Share (The "Offer Price"), aggregating to ₹ 1,200.00 Lakhs ("The Offer"), comprising a Fresh Issue of up to 15,00,000 Equity Shares aggregating to ₹ 600.00 Lakhs by our Company ("Fresh Issue") and an Offer For Sale of up to 15,00,000 Equity Shares by Selling Shareholders Ajay Kumar Saraogi And Sarad Kumar Jajodia ( "The Selling Shareholders") Aggregating to ₹ 600.00 Lakhs ("Offer for Sale"). Of the Offer, 1,50,000 Equity Shares Aggregating to ₹60.00 Lakhs will be Reserved for Subscription by Market Maker ("Market Maker Reservation Portion"). The Offer Less the Market Maker Reservation Portion i.e. Offer of 28,50,000 Equity Shares of Face Value of ₹ 10.00 each at an Offer Price of ₹40.00 per Equity Share aggregating to ₹1,140.00 Lakhs is hereinafter referred to as the "Net Offer". The Offer and

Term	Description
	the Net Offer will constitute 38.76% and 36.82%, respectively of the Post Offer Paid Up Equity Share Capital of our Company. For further details, see "Terms of the Offer" on page 161 of the Draft Prospectus.
Offer Agreement / MoU	The agreement dated September 24, 2024 entered into amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer Closing Date	The date on which the Offer closes for subscription. In this case being [●], 2024
Offer Opening Date	The date on which the Offer opens for subscription. In this case being [●], 2024
Offer Period	The period between the Offer Opening Date and the Offer Closing Date, inclusive of both days during which prospective Applicants can submit their applications, including any revisions thereof.
Offer Price	The price at which Equity Shares are being offered by our Company being ₹40 per Equity Share.
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale (net of their proportion of Offer-related expenses and the relevant taxes thereon) which shall be available to the Selling Shareholders. For further details on the use of Offer Proceeds from the Fresh Issue, see “ <i>Objects of the Offer</i> ” on page 55.
Lead Manager / LM	The lead manager to the Offer, in this case being Inventure Merchant Banker Services Private Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE.
Market Maker Reservation Portion	1,50,000 Equity Shares of ₹10.00 each at ₹40 per Equity Share aggregating to ₹60.00 lakhs reserved for subscription by the Market Maker.
Net Offer	The Offer (excluding the Market Maker Reservation Portion) of 28,50,000 Equity Shares of face value of ₹10.00 each at an Offer Price of ₹40.00 per equity share aggregating to ₹1,140.00 lakhs.
Net Proceeds	Proceeds of the Offer that will be available to our Company, which shall be the gross proceeds of the Offer less our Company’s share of the Offer expenses.
Non-Institutional Investors / NIIs	All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors who have made Application for Equity Shares for an amount of more than ₹2,00,000 (but not including NRIs other than Eligible NRIs).
Prospectus	The Prospectus to be filed with the RoC for this Offer in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI (ICDR) Regulations, including any addenda or corrigenda thereto.
Public Offer Account	The account to be opened with the Banker to the Offer under Section 40 of the Companies Act, 2013 to receive monies from the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
Refund Account(s)	Accounts to which the monies to be refunded to the Applicants is transferred from the Public Offer Account in case listing of the Equity Shares does not occur.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals.
Registrar Agreement	The Agreement between the Registrar to the Offer and the Issuer Company dated September 24, 2024, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar to the Offer	The Registrar to the Offer being Purva Sharegistry (India) Private Limited.
Retail Individual Investors/ RIIs	Applicants (including HUFs, in the name of Karta and Eligible NRIs) whose Application Amount for Equity Shares in the Offer is not more than ₹2,00,000/-.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
SCORES	SEBI Complaints Redress System, a centralized web based complaints redressal system launched by SEBI
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at



Term	Description
	<p><a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be prescribed by SEBI and updated from time to time.</p> <p>In relation to Bids submitted 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 (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> 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 the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time</p>
SME Platform of BSE / SME Exchange / Stock Exchange / BSE SME	The SME platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations.
Sponsor Bank	[●] being Banker to the Offer registered with SEBI, appointed by our Company to act as conduits between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI Mechanism, in terms of the UPI Circulars
Underwriters	Inventure Merchant Banker Services Private Limited and GCM Securities Limited
Underwriting Agreement	The agreement dated September 24, 2024 entered into among the Underwriter and our Company.
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Circulars	Collectively, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, 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/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, 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 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), and SEBI ICDR Master Circular, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and any subsequent circulars or notifications issued by SEBI in this regard, along with the circular issued by the BSE Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard
UPI Applicants	<p>Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, and Other than retail individual investors applying with an application size of more than ₹ 200,000 and up to ₹ 500,000 in the Other than Retail Investors category and applying under the UPI Mechanism.</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 issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the application form submitted with: (i) 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), (ii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iii) a</p>

Term	Description
	registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI ID	ID created on the UPI for single-window mobile payment system developed by NPCI
UPI ID Linked Bank Account	Account of the RIIs, applying in the Offer using the UPI mechanism, which will be blocked upon accepting the UPI mandate to the extent of the appropriate application amount and subsequent debit of funds in the case of allotment.
UPI Mandate Request	A request (intimating the UPI Applicants by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI mobile application) to the UPI Applicants initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment
UPI mechanism	The mechanism using UPI that may be used by UPI Applicants to make an application in the Offer in accordance with the SEBI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI Regulations.
Working Day(s)	“Working Day” means all days on which commercial banks in Mumbai are open for business. However, in respect of - (a) announcement of Price Band; and (b) Offer period, working day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Offer Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

#### Technical and Industry Related Terms

Term	Description
CAD	Current Account Deficit
CAI	Cotton Association of India
FRE	First Revised Estimates
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GeM	Government e Marketplace
IBEF	India Brand Equity Foundation
KPIs	Key Performance Indicators / Key Operational and Financial Performance Indicators
M&A	Mergers & Acquisition
MITRA	Mega Integrated Textile Region and Apparel Park scheme
MMF	Man-Made Fibers
SITP	Scheme for Integrated Textile Parks
TUFS	Technology Upgradation Fund Scheme
<b>KPI TERMS</b>	
EBITDA	EBITDA = Profit before tax + depreciation & amortization expense + finance cost.
EBITDA Margin	EBITDA Margin = EBITDA/ Total income.
PAT	Profit before tax – current tax – deferred tax
PAT Margin	PAT/ Total income
Net debt	Non-current borrowing + current borrowing - Cash and cash equivalent, Bank balance, and Investment in Mutual Funds
Total Equity	Equity share capital + Other equity
ROE	Net profit after tax / Total equity
ROCE	Profit before tax and finance cost / Capital employed* *Capital employed = Total Equity +Non-current borrowing + Current Borrowing + Deferred Tax Liabilities – Intangible Assets.
EPS	EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average number of equity shares outstanding during the year/ period.

#### Conventional and General Terms and Abbreviations

<b>Term</b>	<b>Description</b>
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
Authorised Dealers	Authorised Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
AY	Assessment Year
B. A.	Bachelor of Arts
B.Com	Bachelor of Commerce
Banking Regulation Act	Banking Regulation Act, 1949
Bn	Billion
Breeding Rules	Breeding of and Experiments on Animals (Control and Supervision) Rules, 1998
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investor(s)	FPIs registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	An FPI registered as a category II foreign portfolio investor under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CBEC	Central Board of Excise and Customs
CDSL	Central Depository Services (India) Limited
Central Sales Tax Act	Central Sales Tax Act, 1956
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications, and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from June 7, 2016, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Copyright Act	The Copyright Act, 1957
CSR	Corporate Social Responsibility
Depositories Act	Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP	Depository Participant
DP ID	Depository Participant's identity number
DTC	Direct Tax Code, 2013
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Environment Protection	Environment Protection Act, 1986

<b>Term</b>	<b>Description</b>
Act	
EPF Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
F&O	Futures and Options
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal / Fiscal Year / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIPB	Foreign Investment Promotion Board
FMC	Forward Market Commission
FOB	Free on Board
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FTA	The Foreign Trade (Development and Regulation) Act, 1992
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/Government	Government of India
Hazardous Wastes Rules	Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
HUF(s)	Hindu Undivided Family(ies)
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
ISIN	International Securities Identification Number
ISO	International Standards Organization
KMP	Key Managerial Personnel
KW	Kilo Watt
LIBOR	London interbank offered rate
Ltd.	Limited
M. A	Master of Arts
M. Com.	Master of Commerce
M.B.A	Master of Business Administration
MAPIN	Market Participants and Investors' Integrated Database
Maternity Benefit Act	Maternity Benefit Act, 1961
MCA	The Ministry of Corporate Affairs, GoI
MCI	Ministry of Commerce and Industry, GoI
Minimum Wages Act	Minimum Wages Act, 1948
Mn	Million
MoEF	Ministry of Environment and Forests
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

<b>Term</b>	<b>Description</b>
NA	Not Applicable
NAV	Net asset value
NIFTY	National Stock Exchange Sensitive Index
NLEM 2011	National List of Essential Medicines – 2011
No.	Number
Non-Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
NWR	Negotiable Warehouse Receipt
OCB	Overseas Corporate Bodies
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. <b>OCBs are not allowed to invest in this Offer.</b>
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent account number
PAT	Profit after tax
Patents Act	Patents Act, 1970
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
PCA Act	Prevention of Cruelty to Animals Act, 1960
PIL	Public Interest Litigation
PPP	Public private partnership
Pvt./(P)	Private
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
RBI	The Reserve Bank of India
RoC or Registrar of Companies	The Registrar of Companies, West Bengal
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (Venture Capital) Regulations	Securities and Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.

<b>Term</b>	<b>Description</b>
Sec.	Section
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SITP	Scheme for integrated textile parks
SME	Small and Medium Enterprise
SSI	Small Scale Industry
STT	Securities Transaction Tax
TPH	Tonnes per hour
Trademarks Act	The Trademarks Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VCF	Venture Capital Funds
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
Wages Act	Payment of Wages Act, 1936
Workmen's Compensation Act	Workmen's Compensation Act, 1923

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

### Certain Conventions

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Durgadevi Raiment Limited” and “DDRL” “Durgadevi”, unless the context otherwise indicates or implies, refers to Durgadevi Raiment Limited. All references in this Draft Prospectus to “India” are to the Republic of India. All references in this Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

### Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our audited financial statements for the financial years ended March 31, 2024, 2023 and 2022, prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations which are included in this Draft Prospectus, and set out in ‘*Financial Statements*’ on page 110. 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, so all references to a particular financial year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the “IFRS”) and the Generally Accepted Accounting Principles in the United States of America (the “U.S. GAAP”). Accordingly, the degree to which the financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Draft Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points, except for figures in percentage. 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. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

### Currency and units of presentation

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

### Industry and Market Data

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

## FORWARD-LOOKING STATEMENTS

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

These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

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

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 18, 77 and 133 respectively.

Forward looking statements reflects views as of the date of this Draft Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.



## **SECTION II - SUMMARY OF THE OFFER DOCUMENT**

### **A. Summary of Business & Industry:**

#### *Summary of Business:*

We are dealing in the trading of Yarns and manufacturing of kids apparels and garments for few Brands.

We are engaged into the manufacturing of kids apparels and garments. The products manufactured by us are mainly sold to one of leading online platform for kid's garments. As a contract manufacturer specializing in kids' apparel, our business focuses on producing quality garments based on client specifications. Our production is guided by the designs and technical specifications provided by our clients, ensuring that the final products meet their exact needs and standards. We manufacture kids garments for both boys and girls. Our main products include kids' t-shirts, polo shirts, leggings, lowers, frocks, baba-suits, girls top etc.

Currently, we have 2 garments manufacturing unit and one printing unit. We have installed capacity to produce 3,25,000 pcs garments per month (as certified by Maheshwari and Co., Chartered Accountants vide certificate dated September 25, 2024). However, the capacity may vary depending upon the production schedule, complexity of designs etc.

We are also engaged in the trading of yarn. This creates an extra revenue stream and strengthens supplier relationships, leading to better terms. Overall, yarn trading supports operational efficiency and mitigates risks associated with raw material procurement.

#### *Summary of Industry:*

### **TEXTILE INDUSTRY & MARKET GROWTH IN INDIA**

Source: <https://www.ibef.org/industry/textiles>

### **INTRODUCTION**

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk, and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

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

In order to attract private equity and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

### **MARKET SIZE**

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030. Moreover, India is the world's 3rd largest exporter of Textiles and Apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$100 billion.

The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.

### **B. Promoters:**

Vivek Kumar Kajalia, Priti Kajalia and Neha Kajalia are the Promoters of our Company.

### **C. Offer Size:**

Initial Public Offering of up to 30,00,000 Equity Shares of ₹10 EACH (“Equity Shares”) of Durgadevi Raiment Limited (“DDRL” or the “Company”) For cash at a price of ₹ 40.00 per Equity Share (The “Offer Price”), aggregating to ₹ 1,200.00 Lakhs (“The Offer”), comprising a Fresh Issue of up to 15,00,000 Equity Shares aggregating to ₹ 600.00 Lakhs by our Company (“Fresh Issue”) and an Offer For Sale of up to 15,00,000 Equity Shares by Selling Shareholders Ajay Kumar Saraogi And Sarad Kumar Jajodia (“The Selling Shareholders”) Aggregating to ₹ 600.00 Lakhs (“Offer for Sale”). Of the Offer, 1,50,000 Equity Shares Aggregating to ₹60.00 Lakhs will be Reserved for Subscription by Market Maker (“Market Maker Reservation Portion”). The Offer Less the Market Maker Reservation Portion i.e. Offer of 28,50,000 Equity Shares of Face Value of ₹ 10.00 each at an Offer Price of ₹40.00 per Equity Share aggregating to ₹1,140.00 Lakhs is hereinafter referred to as the “Net Offer”. The Offer and the Net Offer will constitute 38.76% and 36.82%, respectively of the Post Offer Paid Up Equity Share Capital of our Company. For further details, see "Terms of the Offer" on page 161 of the Draft Prospectus.

#### D. Objects of the Offer:

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

Sr. No.	Object	Amount Proposed to be Utilised from the Offer Proceeds (₹ in lakhs)
1.	Funding additional working capital requirements	200.00
2.	Acquisition of Factory Premises on Lease Basis	200.00
3.	General Corporate Purposes	125.00
4.	Offer Expenses	75.00
	<b>Total</b>	<b>600.00</b>

#### E. Pre-Offer Shareholding of Promoters, Promoter Group:

Sr.	Particulars	Pre-Offer	
		No. of Shares	% Holding
a)	<b>Promoters</b>		
	Vivek Kumar Kajalia	11,76,000	18.85%
	Priti Kajalia	9,12,000	14.62%
	Neha Kajalia	9,12,000	14.62%
	<b>Total</b>	<b>30,00,000</b>	<b>48.08%</b>
b)	<b>Promoter Group</b>		
	Nil	Nil	Nil
	<b>Total</b>	Nil	Nil
	<b>Grand Total</b>	<b>30,00,000</b>	<b>48.08%</b>

#### F. Summary of Financial Information:

Particulars	(₹ in Lakhs)		
	31.03.24	31.03.23	31.03.22
Share Capital	520.00	520.00	520.00
Net Worth	652.24	573.27	538.00
Revenue	2,579.30	1,403.97	773.15
Profit After Tax	78.97	35.27	17.07
Basic and Diluted Earnings per Equity Share (in ₹)	1.52	0.68	0.56
Net Asset Value/Book Value per Equity share (in ₹)	12.54	11.02	17.64
Total Borrowings	318.75	208.45	85.87

Our Annual Reports and financial statements are also available on our website at: [www.ddrl.in](http://www.ddrl.in).

#### G. Auditor qualifications which have not been given effect to in the Restated Financial Information:

There are no auditor qualifications which would require adjustments in the Restated Financial Information and for which no such effect has been given.

#### H. Summary of Outstanding Litigations:

For further details regarding the same, please refer to the chapter titled ‘Outstanding Litigations and Material Developments’ beginning on page 143 of the Draft Prospectus.

**I. Risk Factors:**

Please see ‘Risk Factors’ beginning on page 18.

**J. Summary of Contingent Liabilities of our Company:**

We do not have any contingent liabilities as on March 31, 2024.

**K. Summary of Related Party Transactions:**

Disclosure in respect of transactions with Related Parties

(All amounts in ₹ Lakhs, unless otherwise stated)

Sr No	Name of the transacting related party	Description of the relationship between the parties	Description of the nature of transactions	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Vivek Kajalia	Director	Loan Taken	10.00	0.11	90.00
2	Vivek Kajalia	Director	Expense-reimbursement	6.39	-	-
3	Vivek Kajalia	Director	Repayment of loan	10.87	-	-
4	Durga Textile ( Vivek Kajalia -proprietorship)	Sundry Debtors	Advance to Debtors	29.13	-	-
5	Durga Textile ( Vivek Kajalia -proprietorship)	Sundry Debtors	Refund from Debtors	27.13	-	-
6	Durga Textile ( Vivek Kajalia – proprietorship)	Sundry Debtors	Receipt	-	445.70	113.82
7	Durga Textile ( Vivek Kajalia – proprietorship)	Sundry Debtors	Sales	-	-	138.60
8	Durga Textile ( Vivek Kajalia – proprietorship)	Sundry Debtors	Payment	-	-	10.00
9	Arun Textile ( Vivek Kajalia – proprietorship)	Sundry Creditors	Payment	31.87	-	459.51
10	Arun Textile ( Vivek Kajalia – proprietorship)	Sundry Creditors	Purchase	6.87	957.44	604.13
11	Neha Kajalia	Director	Loan Taken	-	-	8.76
12	Neha Kajalia	Director	Repayment of loan	-	-	8.76
13	Priti Kajalia	Director	Director Remuneration	4.18	-	-
14	Priti Kajalia	Director	Loan Taken	-	-	6.50
15	Priti Kajalia	Director	Repayment of loan	-	-	6.50
16	Seuli Chakraborty	Employee	Advance to Employee	1.50	-	-
17	Seuli Chakraborty	Employee	Salary	0.42	-	-
18	Nikita Agarwal	Company Secretary	Salary	1.80	-	-

Disclosure in respect of Outstanding Balances of Related Parties

(All amounts in ₹ Lakhs, unless otherwise stated)

Sr No	Name of the transacting related party	Description of the relationship between the parties	Description of the nature of transactions	Closing Balance s as on 31st March, 2024	Closing Balance s as on 31st March, 2023	Closing Balance s as on 31st March, 2022
1	Vivek Kajalia	Director	Loan Taken	-	4.89	98.00
2	Durga Textile ( Vivek Kajalia – proprietorship)	Sundry Debtors	Advance to Debtors	-	2.00	17.25
3	Arun Textile ( Vivek Kajalia – proprietorship)	Sundry Creditors	Payment	0.01	25.01	164.61
4	Priti Kajalia	Director	Director Remuneration	4.18	-	-
5	Seuli Chakrabortty	Employee	Advance to Employee	1.08	-	-
6	Nikita Agarwal	Company Secretary	Salary	1.80	-	-

For further details please refer “Note 24- Related Party Transaction” on page 128, under the section titled “Financial Information” beginning on page 110 of this Draft Prospectus.

#### L. Financing Arrangements:

There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company 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 Prospectus.

#### M. Weighted Average Price of the Equity Shares acquired by the Promoter in the last one year preceding the date of this Draft Prospectus:

Other than as mentioned below, the Promoters have not acquired any Equity Shares in the last one year preceding the date of this Draft Prospectus:

Name of the Promoter	No. of Shares	Average cost of acquisition (in ₹)
Vivek Kumar Kajalia	1,96,000	Nil
Priti Kajalia	1,52,000	Nil
Neha Kajalia	1,52,000	Nil

For further details please refer to chapter titled “Capital Structure” on page 45.

\* Bonus Issue in the ratio of 1:5

#### N. Average cost of acquisition of shares for promoter:

Name of the Promoter	Average cost of acquisition (in ₹)
Vivek Kumar Kajalia	7.99
Priti Kajalia	8.00
Neha Kajalia	8.00

#### O. Pre-IPO Placement:

The Company does not intend to undertake Pre-IPO Placement in the Offer.

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

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

<b>Date of Allotment</b>	<b>No. of Equity Shares</b>	<b>Face Value (₹)</b>	<b>Issue Price (₹)</b>	<b>Nature / Reason of Allotment</b>	<b>Nature of Consideration</b>
August 26, 2024	10,40,000	10	Nil	Bonus Issue in the ratio of 1:5	Nil

**Q. Split / Consolidation of Equity Shares in the last one year**

There was no split / consolidation of the Equity Shares of our Company since incorporation.

**R. Exemption from complying with any provisions of Securities Laws granted by SEBI**

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.

## SECTION III - RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to, the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 77 and 133 respectively, of this Draft Prospectus as well as the other financial and statistical information contained in this Draft Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in 'Financial Statements' on page 110 of this Draft Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP, as restated.*

*If any one or more of the following risks as well as other risks and uncertainties discussed in this Draft Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of your investment.*

*This Draft Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in this Draft Prospectus.*

*These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.*

### **Materiality**

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

- 1. Some events may not be material individually but may be material when considered collectively.*
- 2. Some events may have an impact which is qualitative though not quantitative.*
- 3. Some events may not be material at present but may have a material impact in the future.*

### **INTERNAL RISKS**

- 1. We are deriving 100% of our manufacturing revenues for last three financial years from sale to one single client who is one of leading online platform for kid's garments.***

Our Company derives the 100% of its manufacturing revenues during FY 2024, 2023 and 2022 from sale one single client. Relying heavily on a single client poses significant business risks that can jeopardize the stability and growth of our company. This dependence creates a adverse situation where the business's financial health is tightly coupled with the fortunes of one client. If the client experiences financial difficulties, undergoes organizational changes, or chooses to shift their business elsewhere, the company may face severe revenue shortfalls. Such reliance also limits our company's negotiating power, making us vulnerable to unfavorable contract terms or abrupt changes in demands. This reliance often results in cash flow instability and financial vulnerability, particularly if the client's payments are delayed or if the client renegotiates terms unfavorably. Additionally, the business may face increased difficulty securing new clients or adjusting to market fluctuations, further exacerbating financial strain. Diversification of the client base is crucial, as it spreads revenue streams and reduces the impact of losing a single account. Additionally, over-dependence can stifle innovation and growth, as our company may become too focused on satisfying the needs of one client instead of exploring new opportunities.

- 2. We have historically derived, and may continue to derive, a significant portion of our income from our top 10 customers.***

We derive 100% of our revenues for last three financial years from our top 10 customers. We have not entered into long terms agreements with our customers and the success of our business is accordingly significantly dependent on us maintaining good relationships with our customers. The actual sales by our Company may differ from the estimates of our management due to the absence of long-term agreements. The loss of one or more of these significant or key customers or a reduction in the amount

of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future.

**3. We are dependent upon few suppliers for the material requirements of our trading business.**

Our top 10 suppliers represented 97.49%, 99.80% and 98.02%, respectively, of our purchases for Fiscal 2024, 2023 and 2022 respectively. Any problems faced by our supplier resulting in delays or non-adherence to quality requirements could adversely impact our ability to meet our customer’s requirements in time and our operations would be affected to the extent we are unable to line up supplies from alternate suppliers. Although we have a strong emphasis on quality, timely delivery and personal interaction by the senior management with the suppliers, any change in the preferences of suppliers can adversely affect the business and the profitability of our Company.

**4. We are deriving considerable portion of our revenues from trading activities.**

Trading in yarn had contributed approximately 68.33%, 41.34% and 42.13% of our revenues for FY 2024, 2023 and 2022 respectively. Trading is a low margin business wherein we procure goods from local unorganized market and sell it locally. Factors, such as, our inability to timely source goods at competitive rates, find prospective customers, etc. may effect margins in this segment of the business and may effect our future operations and profitability. Additionally, relying heavily on yarn trading might limit the company’s ability to diversify and adapt to changing market trends, potentially leaving growth opportunities. The business may face increased competition and pricing pressures. Developing a more diversified portfolio, including value-added products or services, can help mitigate these risks and enhance the company’s resilience in a volatile market.

**5. We have entered into sales and purchase transactions with our related parties, i.e. related group entities.**

We have entered into sales and purchase transactions with our related parties, i.e. related group entities in last three financial years. The details of transactions are as under:

(Rs. Lakhs)				
Name of the transacting related party	Nature of transactions	March 31, 2024	March 31, 2023	March 31, 2022
Durga Textile (Vivek Kajalia – proprietorship)	Sales	-	-	138.60
Arun Textile (Vivek Kajalia – proprietorship)	Purchase	6.87	957.44	604.13

Although we consider our transactions at arm’s length price, entering into sales and purchase transactions with related parties, such as group entities, carries specific risk. The potential for conflicts of interest can arise, as transactions may not be conducted at arm’s length, leading to unfavorable terms for one party. This can distort financial results and misrepresent the economic position of the entities involved. Additionally, there is a risk of decreased transparency, which may complicate external audits and investor assessments. Finally, it can also lead to decrease in reputation, as stakeholders may question the integrity of the transactions, impacting investor confidence and market perception.

**6. Increase in cotton prices or decrease in supply of cotton may materially adversely effect our business Raw material cost constitutes significant percentage of our total expenses.**

A significant risk factor for our business is the volatility in cotton prices or a potential decrease in the supply of cotton. Raw material costs, specifically cotton, represent a substantial portion of our total expenses. Raw materials costs accounted for 96.88% and 63.45% of our total revenues respectively for FY 2024 and 2023 respectively. Our primary raw material is cotton yarn, which we source from the local domestic market. Cotton is an agricultural product and its supply and quality are subject to forces of nature. Any material shortage or interruption in the domestic supply or deterioration in the quality of cotton due to natural causes or other factors could result in increased production costs, which we may not successfully be able to pass on to customers, which in turn would have an material adverse effect on our business. An increase in cotton prices can lead to higher production costs, which may adversely impact our profit margins. Additionally, a decrease in the supply of cotton could disrupt our production processes, leading to delays and increased costs as we seek alternative sources or pay higher prices for available supplies.

**7. We are prone to supply chain disruptions.**

Interruptions in the supply chain, such as delays from suppliers or transportation issues, can halt production. This can lead to

missed deadlines and increased costs as alternatives are sought. Developing strong relationships with multiple suppliers and having contingency plans are necessary for our business. Ensuring efficient logistics and inventory management is also crucial and any disruptions. Supply chain disruptions can arise from various factors, such as natural disasters, geopolitical instability, or transportation issues, causing delays in the delivery of raw materials or finished products. These interruptions can halt production lines, delay order fulfillment, and lead to increased costs as companies scramble for alternative suppliers or expedite shipping.

**8. *The kids' fashion industry is highly dynamic, with trends changing rapidly and consumer preferences evolving. Brands that fail to adapt to these shifts risk producing outdated or unwanted products.***

The kids' fashion industry is highly dynamic, with trends changing rapidly and consumer preferences evolving. Brands that fail to adapt to these shifts risk producing outdated or unwanted products, leading to excess inventory and markdowns. This rapid change can result in excess inventory of outdated styles, which may have to be sold at markdowns or disposed of, affecting profitability. Brands that cannot keep up with emerging trends may lose market share to more agile competitors. The challenge of forecasting trends and aligning production with consumer demand requires constant market monitoring and adaptability. Failure to respond to changing trends can lead to reduced sales and diminished brand relevance.

**9. *We are to follow stringent Quality Control in our manufacture process as per the requirements of our Brands.***

Quality control issues in the manufacturing of kids' garments can have serious repercussions. Poor quality can lead to product defects, safety concerns, and customer dissatisfaction. These issues may result in costly product recalls, which can significantly impact the company's finances and reputation. Inconsistent quality can damage the brand's credibility and lead to negative customer reviews. Furthermore, addressing quality issues often involves additional expenses for rework and compensation. Ineffective quality control processes can lead to increased returns and decreased consumer trust. Persistent quality problems can also strain relationships with retailers and disrupt business operations.

**10. *Economic Downturns can adversely impact our business.***

Economic downturns pose a risk to the kids' garments manufacturing sector by reducing consumer spending on non-essential items. During economic recessions, families often cut back on discretionary purchases, which can lead to decreased sales and lower revenue. Reduced consumer spending can result in inventory build-ups and the need for discounting, further squeezing profit margins. The unpredictability of economic conditions makes financial planning and forecasting challenging. Companies may experience increased financial strain, impacting their ability to invest in growth or innovation. Economic slowdowns can also lead to reduced consumer confidence and increased competition for a shrinking market.

**11. *The kids' garments market is highly competitive, with numerous local and international brands vying for market share.***

The kids' garments market is highly competitive, with numerous local and international brands vying for market share. Intense competition can lead to price wars, reduced profit margins, and the need for continuous innovation. The segments of the industry in which we operate are subject to intense competition. Our principal competitors are other manufacturers or suppliers of the similar products we market or distribute, including other major manufacturers with well-established and recognized brands. We also compete against smaller traders and independent and local suppliers and operators. If we are unable to compete successfully, our revenues or profits may decline or our ability to maintain or increase our market share may be diminished.

Differentiating the brand through unique designs, superior quality, or exceptional customer service can create a competitive advantage. Building a strong brand identity and leveraging marketing and advertising effectively can attract and retain customers. Staying ahead of competitors requires ongoing market research and adaptation to emerging trends. Investing in product development and technology to enhance manufacturing efficiency can improve market positioning. Developing strategic partnerships and collaborations can also offer opportunities for growth and differentiation.

**12. *Labor costs and the availability of skilled workers are critical factors affecting production efficiency and cost.***

Employee benefits expenses was 3.38%, 2.63% and 0.58% of our Total revenues. Labor costs and availability are critical factors that can impact manufacturing operations. Rising wages and benefits can increase production costs, while shortages of skilled workers can lead to operational inefficiencies and delays. High labor costs can strain profit margins, especially if they cannot be offset by increased product prices. Labor shortages may result in difficulties meeting production deadlines and maintaining product quality. Changes in labor laws or regulations can also affect operational costs and practices. Additionally, labor-related issues can impact employee morale and productivity, further affecting overall business performance.



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

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors and inventories. Our, Trade Receivables for the period ended March 31, 2024, 2023 and 2022 were ₹ 1049.89 lakhs, ₹ 561.36 lakhs and ₹ 193.95 lakhs respectively and our inventories for the period ended March 31, 2024, 2023 and 2022 were ₹ 476.86 lakhs, ₹ 445.12 lakhs and ₹ 572.69 lakhs respectively.

The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the terms and conditions with our customers, it may lead to write-offs bad debts and/ or delay in recoveries which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. In the event we are not able to recover our dues from our trade receivables or sell our inventory, we may not be able to maintain our Sales level and thus adversely affecting our financial health.

**14. In the event of any accident at our manufacturing units, our Company may be held liable for damages and penalties which may impact the financials of our Company.**

Any mishandling of our equipment and machineries by our employees/ labour could also lead to serious and sometimes fatal accidents. Although there have been no such instances in the past, these accidents can cause personal injury and loss of life, severe damage to and destruction of property and equipment, environmental damage and may result in the suspension of operations and the imposition of civil and criminal liabilities. There are no specific risks associated with garments manufacturing and only standard risks related to manufacturing are applicable to our Company. There has been no material incident in the past three financial years requiring the Company to claim insurance from the insurance company. However, we cannot ensure that such accidents will happen in future which may have adverse impact our financial position, our reputation with suppliers, customers, regulators, employees and the public, which could in turn affect our financial condition and business performance.

**15. We are operating in a labor-intensive industry; hence we may face labour disruptions and other planned and unplanned outages that could interfere or temporarily disrupt our operations.**

Our Company's manufacturing activities are labour intensive. Strikes and other labour action may have an adverse impact on our manufacturing operations, though we have not experienced any such labour disruption in the past. We cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future. Any such event could disrupt our manufacturing operations either temporarily or for a significant period of time, resulting in increased wages and other costs leading to a material adverse effect on our business, results of operations or financial condition. For further details, please see "Our Business – Manpower" on page 84 of this Draft Prospectus.

**16. Lack of skilled labour to operate blow and injection molding machinery and equipment may lead to disruption in our manufacturing operations.**

Garment manufacturing machines and equipment requires skilled labour to operate and qualified personnel to maintain. The machines require correct design, proper placement and size specifications. The industry is continually evolving in terms of both technology and application areas and we need to update and upgrade ourselves with any change of technology and process. Similarly, the labour and personnel employed by us for our manufacturing processes is also need to be skilled in new technologies and products to ensure quality and cost-effective production. Skilled labour and technicians in any industry are in demand and employing & retaining them has always been a challenge. If we are not able to retain or employ skilled labour and personnel, our business operations may be adversely affected leading to an effect on our financial condition and profitability.

**17. We face the risks associated with the use of contractual labour.**

Using contractual labor in garment manufacturing introduces several significant risk factors that can impact both operational efficiency and brand reputation. One major concern is the potential for inconsistent quality, as contractual workers may not receive the same training and oversight as permanent staff, leading to variable product standards. Additionally, there is a

heightened risk of non-compliance with labor laws, which can result in legal liabilities and damage to the company's image if labor rights violations occur. High turnover rates among contractual workers can disrupt production schedules, increase training costs, and create a less experienced workforce, further exacerbating quality control issues. Moreover, reliance on third-party agencies for labor may compromise oversight and accountability, making it difficult to ensure fair treatment and working conditions. Health and safety risks are also prevalent, as contractual workers may not receive adequate training or protective measures, leading to workplace accidents and associated legal repercussions. The limited engagement and motivation of contractual workers can affect overall productivity and morale, creating a less cohesive work environment. This transient workforce may also hinder team cohesion and communication, leading to inefficiencies. Furthermore, contractual workers typically face job insecurity and fewer benefits, impacting their overall well-being. Ultimately, these challenges can damage a company's reputation and hinder long-term growth and innovation.

**18. Our Promoter and Managing Director, Vivek Kumar Kajalia plays key role in our functioning and we heavily rely on his knowledge and experience in operating our business and therefore, it is critical for our business that our Promoter remain associated with us. Our success is also depends on our key managerial personnel and our ability to attract and retain them. Any loss of our key person could adversely affect our business, operations and financial condition.**

The success of our business operations is attributable to our Promoter and Directors and the key managerial team. We believe that our relation with our Promoter, who has rich experience in markets, managing customers and handling overall businesses, has enabled us to experience growth and profitability. Our Promoter, Vivek Kumar Kajalia has industry experience of around 7 years. He has been actively involved in the day-to-day operations and management since the incorporation of the Company. Further, our Promoter/ Directors have also promoted other companies/ firms/ ventures and may continue to do so. If they divert their attention to the other companies, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our Promoter or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. The loss of service of the Promoter and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section "Our Management" on page 92 of this Draft Prospectus.

**19. Substantial portion of our revenues has been dependent upon limited number of customers.**

Revenue from our top 10 customers constituted 100% of our revenue from operations for year ending March 31, 2024, 2023 and 2022 respectively. The loss of any significant client would have a material effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them. While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

**20. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.**

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. We will be applying for certain approvals relating to our business. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulatory authority claims we have not complied, with these conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition, and results of operations. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. For more information about the licenses required in our business and the licenses and approvals applied for, please refer "Government and Other Approvals" on page 146 of this Draft Prospectus, respectively.

**21. Operational risks are inherent in our business as it includes rendering products and services at high quality standards. A failure to manage such risks could have an adverse impact on our business, results of operations and financial condition.**

Certain operational risks are inherent in our businesses due to the nature of the industry in which we operate. Our operations are subject to various operating and business risks. Our products require proper packaging and labelling and the careful and

hygienic handling of products, which if improperly packaged or handled may have an adverse impact on the health of the end users. Consequently, our business is associated with certain safety, privacy and public health concerns. Failure to effectively implement our corporate, crisis response, training and management policies and protocols and to adequately address and manage risks inherent in our business, or a failure to meet the requirements of our guests, or a failure to develop effective risk mitigation measures, could have an adverse effect on our reputation, guest loyalty and consequently, our business, results of operations and financial condition.

**22. Our Promoter Group Entities have objects similar to our Company. There are no non-compete agreements between our Company and such Promoter Group Entities. We cannot assure that our Promoter will not favor the interests of such entity over our interest or that the said entities will not expand which may increase our competition and may adversely affect business operations and financial condition of our Company.**

Our Promoter Group Entities namely, Arun Textiles, (Proprietor, Vivek Kumar Kajalia) and Durga Textiles, (Proprietor, Vivek Kumar Kajalia) are engaged in business similar to our Company. We have not entered into any non-compete agreement with the said entities. We cannot assure that our Promoter/ Promoter Group who has common interest in said entities will not favour the interest of the said entity. As a result, conflicts of interests can arise on account of common suppliers/ customers and in allocating business opportunities amongst our Company and our Promoter Group entity in circumstances where our respective interests diverge. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

**23. We are subject to risks arising from interest rate fluctuations, which could adversely affect our results of operations, planned expenditures and cash flows.**

As of March 31, 2022, a part of our indebtedness was at floating interest rates. If the interest rates of our existing or future borrowings increase significantly, our cost of funds will increase. A further increase in interest rates (or the current high interest rate environment not changing) may have an adverse effect on our results of operations and financial condition. While we could consider refinancing the loan or hedging interest rate risks in appropriate cases, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks. Further, if such arrangements do not protect us adequately against interest rate risks, they would result in higher costs.

**24. We have referred to the data derived from internal Company reports and industry and government publications, publicly available information, and sources.**

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

**25. Our business is geographically located in one area, Kolkata, West Bengal. Any loss or shutdown of operations at any of our facilities in this area may have an adverse effect on our business and results of operations.**

Majority of our business is based in Kolkata, West Bengal. This concentration of our business in Mumbai Metropolitan Region, subjects us to various risks, including but not limited to the following risks:

- regional natural disasters;
- vulnerability to change of policies, laws and regulations or the political and economic environment of Western Indian and mainly Mumbai;
- constraints on our ability to diversify across states;
- perception by our potential clients, that we are a regional advertising and marketing company, which hampers us from competing against other large companies at a national level.

Further, any political disruptions, natural calamities or civil disruptions, opposition and protests, particularly in locations where we operate, could adversely affect our business operations or strategy. There is no assurance that such disruption in business

operations would not bring any hindrance in the functioning of our manufacturing Units. Consequently, our business, results of operations, cash flows and financial condition have been and will continue to be heavily dependent on the performance of, and the prevailing conditions affecting the advertising and marketing industry and overall economy in Kolkata and West Bengal.

**26. Our inability to manage growth could disrupt our business and reduce our profitability.**

A principal component of our strategy is to continue to grow by expanding the size of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial, and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values, and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition, and adversely affect our results of operations.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the Offer. We meet our capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Offer or any shortfall in the Offer Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Offer” beginning on page 55 of the Draft Prospectus.

**28. We do not own our Registered Office and corporate office from which we operate.**

Our Company’s registered office is situated at A5, Calcutta Land Premises No. E3-509/New, Shibrampur Road, PO-Ganipur, PS-Maheshtala, Kolkata - 700141, West Bengal, India. We do not own the premises on which our Registered Office is situated. Further we our Unit 1, Unit 2 and Printing Unit are also taken on lease basis. However, there can be no assurance that our Company will be able to successfully renew the above leave and license agreement in a timely manner or at all and that we may be continue to use the office in case of no formal agreements. Further there can be no assurance that we will not face any disruption of our rights as a licensee and that such leave and license agreement will not be terminated prematurely by the licensor. Any such non-renewal or early termination or any disruption of our rights as licensee may require us to vacate the premises and relocate to a new premises on terms that may not be favourable to us thereby adversely affecting our business, financial conditions and results of operations. If the owner of the premises, revoke this agreement or impose terms and conditions that are unfavorable to us, we may suffer a disruption in our operations or have to pay increased rent, which could have a material adverse effect on our business, prospects, results of operations and financial condition. For further details of our office premises please refer to the section titled "Our Business" on pages 77 of the Draft Prospectus.

**29. Our results of operations are likely to vary from year to year and be unpredictable, which could cause the market price of the Equity Shares to be volatile.**

Our results of operations in any given year can be influenced by a number of factors, many of which are outside of our control and may be difficult to predict, including:

- maintaining high levels of customer satisfaction;
- costs relating to our operations;
- adhering to our high quality and process execution standards;
- pricing policies introduced by our competitors;
- the timing and nature of, and expenses incurred in, our marketing efforts;
- recruiting, training, and retaining sufficient skilled technical and management personnel;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, and other internal systems;

Also, please refer “Management's Discussion and Analysis of Financial Condition and Results of Operations” on page 133 for details on the factors affecting our financial results. All of these factors, in combination or alone could negatively impact our revenues and may cause significant fluctuations in our results of operations. This variability and unpredictability could materially and adversely affect our results of operations and financial condition.

**30. *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 entered into related party transactions with our Promoters, Promoter Group, Group Entities and Directors. For details of these transactions, please refer "Related Party Transactions" on page 108.

We cannot assure you that we will be able to maintain the terms of such transactions or in the event that we enter future transactions with related parties, that the terms of the transactions will be favourable to us. Additionally, while it is our belief that all our related party transactions have been conducted on an arm's-length basis, we cannot provide assurance that we could have achieved more favourable terms had such transactions been entered with third parties. We may also enter related party transactions in the future, which could involve conflicts of interest, although going forward, all related party transactions that we may enter will be subject to audit committee or board or shareholder approval, as applicable, as under the Companies Act, 2013 and the SEBI (LODR) Regulations. As such, we can provide no assurance that these transactions will not adversely affect our business, results of operation, cash flows and financial condition.

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

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Offer as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

**32. *Our funding requirements and deployment of the Offer Proceeds are based on management estimates and have not been independently appraised by any bank or financial institution.***

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

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

The deployment of the funds towards the objects of the Offer is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Offer size above ₹ 10,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Offer Proceeds. However, the audit committee of our Board will monitor the utilization of Offer Proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Offer Proceeds to BSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Any inability on our part to effectively utilize the Offer Proceeds could adversely affect our financials.

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

The following table sets forth our cash flow for the periods indicated:

	(₹ in lakhs)		
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Cash from Operating Activities	(45.45)	(108.52)	(520.60)
Net cash from Investing Activities	(32.59)	(0.82)	(22.35)

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. Such negative cash flows lead to a net decrease in cash and cash equivalents. Any negative cash flow in future could adversely affect our operations and financial conditions and the trading price of our Equity Shares. For further details, please refer “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 110 and 133, respectively.


**35. *We have not made any dividend payments in the past and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.***

In the past, we have not made dividend payments to the shareholders of our Company. The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows and requirement to fund operations and expansion of the business. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors. For further details, see “*Dividend Policy*” on page 109.

**36. *Our Promoters and members of the Promoter Group will continue to jointly retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

After the completion of this IPO, our Promoter and promoter group will beneficially own approximately 38.76% of our post-Issue equity share capital. As a result, the Promoters and Promoter Group may have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company’s best interest. In addition, for so long as the Promoter Group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

**37. *Our Company has not registered the trademark. Our ability to use the trademark may be impaired if the same is not registered under our name.***

As on the date of the Draft Prospectus, our logo “” is not registered under any Class with the Registrar of Trademarks. There can be no assurance that third parties will not infringe our intellectual property, causing damage to our reputation. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome thereof cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. For further details pertaining to our intellectual property, please refer to the chapter titled “*Our Business*” beginning on page 77 of this Draft Prospectus respectively.

**38. *Our financing agreements contain covenants that limit our flexibility in operating our business. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition.***

As of March 31, 2024, our total outstanding indebtedness was ₹ 318.75 lakhs (including both short term and long term borrowings). Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our businesses. Further, our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from our lenders for, among other things:

- alteration of the capital structure of our Company and certain Subsidiaries, if any, in any manner;
- undertaking any term loans borrowings;
- making changes to our management set up;
- making any change in ownership and shareholding pattern, including effecting any change in our actual and beneficial ownership or control, of our Company and certain Subsidiaries;
- making any investment in group companies, joint ventures or associates;
- effecting any amalgamation, merger, reconstruction, takeover or consolidation in relation to our Company and certain Subsidiaries;
- amending the memorandum and articles of association of our Company and certain Subsidiaries;
- concluding any fresh borrowing arrangements, either secured or unsecured, with any other lender;
- creation of further charge, lien or encumbrance on assets hypothecated with our lenders;
- effecting any material change in the management of our business or our operating structure;
- undertaking new projects or implementing any scheme of expansion or acquiring fixed assets;
- making any investment by way of subscription to share capital of, and loans, deposits or advances to, any other entity (including our group companies and associate companies);
- undertaking guarantee obligations on behalf of any other lender or any third party;
- declaring dividends; and
- effecting any repayment of loans and deposits and discharging other liabilities except those shown in the fund flow statements submitted to our lenders from time to time.

We are required to obtain the consents of the lenders under our financing agreements before undertaking these significant corporate actions. We cannot assure you that the lenders will grant the required approvals in a timely manner, or at all. The time required to secure consents may hinder us from taking advantage of a dynamic market environment. In addition to the restrictions listed above, we are required to maintain certain financial ratios under our financing agreements. These financial ratios and the restrictive provisions could limit our flexibility to engage in certain business transactions or activities. Additionally, our financing agreements are secured by our movable, immovable or intangible assets (whether existing or future), goods and work-in-progress (whether existing or future) and by personal guarantees of our Promoter. Such financing agreements enable the lenders to cancel any outstanding commitments, accelerate the repayment, exercise cross default provisions and enforce their security interests on the occurrence of events of default such as a breach of financial covenants, failure to obtain the proper consents, failure to perfect security as specified and such other covenants that are not cured. It is possible that we may not have sufficient funds upon such an acceleration of our financial obligations to pay the principal amount and interest in full. Further, if we are forced to issue additional equity to the lenders, ownership interest of the existing shareholders in our Company will be diluted. It is also possible that future financing agreements may contain similar or more onerous covenants and may also result in higher interest cost. If any of these events were to occur, our business, results of operations and financial condition may be adversely affected.

***39. Our Promoter and members of Promoter Group have mortgaged their personal properties and provided personal guarantees for our borrowings to secure our loans. Our business, 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 Promoter and members of Promoter Group in connection with our Company's borrowings.***

Our Promoter and Managing Director, and our Promoter Group have mortgaged their personal properties and provided personal guarantees for our borrowings to secure our loans. If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. 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. Accordingly, our business, 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 Promoter and Promoter Group in connection with our Company's borrowings.

***40. Our insurance coverage may not adequately protect us against all material hazards and the policies do not cover all risks. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.***

Our business could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. We maintain insurance for burglary policy and standard fire and special perils policy, which provides insurance cover against loss or damage by fire, earthquake, terrorism etc. and also, which we believe, is in accordance with customary industry practices. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. Further, with respect to the insurances

maintained by us, we cannot assure you 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. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

**41. Our Company will not receive any proceeds from the Offer for Sale portion.**

This Issue comprises of an offer for sale of 15,00,000 Equity Shares at the Offer Price of ₹40 each aggregating ₹ 600.00 Lakhs by our selling Shareholders. The proceeds from the Offer pertaining to the above sale shares will be paid to the Promoter selling Shareholder and our Company will not receive any proceeds from the Offer for sale portion. For further details, please refer the chapter titled “Objects of the Offer” on page 55 of this Draft Prospectus.

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

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance, and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI (LODR) Regulations, which require us to file audited / unaudited reports periodically with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, for which significant resources and management overview will be required. As a result, management’s attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition, and results of operations. Further, we may need to hire additional legal and accounting staff with appropriate and relevant experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner or at all.

## EXTERNAL RISKS

**43. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, cash flows and financial condition.**

India is our key market. Our entire revenue from operations was from India. In addition, an increase in India’s trade deficit, a downgrading in India’s sovereign debt rating or a decline in India’s foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and our business, results of operations, cash flows and financial condition.

**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.**

Our business is subject to various laws and regulations, which are evolving and subject to change. For details, see “Key Industrial Regulations and Policies in India” on page 86. We are also subject to corporate, taxation and other laws in effect in India, which require continued monitoring and compliance. These laws and regulations and the way in which they are implemented and enforced may change. There can be no assurance that future legislative or regulatory changes will not have any adverse effect on our business, results of operations, cash flows and financial condition.

**45. Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.**

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India, or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.



**46. Significant differences exist between Ind AS and Indian GAAP and other accounting principles, such as IFRS and US GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.**

Our financial statements for Fiscals 2024, 2023 and 2022 included in this Draft Prospectus are prepared and presented in conformity with Indian GAAP and restated in accordance with the requirements the SEBI (ICDR) Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2016)” issued by the ICAI. Ind AS differs from Indian GAAP and other accounting principles with which prospective investors may be familiar in other countries, such as IFRS and U.S. GAAP. Accordingly, the degree to which the Financial Statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should limit their reliance on the financial disclosures presented in this Draft Prospectus.

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

**47. Investors bear the risk of fluctuations in the price of Equity Shares and there can be no assurance that a liquid market for our Equity Shares will develop following the listing of our Equity Shares on the Stock Exchanges.**

There has been no public market for our Equity Shares prior to the Offer. The price may not necessarily be indicative of the market price of our Equity Shares after the Offer is completed. You may not be able to re-sell your Equity Shares at or above the Offer price and may as a result lose all or part of your investment.

Our Equity Shares are expected to trade on SME Platform of BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

The price at which our Equity Shares will trade at after the Offer will be determined by the marketplace and may be influenced by many factors, including:

- Our financial condition, results of operations and cash flows;
- The history of and prospects for our business;
- An assessment of our management, our past and present operations, and the prospects for as well as timing of our future revenues and cost structures; and
- The valuation of publicly traded companies that are engaged in business activities similar to ours;
- 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 of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- additions or departures of Key Management Personnel;
- changes in the interest rates;
- fluctuations in stock market prices and volume; and general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in our Equity Shares may experience a decrease in the value of our Equity Shares regardless of our financial performance or prospects.

**48. Any future issuance of Equity Shares by us or sale of Equity Shares by the Promoters could adversely affect the trading price of our Equity Shares and in the case of the issuance of Equity Shares by us result in the dilution of our then current shareholders.**

As disclosed in “Capital Structure” on page 45, an aggregate of 20% of our fully diluted post-Offer capital held by our Promoters shall be considered as minimum Promoters' contribution and locked in for a period of three years and the balance Equity Shares held by the Promoters will be locked-in for one year from the date of Allotment. Except for the customary lock-in on our ability

to issue equity or equity-linked securities discussed in “Capital Structure” on page 45, there is no restriction on our ability to issue Equity Shares. As such, there can be no assurance that our Company will not issue additional Equity Shares after the lock-in period expires or that the Promoters will not sell, pledge or encumber their Equity Shares after the lock-in periods expire. Future issuances of Equity Shares or convertible securities and the sale of the underlying Equity Shares could dilute the holdings of our Shareholders and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the then trading price of our Equity Shares or the Issue Price. Sales of Equity Shares by the Promoters could also adversely affect the trading price of our Equity Shares.

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

Previously, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long term capital gains tax in India if Securities Transaction Tax (“STT”) was paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of Equity Shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Currently, Long-Term Capital Gains (LTCG) on shares and equity-oriented mutual funds in India are taxed at a 12.5% rate (plus surcharge and cess) if they reach Rs. 1.25 lakh in a fiscal year. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

**50. QIBs and Non-Institutional Bidders 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.**

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting an application. Retail Individual Bidders can revise their applications during the Offer Period and withdraw their applications until Offer Closing Date. While we are required to complete Allotment, listing and commencement of trading pursuant to the Offer within six Working Days from the Offer Closing Date, events affecting the Bidders’ decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows and financial condition may arise between the date of submission of the Bid and Allotment, listing and commencement of trading. We may complete the Allotment, listing and commencement of trading of our Equity Shares even if such events occur and such events may limit the Bidders’ ability to sell our Equity Shares Allotted pursuant to the Offer or may cause the trading price of our Equity Shares to decline on listing.

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

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders’ equity, and the price of our Equity Shares.

Our performance, growth and market price of our Equity Shares are and will be dependent on the health of the Indian economy. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional, and global economies. India’s economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key

imports (oil and oil products), 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, cash flows 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.

***52. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial results.***

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

For example, the new Companies Act, 2013 contains significant changes to Indian company law, including in relation to the issue of capital by companies, disclosures in offer documents, related party transactions, corporate governance, audit matters, internal controls, shareholder class actions, restrictions on the number of layers of subsidiaries, prohibitions on loans to directors, insider trading and restrictions on directors and key management personnel from engaging in forward dealing. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports.

The Ministry of Finance has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. Subsequently, the Ministry of Finance, through a press release dated July 6, 2016, deferred the applicability of ICDS from April 1, 2015 to April 1, 2016 and is applicable from FY 2017 onwards and will have impact on computation of taxable income for FY 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. Such specific standards for computation of income taxes in India are relatively new, and the impact of the ICDS on our results of operations and financial condition is uncertain. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition going forward.

The Government of India has recently approved the adoption of a comprehensive national goods and services tax ("GST") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure, with effect from July 1, 2017. Given the limited availability of information in the public domain concerning the GST, we cannot provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, because of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

We have not determined the effect of such legislations on our business. 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 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 affect the viability of our current business or restrict our ability to grow our business in the future.

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

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

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 (“CPC”) on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise 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 (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalty.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

***54. The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you 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 SME Platform of BSE may not develop or be sustained after the Offer. Our Company and the Lead Manager have appointed GCM Securities Limited as Designated Market Maker for the Equity Shares of our Company. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the SME Platform of BSE, securities markets in other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

## SECTION IV – INTRODUCTION

## THE OFFER

Following table summarises the present Offer in terms of this Draft Prospectus:

Particulars	Details of Equity Shares
<b>Offer of Equity Shares #</b>	<b>Offer of 30,00,000 Equity Shares having face value of ₹10.00 each at a price of ₹40.00 per Equity Share (including a share premium of ₹30.00 per Equity share) aggregating ₹1,200.00 lakhs.</b>
<b>Of which:</b>	
<b>Fresh Issue</b>	15,00,000 Equity Shares having face value of ₹10.00 each at a price of ₹40.00 per Equity Share (including a share premium of ₹30.00 per Equity share) aggregating ₹600.00 lakhs.
<b>Offer for Sale</b>	15,00,000 Equity Shares having face value of ₹10.00 each at a price of ₹40.00 per Equity Share (including a share premium of ₹30.00 per Equity share) aggregating ₹600.00 lakhs.
<b>The Offer Comprises:</b>	
Market Maker Reservation Portion	Offer of 1,50,000 Equity Shares having face value of ₹10.00 each at a price of ₹40.00 per Equity Share aggregating ₹60.00 lakhs
Net Offer to the Public*	Offer of 28,50,000 Equity Shares having face value of ₹10.00 each at a price of ₹40.00 per Equity Share aggregating ₹1,140.00 lakhs
	<b>Of which:</b>
	14,25,000 Equity Shares having face value of ₹10.00 each at a price of ₹40.00 per Equity Share aggregating ₹570.00 lakhs will be available for allocation to Retail Individual Investors
	14,25,000 Equity Shares having face value of ₹10.00 each at a price of ₹40.00 per Equity Share aggregating ₹570.00 lakhs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.
<b>Pre and Post Offer Share Capital of our Company</b>	
Equity Shares outstanding prior to the Offer	62,40,000 Equity Shares
Equity Shares outstanding after the Offer	77,40,000 Equity Shares
Objects of the Offer	Please refer “ <i>Objects of the Offer</i> ” on page 55.

# Public offer of 30,00,000 Equity Shares of ₹10.00 each for cash at a price of ₹40.00 per Equity Share of our Company aggregating to ₹1,200.00 lakhs is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details see ‘Terms of the Offer’ on page 161.

The offer has been authorised by our Board pursuant to a resolution dated September 2, 2024, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on September 18, 2024.

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

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
  - i. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

## SUMMARY FINANCIAL INFORMATION

## STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

<b>DURGADEVI RAIMENT LIMITED</b>		<b>Annexure I</b>		
<b>CIN: U74999WB2016PLC218784</b>				
<b>(All amounts in ₹ Lakhs, unless otherwise stated)</b>				
<b>Restated Statement of Assets &amp; Liabilities</b>				
<b>Particulars</b>	<b>Note No.</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>I - EQUITY &amp; LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share Capital	2	520.00	520.00	520.00
(b) Reserve & Surplus	3	132.24	53.27	18.00
<b>2 Non Current Liabilities</b>				
(a) Long Term Borrowings	4	1.47	11.50	17.78
(b) Deferred Tax Liabilities (Net)	5	0.04	0.30	0.53
<b>3 Current Liabilities</b>				
(a) Short- Term Borrowings	6	317.28	196.95	68.09
(b) <u>Trade Payables</u>	7			
(i) Due to Micro and Small Enterprises		-	-	-
(ii) Due to Other than Micro and Small Enterprises		582.15	243.43	176.89
(c) Short - Term Provisions	8	31.38	6.58	7.68
(d) Other Current Liabilities	9	13.42	1.63	0.12
	<b>TOTAL</b>	<b>1,597.98</b>	<b>1,033.66</b>	<b>809.08</b>
<b>II - ASSETS</b>				
<b>1 Non Current Assets</b>				
(a) Property, Plant & Equipment and Intangible Assets				
(i) Property, Plant & Equipment	10	34.93	8.64	11.18
(ii) Intangible Assets		-	-	-
(iii) Capital Work-In-Progress		-	-	-
(iv) Intangible assets under development		-	-	-
(b) Non Current Investment		-	-	-
(c) Deferred Tax Assets		-	-	-
(d) Long- Term Loans and Advances		-	-	-
(e) Other Non Current Assets		-	-	-
<b>2 Current Assets</b>				
(a) Current Investments		-	-	-
(b) Inventories	11	476.86	445.12	572.69
(c) Trade Receivable	12	1,049.89	561.36	193.95
(d) Cash & Cash Equivalents	13	6.48	0.26	1.54
(e) Short Term Loans and Advance	14	5.02	0.90	2.63
(f) Other Current Assets	15	24.80	17.38	27.09

	<b>TOTAL</b>		
	<b>AL</b>	<b>1,597.98</b>	<b>1,033.66</b>
			<b>809.08</b>

<p><b>The accompanying notes form an integral part of the restated financial statements.</b> As per our report of even date attached</p> <p><b>For Maheshwari &amp; Co.</b> Chartered Accountants (Firm Registration No.-105834W)</p> <p><b>CA Pawan Gattani</b> Partner M. No.- 144734</p> <p><b>Dated :- 06-09-2024</b> <b>Place :- Mumbai</b></p>	Annexure IV 1 to 25 <b>For and on behalf of Board of Directors of DURGADDEVI RAIMENT LIMITED</b>	
	<b>Priti Kajalia</b> Director DIN: 7664002	<b>Neha Kajalia</b> Director DIN: 7664130
	<b>Nikita Agarwal</b> (CS & Compliance Officer)	<b>Loknath Chakraborty</b> (Chief Financial Officer)
	<b>Pan No - ASWPG2030Q</b>	<b>Pan No- AFKPC3249N</b>
	<b>Dated :- 06-09-2024</b> <b>Place :- Kolkata</b>	

**STATEMENT OF PROFIT & LOSS AS RESTATED**

<b>DURGADDEVI RAIMENT LIMITED</b>		<b>Annexure II</b>		
<b>CIN: U74999WB2016PLC218784</b>				
<b>(All amounts in ₹ Lakhs, unless otherwise stated)</b>				
<b>Restated Statement of Profit &amp; Loss</b>				
<b>Particulars</b>	<b>Note No.</b>	<b>For the Year Ended March 31, 2024</b>	<b>For the Year Ended March 31, 2023</b>	<b>For the Year Ended March 31, 2022</b>
<b>I. Revenue From Operations</b>	16 - A	2,579.30	1,403.97	773.15
<b>II. Other Income</b>	16 - B	-	-	-
<b>III. Total Income (I+II)</b>		<b>2,579.30</b>	<b>1,403.97</b>	<b>773.15</b>
<b>IV. Expenses:</b>				
Cost of Materials Consumed	17	515.40	675.33	841.23
Purchase Of Stock in Trade	18	1,983.34	215.49	322.46
Changes in Inventories of Stock in Trade- Yarn	19	(188.78)	393.75	(479.10)
Employee Benefit Expense	20	87.14	36.98	30.53
Financial Costs	21	26.05	14.52	4.20
Depreciation And Amortisation	10	6.31	3.36	4.56
Other Expenses	22	36.54	15.14	24.05
<b>Total Expenses</b>		<b>2,466.00</b>	<b>1,354.57</b>	<b>747.93</b>
<b>V. Profit/(Loss) before Tax</b>		113.30	49.40	25.22
<b>VI. Tax Expenses</b>				
1 Current Tax		34.59	14.35	7.69
2 Deferred Tax		0.26	0.22	0.47

<b>VII. Profit/(Loss) for the Period (V-VI)</b>		<b>78.97</b>	<b>35.27</b>	<b>17.07</b>
<b>VIII. Earnings Per Equity Share</b>				
<b>1 Basic</b>	23	1.52	0.68	0.33
<b>2 Diluted</b>	23	1.52	0.68	0.33

<p>The accompanying notes form an integral part of the restated financial statements. As per our report of even date attached For Maheshwari &amp; Co. Chartered Accountants (Firm Registration No.-105834W) CA Pawan Gattani Partner M. No.- 144734  Dated :- 06-09-2024 Place :- Mumbai</p>	Annexure IV 1 to 25	
	For and on behalf of Board of Directors of DURGADEVI RAIMENT LIMITED	
	Priti Kajalia Director DIN: 7664002	Neha Kajalia Director DIN: 7664130
	Nikita Agarwal (CS & Compliance Officer)	Loknath Chakrabortty (Chief Financial Officer)
	Pan No - ASWPG2030Q	Pan No- AFKPC3249N
	Dated :- 06-09-2024 Place :- Kolkata	



## STATEMENT OF CASH FLOWS AS RESTATED

<b>DURGADEVI RAIMENT LIMITED</b>	<b>Annexure III</b>
<b>CIN: U74999WB2016PLC218784</b>	
<b>(All amounts in ₹ Lakhs, unless otherwise stated)</b>	
<b>Restated Statement of Cash Flow</b>	

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit Before Tax	113.30	49.40	25.22
<u>Add / ((Less) Adjustment</u>			
Add: Financial Charges	26.05	14.52	4.20
Add: Depreciation	6.31	3.36	4.56
Less: Dividend Income	-	-	-
Other Inflows/ (Outflows) of Cash	-	-	-
Operating Profit before working capital changes	145.66	67.28	33.98
(Decrease)/ Increase in Trade Payables	338.72	66.54	129.40
(Increase)/ Decrease in Inventory	(31.74)	127.57	(502.55)
Decrease/( Increase) in Trade Receivable	(488.53)	(367.41)	(152.92)
Decrease/( Increase) in Other current Assets	(7.43)	9.71	-
Decrease/( Increase) in Short Term Loan & Advance	(4.12)	1.73	(2.63)
(Decrease)/ Increase in Other current Liabilities	11.79	1.51	(0.24)
(Decrease)/ Increase in short term provisions	0.60	-	-
Cash from operation	(35.05)	(93.07)	(494.96)
Less: Extra Ordinary Items	-	-	-
Less: (Tax Paid)/Refund	(10.40)	(15.45)	(25.64)
Net Cash Flow from Operating Activity	(45.45)	(108.52)	(520.60)
<b>Cash Flow from Investing Activity</b>			
Fixed Assets Purchased	(33.67)	0.82	-
(Increase)/ Decrease in Other Non Current Assets	1.08	-	(22.35)
(Increase)/ Decrease in Non Current Investment	-	-	-
Dividend Received	-	-	-
(Increase)/ Decrease in Long Term Advance	-	-	-
Net Cash Flow from Investing Activity	(32.59)	(0.82)	(22.35)
<b>Cash Flow from Financing Activity</b>			
Issue of Equity Shares	-	-	500.00
(Increase) / Decrease in Short Term Loan	-	-	29.23
Finance Cost	(26.05)	(14.52)	(4.20)
Increase / (Decrease) in Loan Liability	110.31	122.58	(16.44)
<b>Net cash from financing</b>	84.26	108.06	508.59
<b>Net Cash flow during the year</b>	6.22	(1.28)	(11.28)
Cash & Cash equivalent at the beginning of the year	0.26	1.54	12.83
Cash & Cash equivalent at the end of the year	<b>6.48</b>	<b>0.26</b>	<b>1.54</b>

The accompanying notes form an integral part of the restated financial statements. As per our report of even date attached For Maheshwari & Co. Chartered Accountants (Firm Registration No.-105834W) CA Pawan Gattani Partner M. No.- 144734 Dated:- 06-09-2024 Place:- Mumbai	Annexure IV 1 to 25 For and on behalf of Board of Directors of DURGADEVI RAIMENT LIMITED	
	Priti Kajalia, Director DIN: 7664002	Neha Kajalia, Director DIN: 7664130
	Nikita Agarwal (CS & Compliance Officer)	Loknath Chakrabortty (Chief Financial Officer)
	Pan No - ASWPG2030Q	Pan No- AFKPC3249N
	Dated :- 06-09-2024	
	Place :- Kolkata	

## GENERAL INFORMATION

Our Company was incorporated as Durgadevi Raiment Private Limited on December 29, 2016 under the Companies Act, 2013 with the Registrar of Companies. The status of the Company was changed to public limited and the name of our Company was changed to Durgadevi Raiment Limited vide Special Resolution dated March 23, 2022. The fresh certificate of incorporation consequent to conversion was issued on April 28, 2022 by the Registrar of Companies, Kolkata.

<b>Company Identification Number</b>	U74999WB2016PLC218784
<b>Address of Registered office of Company</b>	A5, Calcutta Land Premises No. E3-509/New, Shibrampur Road, PO-Ganipur, PS-Maheshtala, Kolkata - 700141, West Bengal, India.
<b>Address of Registrar of Companies</b>	<b>Address:</b> Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata - 700020, West Bengal <b>Tel No:</b> + 91 33 2287 7390 <b>Fax No:</b> +91 33 22903795 <b>Email:</b> roc.kolkata@mca.gov.in
<b>Designated Stock Exchange</b>	BSE Limited
<b>Listing of Shares offered in this Offer</b>	SME Platform of BSE
<b>Contact Person:</b>	<b>Ms. Nikita Agarwal,</b> <b>Company Secretary and Compliance Officer</b> A5, Calcutta Land Premises No. E3-509/New, Shibrampur Road, PO-Ganipur, PS-Maheshtala, Kolkata - 700141, West Bengal, India. Tel: +91 7596-894111 E-mail: info@ddrl.in Website: www.ddrl.in

For details of the changes in our Name, Registered Office and other details, please refer “History and Certain Other Corporate Matters” on page 89.

### Our Board of Directors

Details regarding our Board of Directors as on the date of this Draft Prospectus are set forth in the table hereunder:

Sr. No.	Name and Designation	DIN	Address
1.	<b>Vivek Kumar Kajalia</b> <i>Managing Director</i>	07573794	Green Field City, Block 6, 9 <sup>th</sup> Floor, Flat 9 C, Jote Shibrampur, South 24 Parganas – 700141, West Bengal, India
2.	<b>Neha Kajalia</b> <i>Executive Director</i>	07664130	Green Field City, Block 6, 9 <sup>th</sup> Floor, Flat 9 C, Jote Shibrampur, South 24 Parganas – 700141, West Bengal, India
3.	<b>Priti Kajalia</b> <i>Executive Director</i>	07664002	Green Field City, Block 6, 9 <sup>th</sup> Floor, Flat 9 C, Jote Shibrampur, South 24 Parganas – 700141, West Bengal, India
4.	<b>Suresh Singh Balwant Singh Rao</b> <i>Independent Director</i>	09415899	7, Mata Prasad Chawl, Khotwadi, Firoz Shah Mehta Road, Behind Hanuman Temple, Mumbai – 400054, Maharashtra, India
5.	<b>Jagannath Jadhav</b> <i>Independent Director</i>	10712437	406, 4 <sup>th</sup> Floor, St. Anthony CHS Ltd, Bhawani Shankar Road, Sharda Ashram School, Dadar, Mumbai – 400028, Maharashtra, India
6.	<b>Debjoyoti Ghosh</b> <i>Independent Director</i>	10773410	37A, Panchanantala Road, Nona Chandanpukur, Barrackpore, Kolkata 700122, 24 Pgs (N), West Bengal, India

For detailed profile of our Managing Director and other Directors, please refer “Our Management” and “Our Promoters and Promoter Group” on page 92 and 102 respectively.

### Company Secretary and Compliance Officer

Our Company has appointed Nikita Agarwal, the Company Secretary of our Company, as the Compliance Officer, whose contact details are set forth hereunder.

**Ms. Nikita Agarwal,**

**Company Secretary and Compliance Officer**

A5, Calcutta Land Premises No. E3-509/New,  
Shibrampur Road, PO-Ganipur, PS-Maheshtala,  
Kolkata - 700141, West Bengal, India.

Tel: +91 7596-894111

E-mail: info@ddrl.in

Website: www.ddrl.in

**Chief Financial Officer**

Our Company has appointed Loknath Chakraborty, as the Chief Financial Officer. His contact details are set forth hereunder.

**Loknath Chakraborty**

**CFO**

A5, Calcutta Land Premises No. E3-509/New,  
Shibrampur Road, PO-Ganipur, PS-Maheshtala,  
Kolkata - 700141, West Bengal, India.

Tel: +91 7596-894111

E-mail: cfo@ddrl.in

Website: www.ddrl.in

**Applicants can contact the Compliance Officer or the Lead Manager 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, credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same.**

Applicants may contact the Lead Manager for complaints, information or clarifications pertaining to the Offer.

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

**Details of Key Intermediaries pertaining to this Offer of our Company:**

<b>Lead Manager of the Offer</b>	<b>Registrar to the Offer</b>
<b>INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED *</b> 2 <sup>nd</sup> Floor, Viraj Tower, Nr. Andheri Flyover (North End), Western Express Highway, Andheri (East) Mumbai – 400 069, Maharashtra, India <b>Tel No:</b> +91 22 4075 1500; <b>Email:</b> compliance@inventuremerchantbanker.com <b>Investor Grievance Email:</b> compliance@inventuremerchantbanker.com <b>Website:</b> www.inventuremerchantbanker.com <b>SEBI Registration No:</b> INM000012003 <b>Contact Person:</b> Arvind Gala	<b>PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED</b> 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai – 400011, Maharashtra, India <b>Tel No.:</b> +91 22 4961 4132 / 3522 0056 <b>Email:</b> support@purvashare.com <b>Investor Grievance Email:</b> support@purvashare.com <b>Website:</b> www.purvashare.com <b>SEBI Registration No:</b> INR000001112 <b>Contact Person:</b> Deepali Dhuri, Compliance Officer

\*We confirm that there are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.

<b>Banker to the Company</b>	<b>Legal Advisor to the Offer</b>
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**CENTRAL BANK OF INDIA**  
Regional Office, Kolkata North 33,  
NS Road, 4<sup>th</sup> Floor, Kolkata - 700001  
West Bengal, India  
**Tel:** +91 33 33432241  
**Email:** bmkoln1476@centralbank.co.in  
**Contact Person:** Bipin Kumar  
**Website:** www.centralbankofindia.co.in

**DRC Legal & Associates**  
Francis Chawl, Opp Jayshree Hotel,  
Dayal Das Road, Vile Parle (East),  
Mumbai – 400 057  
Maharashtra, India  
**Tel:** +91 22 2610 4513  
**Email:** drclegal.associates@gmail.com  
**Contact Person:** D. R. Chaudhary

**Statutory Auditor of the Company and Peer Review Auditor**

**M/s Maheshwari and Company,**  
**Chartered Accountants**  
3rd Floor, Esplande House, 10-11, 3,  
AK Nayak Marg, Azad Maidan, Fort,  
Mumbai - 400001, Maharashtra, India  
**Tel:** +91 9699145711 / 9833358089  
**Email:** cagattani@icai.org  
**Membership No:** 144734  
**FRN:** 105834W  
**Peer Review No.:** 014967 valid till February 28, 2026

**Escrow and sponsor Banker to the Offer**

[•]

**Changes in Auditors for last three years**

M/s. Maheshwari and Co., Chartered Accountants, Chartered Accountants were appointed as Statutory Auditors of our Company for the FY 2021-22 till FY 2026-2027 in place of M/s Nitin Gami & Associates, Chartered Accountants, to comply with the requirement of peer review auditor in SME IPO vide AGM dated September 30, 2022

**DESIGNATED INTERMEDIARIES**

**Self-Certified Syndicate Banks (SCSB's)**

The list of SCSBs is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an Applicant, not applying through Syndicate/ Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Application Forms available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time.

**Registered Brokers**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com), as updated from time to time.

**RTAs**

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange [www.bseindia.com](http://www.bseindia.com), as updated from time to time.

**Collecting Depository Participants**

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange [www.bseindia.com](http://www.bseindia.com) 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.

**Credit Rating**

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

## **IPO Grading**

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

## **Statement of Responsibility of the Lead Manager/Statement of inter se allocation of responsibilities**

Since Inventure Merchant Banker Services Private Limited is the sole Lead Manager to this Offer, a statement of *inter se* allocation of responsibilities amongst Lead Managers is not required.

## **Expert Opinion**

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

Our Company has received written consent from the Statutory Auditor namely, M/s. Maheshwari & Co., Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Peer Reviewed Auditor on the Restated Financial Statements, dated September 6, 2024 and such consent has not been withdrawn as on the date of this Draft Prospectus.

Our Company has received written consent from our Statutory Auditor namely, M/s. Maheshwari & Co., Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and the statement of tax benefits dated September 23, 2024 included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

## **Debenture Trustees**

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

## **Appraisal and Monitoring Agency**

The objects of the Offer have not been appraised by any agency.

The Objects of the Offer and means of finance, therefore, are based on internal estimates of our Company. In terms of Regulation 41 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Offer size is not in excess of ₹10,000 lakhs.

## **Filing of the Offer Document**

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

Further, pursuant to SEBI Circular Number CFD/DIL1/CIR/P/2019/0000000154 dated December 11, 2019, a copy of the Draft Prospectus and Prospectus along with the with due diligence certificate including additional confirmations required to be filed under Section 26 of the Companies Act, 2013 will be filed with SEBI.

A copy of the Prospectus, along with the material contracts and documents will also be filed with the RoC under Section 26 and Section 32 of the Companies Act, 2013 and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

## **Underwriting Agreement**

This Offer is 100% Underwritten. The Underwriting agreement is dated September 24, 2024. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriter has indicated its intention to underwrite the following number of specified securities being offered through

this Offer:

<b>Details of the Underwriter</b>	<b>No. of shares underwritten*</b>	<b>Amount Underwritten (₹in lakhs)</b>	<b>% of the Total Issue Size Underwritten</b>
<b>INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED</b> 2 <sup>nd</sup> Floor, Viraj Tower, Nr. Andheri Flyover (North End), Western Express Highway, Andheri (East) Mumbai – 400 069, Maharashtra, India <b>Tel No:</b> +91 22 4075 1500; <b>Email:</b> sme.ipo@inventurermerchantbanker.com <b>Investor Grievance Email:</b> redressal@inventurermerchantbanker.com <b>Website:</b> www.inventurermerchantbanker.com <b>SEBI Registration No:</b> INM000012003 <b>Contact Person:</b> Arvind Gala	4,50,000	180.00	15.00%
<b>GCM SECURITIES LIMITED</b> 805, Raheja Centre, 8th Floor, 214, Nariman Point, Free Press Journal Road, Mumbai – 400 021, Maharashtra, India. <b>Tel No.:</b> +91 22 8368563314 <b>Email:</b> gcmsecu.kolkata@gmail.com <b>Website:</b> www.gcmsecuritiesltd.com <b>SEBI Registration No:</b> INZ000255131 <b>Contact Person:</b> Shrenik Choraria	25,50,000	1,020.00	85.00%
<b>Total</b>	<b>30,00,000</b>	<b>1,200.00</b>	<b>100.00%</b>

In the opinion of our Board of Directors, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

#### **Details of the Market Making Arrangement for this Offer**

Our Company has entered into Market Making Agreement dated September 24, 2024, with the Lead Manager and Market Maker, duly registered with BSE to fulfil the obligations of Market Making:

The details of Market Maker are set forth below:

#### **GCM SECURITIES LIMITED**

805, Raheja Centre, 8th Floor,  
 214, Nariman Point, Free Press Journal Road,  
 Mumbai – 400 021, Maharashtra, India.  
**Tel No.:** +91 22 8368563314  
**Email:** gcmsecu.kolkata@gmail.com  
**Website:** www.gcmsecuritiesltd.com  
**SEBI Registration No:** INZ000255131  
**Contact Person:** Shrenik Choraria

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by BSE and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

- 1) The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- 2) The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

- 3) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. (Including the 5% of Equity Shares of the Offer.) Any Equity Shares allotted to Market Maker under this Offer over and above 5% of Offer Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
- 4) There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 7) On the day of listing, there will be pre opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of listing on the discovered price during the pre-open call auction.
- 8) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 9) The Market Maker shall have the right to terminate said arrangement by giving a six-month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further the Company and the Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

- 10) **Risk containment measures and monitoring for Market Makers:** SME Platform of BSE will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- 11) **Punitive Action in case of default by Market Makers:** SME Platform of BSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Stock Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

- 12) **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Offer size up to ₹250 crores, the applicable price bands for the first day shall be:
  - (a) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - (b) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Platform of BSE.

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

- 13) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the Offer size, and as follows:

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

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



## CAPITAL STRUCTURE

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

No.	Particulars	Amount (₹ in lakhs)	
		Aggregate nominal value	Aggregate value at Offer Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	1,03,50,000 Equity Shares of face value of ₹10 each	1,035.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Offer</b>		
	62,40,000 Equity Shares of face value of ₹10.00 each	624.00	-
<b>C.</b>	<b>Present Offer in terms of this Draft Prospectus</b>		
	Offer of 30,00,000 Equity Shares for cash at a price of ₹40.00 per Equity Share	300.00	1,200.00
	<i>Consisting of:</i>		
	Fresh Issue of up to 15,00,000 Equity Shares for cash at a price of ₹40.00 per Equity Share	150.00	600.00
	Offer for Sale of 15,00,000 Equity Shares for cash at a price of ₹40.00 per Equity Share	150.00	600.00
	<i>Which comprises:</i>		
	1,50,000 Equity Shares of ₹10.00 each at a price of ₹40.00 per Equity Share reserved as Market Maker portion	15.00	60.00
	Net Offer to the Public of 28,50,000 Equity Shares of ₹10.00 each at a price of ₹40.00 per Equity Share	285.00	1,140.00
	<i>Of which:</i>		
	14,25,000 Equity Shares of ₹10.00 each at a price of ₹40.00 per Equity Share will be available for allocation to Retail Individual Investors up to ₹2,00,000/-	570.00	570.00
	14,25,000 Equity Shares of ₹10.00 each at a price of ₹40.00 per Equity Share will be available for allocation to Other than Retail Individual Investors above ₹2,00,000/-	142.50	142.50
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Offer</b>		
	77,40,000 Equity Shares of ₹10.00 each	774.00	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Offer		Nil
	After the Offer		450.00

*The Offer has been authorised by our Board pursuant to a resolution dated September 2, 2024, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on September 18, 2024.*

*The Selling Shareholders, Sarad Kumar Jajodia, Ajay Kumar Saraogi and Bimla Saraogi confirm that the Equity Shares being offered by them are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For further details of authorizations received for the Offer, see "Other Regulatory and Statutory Disclosures" on page 148.*

### Class of Shares

The company has only one class of shares i.e. Equity shares of ₹ 10/- each only and all Equity Shares are ranked pari-passu in all respects.

All Equity Shares issued are fully paid-up as on date of the Draft Prospectus. Our Company has not issued any partly paid-up equity shares since its incorporation nor it does have any partly paid-up equity shares as on the date of the Draft Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.

## Notes to the Capital Structure

### 1. Details of changes in authorised Share Capital:

The authorised share capital of our Company has been altered in the manner set forth below:

Particulars of Change		Date of Members Meeting	AGM/EGM
From	To		
₹10,00,000 consisting of 1,00,000 Equity shares of ₹10.00 each.		On incorporation	-
₹10,00,000 consisting of 1,00,000 Equity shares of ₹10.00 each.	₹10,35,00,000 consisting of 1,03,50,000 Equity shares of ₹10.00 each.	January 31, 2022	EGM

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

The history of the equity share capital of our Company is set forth below:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	1,00,000	10	10	Subscription to MoA <sup>(1)</sup>	Cash	1,00,000	10,00,000	Nil
09-02-2022	25,00,000	10	20	Rights Issue <sup>(2)</sup>	Cash	26,00,000	2,60,00,000	2,50,00,000
23-03-2022	26,00,000	10	Nil	Bonus Issue in the ratio of 1:1 <sup>(3)</sup>	Nil	52,00,000	5,20,00,000	Nil
26-08-2024	10,40,000	10	Nil	Bonus Issue in the ratio of 1:5 <sup>(4)</sup>	Nil	62,40,000	6,24,00,000	Nil

- Initial allotment of 40,000 Equity Shares to Vivek Kumar Kajalia, 30,000 Equity Shares each to Priti Kajalia and Neha Kajalia, being the subscribers to the MoA of our Company.
- Allotment to Vivek Kajalia 4,50,000 Equity Shares; Priti Kajalia 3,50,000 Equity Shares; Neha Kajalia 3,50,000 Equity Shares, Sarad Kumar Jajodia 4,00,000 Equity Shares; Bimla Saraogi 3,50,000 Equity Shares; Ajay Kumar Saraogi 2,50,000 Equity Shares and Amit Saraogi 3,50,000 Equity Shares.
- Allotment of Bonus Shares to Vivek Kajalia 4,90,000 Equity Shares; Priti Kajalia 3,80,000 Equity Shares; Neha Kajalia 3,80,000 Equity Shares, Sarad Kumar Jajodia 4,00,000 Equity Shares; Bimla Saraogi 3,50,000 Equity Shares; Ajay Kumar Saraogi 2,50,000 Equity Shares and Amit Saraogi 3,50,000 Equity Shares.
- Allotment of Bonus Shares to Vivek Kajalia 1,96,000 Equity Shares; Priti Kajalia 1,52,000 Equity Shares; Neha Kajalia 1,52,000 Equity Shares, Sarad Kumar Jajodia 1,60,000 Equity Shares; Everstrong Metal Private Limited 1,40,000 Equity Shares; Ajay Kumar Saraogi 1,00,000 Equity Shares; Agradooti Vanijya Private Limited 80,000 Equity Shares and Voltaire Leasing & Finance Limited 60,000 Equity Shares

3. Our company is in compliance with the Companies Act, 2013 with respect to issuance of securities as mentioned in point number 2 above since inception till the date of filing of Drat Prospectus.

#### 4. Issue of Equity Shares for Consideration other than Cash.

- Other than the Bonus issue of Equity Shares as mentioned in point no. 2 above, our Company has not allotted any Equity Shares for consideration other than cash, since its incorporation.
- Other than as mentioned below, no equity Shares have been allotted pursuant to any scheme approved under Sections 391-394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013.
  - We have not issued any equity share (including bonus shares) by capitalizing any revaluation reserves.

7. **Issue of Shares in the preceding two years**

Our Company has not issued any Equity Shares in the preceding two years other than as mentioned below:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
26-08-2024	10,40,000	10	Nil	Bonus Issue in the ratio of 1:5	Nil

8. **Issue of Equity Shares in the last one year at a Price lower than the Offer Price:**

No Equity Shares were issued in last one year immediately preceding the date of the Draft Prospectus at a price which is lower than the Offer Price.

9. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.

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

11. **Build Up of our Promoters' Shareholding, Promoters' Contribution and Lock-In**

As on the date of this Draft Prospectus, our Promoters hold 30,00,000 Equity Shares, constituting 48.08% of the pre-issued, subscribed, and paid-up Equity Share capital of our Company.

a) **Build-up of our Promoters' shareholding in our Company**

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue Price /Acquisition Price / Transfer price per Equity Share (in ₹)	Nature of Consideration	Percentage of Pre-Issue Equity Share Capital (%)	Percentage of Post-Issue Equity Share Capital (%)
<b>Vivek Kumar Kajalia</b>							
Upon Incorporation	Subscription to MoA	40,000	10	10	Cash	0.64%	0.52%
09-02-2022	Rights Issue	4,50,000	10	20	Cash	7.21%	5.81%
23-03-2022	Bonus Issue in the ratio of 1:1	4,90,000	10	Nil	Nil	7.85%	6.33%
26-08-2024	Bonus Issue in the ratio of 1:5	1,96,000	10	Nil	Nil	3.14%	2.53%
	<b>Sub Total</b>	<b>11,76,000</b>				<b>18.85%</b>	<b>15.19%</b>
<b>Priti Kajalia</b>							
Upon Incorporation	Subscription to MoA	30,000	10	10	Cash	0.48%	0.39%
09-02-2022	Rights Issue	3,50,000	10	20	Cash	5.61%	4.52%
23-03-2022	Bonus Issue in the ratio of 1:1	3,80,000	10	Nil	Nil	6.09%	4.91%

26-08-2024	Bonus Issue in the ratio of 1:5	1,52,000	10	Nil	Nil	2.44%	1.96%
	<b>Sub Total</b>	<b>9,12,000</b>				<b>14.62%</b>	<b>11.78%</b>
<b>Neha Kajalia</b>							
Upon Incorporation	Subscription to MoA	30,000	10	10	Cash	0.48%	0.39%
09-02-2022	Rights Issue	3,50,000	10	20	Cash	5.61%	4.52%
23-03-2022	Bonus Issue in the ratio of 1:1	3,80,000	10	Nil	Nil	6.09%	4.91%
26-08-2024	Bonus Issue in the ratio of 1:5	1,52,000	10	Nil	Nil	2.44%	1.96%
	<b>Sub Total</b>	<b>9,12,000</b>				<b>14.62%</b>	<b>11.78%</b>
<b>Grand Total</b>		<b>30,00,000</b>				<b>48.08%</b>	<b>38.76%</b>

Our Promoters have confirmed to the Company and the Lead Manager that the acquisition of the Equity Shares forming part of the Promoters' Contribution has been financed from personal funds/internal accruals and no financial assistance from any banks or financial institution has been availed by our Promoters for this purpose. All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date of this Draft Prospectus, none of the Equity Shares held by our Promoters are pledged.

b) *Details of Promoter's Contribution Locked-in for Three Years*

Pursuant to Regulations 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be provided towards minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("Minimum Promoters' Contribution"). Details of the Equity Shares (eligible for inclusion in the Minimum Promoters' Contribution, in terms of Regulation 33 of the SEBI (ICDR) Regulations) forming part of Minimum Promoters' Contribution and proposed to be locked-in for a period of three years are as follows:

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue Price / Acquisition Price / Transfer price per Equity Share (in ₹)	Nature of Consideration	Percentage of Pre-Offer Equity Share Capital (%)	Percentage of Post-Offer Equity Share Capital (%)
<b>Vivek Kumar Kajalia</b>							
09-02-2022	Rights Issue	90,000	10	20	Cash	1.44%	1.16%
	<b>Sub Total</b>	<b>90,000</b>				<b>1.44%</b>	<b>1.16%</b>
<b>Priti Kajalia</b>							
09-02-2022	Rights Issue	3,50,000	10	20	Cash	5.61%	4.52%
23-03-2022	Bonus Issue	3,80,000	10	Nil	Nil	6.09%	4.91%
	<b>Sub Total</b>	<b>7,30,000</b>				<b>11.70%</b>	<b>9.43%</b>
<b>Neha Kajalia</b>							
09-02-2022	Rights Issue	3,50,000	10	20	Cash	5.61%	4.52%

23-03-2022	Bonus Issue	3,80,000	10	Nil	Nil	6.09%	4.91%
	<b>Sub Total</b>	<b>7,30,000</b>				<b>11.70%</b>	<b>9.43%</b>
	<b>Grand Total</b>	<b>15,50,000</b>				<b>24.84%</b>	<b>20.03%</b>

Our Promoters have granted written consent to include such number of Equity Shares held by him as may constitute 20% of the post Offer Equity Share capital of our Company as Minimum Promoters; Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters' Contribution from the date of filing of this Draft Prospectus until the commencement 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.

In terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, we confirm that the Minimum Promoters' Contribution of 20% of the Post Offer Capital of our Company as mentioned above does not consist of;

- Equity Shares acquired during the preceding three years for;
  - consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
  - 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;
- The Equity Shares held by the Promoters and offered for Minimum Promoters' contribution which are subject to any pledge with any creditor;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Initial Public offer;
- No Equity shares have been issued to our promoters upon conversion of a partnership firm during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management are ineligible for Minimum Promoters' Contribution.

c) *Equity Shares locked-in for one year*

In addition to Minimum Promoters' Contribution which shall be locked-in for three years, the balance Equity Shares held by Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

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

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-Offer capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Issue.

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

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following;

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Offer and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

**Transferability of Locked in Equity Shares:**

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

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

The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lockin period stipulated has expired.

12. **Our shareholding pattern**

Pursuant to Regulation 31 of the SEBI (LODR) Regulations, the holding of specified securities is divided into the following three categories: (a) Promoter and Promoter Group; (b) Public; and (c) Non-Promoter - Non-Public.

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (XI)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2) (XI) = (VII) + (X)	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. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
Class Equity	Class :preference	Total															
(A)	Promoter & Promoter Group	3	30,00,000	-	-	30,00,000	48.08	30,00,000	-	30,00,000	48.08	-	-	-	-	-	30,00,000
(B)	Public	6	32,40,000	-	-	32,40,000	51.92	32,40,000	-	32,40,000	51.92	-	-	-	-	-	32,40,000
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>9</b>	<b>62,40,000</b>	<b>-</b>	<b>-</b>	<b>62,40,000</b>	<b>100.00</b>	<b>62,40,000</b>	<b>-</b>	<b>62,40,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,40,000</b>

Note: The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- Our Company will file the shareholding pattern of our Company in the form prescribed under Regulation 31 of SEBI (LODR) Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of BSE before commencement of trading of our Equity Shares.
- There are no Equity Shares against which depository receipts have been issued.
- Other than the Equity Shares, there is no other class of securities issued by our Company.
- None of the public shareholders are related to directly or indirectly to Promoter / director / KMPs or the Lead Manager

13. The shareholding pattern of our Promoters and Promoter Group before and after the Offer is set forth below:

Sr.	Particulars	Pre-Offer		Post-Offer	
		No. of Shares	% Holding	No. of Shares	% Holding
a)	<b>Promoters</b>				
	Vivek Kumar Kajalia	11,76,000	18.85%	11,76,000	15.19%
	Priti Kajalia	9,12,000	14.62%	9,12,000	11.78%
	Neha Kajalia	9,12,000	14.62%	9,12,000	11.78%
	<b>Total</b>	<b>30,00,000</b>	<b>48.08%</b>	<b>30,00,000</b>	<b>38.76%</b>
b)	<b>Promoter Group</b>				
	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>	Nil	Nil	Nil	Nil
	<b>Grand Total</b>	<b>30,00,000</b>	<b>48.08%</b>	<b>30,00,000</b>	<b>38.76%</b>

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

Name of the Promoters	No. of Equity Shares held	Average cost of Acquisition (in ₹)
Vivek Kumar Kajalia	11,76,000	7.99
Priti Kajalia	9,12,000	8.00
Neha Kajalia	9,12,000	8.00

15. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company.

#### 16. Major shareholders

The list of our major shareholders and the number of Equity Shares held by them is provided below:

a. *List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Draft Prospectus:*

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Vivek Kajalia	11,76,000	18.85%
2.	Priti Kajalia	9,12,000	14.62%
3.	Neha Kajalia	9,12,000	14.62%
4.	Sarad Kumar Jajodia	9,60,000	15.38%
5.	Ajay Kumar Saraogi	6,00,000	9.62%
6.	Agradooti Vanijya Private Limited	4,80,000	7.69%
7.	Kiwi Delcon Private Limited	4,20,000	6.73%
8.	Ayodhya Vincom Private Limited	4,20,000	6.73%
9.	Voltaire Leasing and Finance Limited	3,60,000	5.77%
	<b>Total</b>	<b>62,40,000</b>	<b>100.00%</b>

b. *List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of the Draft Prospectus:*

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Vivek Kajalia	9,80,000	18.85%
2.	Priti Kajalia	7,60,000	14.62%
3.	Neha Kajalia	7,60,000	14.62%
4.	Sarad Kumar Jajodia	8,00,000	15.38%
5.	Bimla Saraogi	7,00,000	13.46%
6.	Ajay Kumar Saraogi	5,00,000	9.62%
7.	Amit Saraogi	7,00,000	13.46%
	<b>Total</b>	<b>52,00,000</b>	<b>100.00%</b>



- c. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of the Draft Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Vivek Kajalia	9,80,000	18.85%
2.	Priti Kajalia	7,60,000	14.62%
3.	Neha Kajalia	7,60,000	14.62%
4.	Sarad Kumar Jajodia	8,00,000	15.38%
5.	Bimla Saraogi	7,00,000	13.46%
6.	Ajay Kumar Saraogi	5,00,000	9.62%
7.	Amit Saraogi	7,00,000	13.46%
	<b>Total</b>	<b>52,00,000</b>	<b>100.00%</b>

- d. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Vivek Kajalia	11,76,000	18.85%
2.	Priti Kajalia	9,12,000	14.62%
3.	Neha Kajalia	9,12,000	14.62%
4.	Sarad Kumar Jajodia	9,60,000	15.38%
5.	Everstrong Metal Private Limited	8,40,000	13.46%
6.	Ajay Kumar Saraogi	6,00,000	9.62%
7.	Agradooti Vanijya Private Limited	4,80,000	7.69%
8.	Voltaire Leasing and Finance Limited	3,60,000	5.77%
	<b>Total</b>	<b>62,40,000</b>	<b>100.00%</b>

17. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Draft Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Offer, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
18. None of our Promoters, members of our Promoter Group or our Directors or their immediate relatives have sold or purchased Equity Shares by any other person during the six months immediately preceding the date of this Draft Prospectus.
19. There have been no financial arrangements whereby our Promoters, Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months preceding the date of this Draft Prospectus, other than in the normal course of business of the financing entity.
20. Our Company, our Promoters, our Directors and the Lead Manager to this Offer have not entered into any buy-back and/or standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through this Draft Prospectus.
21. There are no safety net arrangements for this public Offer.
22. An oversubscription to the extent of 10% of the Net Offer can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Net 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 lock- in shall be suitably increased so as to ensure that 20% of the Post Offer paid-up capital is locked in for 3 years.
23. Under-subscription in the net Offer, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead

Manager and the BSE.

24. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options, or rights to convert debentures, loans, or other financial instruments into our Equity Shares.
25. All the Equity Shares of our Company are fully paid up as on the date of this Draft Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be issued fully paid-up equity shares.
26. As per RBI regulations, OCBs are not allowed to participate in this Offer.
27. Our Company has not raised any bridge loan against the proceeds of this Offer. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
28. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
29. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
30. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
31. We have 8 (eight) Shareholders as on the date of this Draft Prospectus.
32. Our Promoters and the members of our Promoter Group will not participate in this Offer.
33. Our Promoter and members of our Promoter Group will not receive any proceeds from the Offer.
34. Our Company has not made any public issue since its incorporation.
35. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (determined as per the definition of ‘associate company’ under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company. The Lead Manager and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.
36. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Draft Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
37. For the details of transactions by our Company with our Promoter Group, Group Companies please refer to paragraph titled “*Statement of Transactions with Related Parties, as Restated*” in ‘*Financial Statements*’ on page 110.

## OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue by our Company and an Offer for Sale by the Promoter Selling Shareholder.

### Offer for Sale

The proceeds from the Offer for Sale shall be received by the Selling Shareholders, Sarad Kumar Jajodia and Ajay Kumar Saraogi. Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholder will be entitled to its respective portion of the proceeds of the Offer for Sale, after deducting its respective portion of the Offer related expenses and relevant taxes thereon. For details of the Selling Shareholders, see “*Other Regulatory and Statutory Disclosures – Authority for the Offer*” on page 148.

### Fresh Issue

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

1. Funding additional Working capital requirements
2. Acquisition of Factory Premises on Lease Basis
3. General Corporate Purposes

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

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the main objects clause of our Memorandum of Association, see “*History and Certain Corporate Matters*” on page 89.

### Net Proceeds

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

S. No.	Particulars	Amount (₹ in lakhs)
1.	Gross Proceeds from the Fresh Issue	600.00
2.	Offer Expenses*	75.00
<b>3.</b>	<b>Net Proceeds of the Fresh Issue (“Net Proceeds”)</b>	<b>525.00</b>

*\*The total offer expenses are estimated at ₹ 100.00 lakhs out of which ₹ 75.00 lakhs shall be borne by our Company and ₹ 25 lakhs shall be borne by the Promoter Selling Shareholder. For details with respect to sharing of fees and expenses amongst our Company and the Selling Shareholders, please refer to the heading “Offer Related Expenses” at page 58.*

### Utilisation of Net Proceeds and Means of Finance

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

S. No.	Object	Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs)
1.	Funding additional working capital requirements	200.00
2.	Acquisition of Factory Premises on Lease Basis	200.00
3.	General Corporate Purposes	125.00
	<b>Total</b>	<b>525.00</b>

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

### Requirement of Funds and Means of Finance

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 and management estimates and have not been appraised by any bank, financial institution or any other external agency. Given the dynamic nature of our business, we may have to revise our business plan from time to

time and consequently our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, costs of commodities and interest/ exchange rate fluctuations which may not be within the control of our management.

In case of variations in the actual utilisation of funds earmarked for the purpose set forth above or shortfall in the Net Proceeds, increased fund requirement may be financed by our internal accruals and/ or debt, as required. If the actual utilisation towards the said Object is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the gross proceeds from the Issue.

## Details of the Objects of the Fresh Issue

### 1. Funding Additional Working Capital Requirements

Our business is working capital intensive and we fund a majority of our working capital requirements in the ordinary course of our business from funds raised through equity, bank loans and our internal accruals.

#### (a) Existing Working Capital:

Our Company's existing working capital based on the Restated Financial Information is stated below:

Particulars	31-Mar-22		31-Mar-23		31-Mar-24	
	Audited	No. of Days	Audited	No. of Days	Audited	No. of Days
<b>Current Assets</b>						
Inventories	572.69	180	445.12	182	476.86	70
Trade Receivables	193.95	92	561.36	146	1,049.89	149
Short Term Loans & Advances & Other Current Advances	29.72		18.28		29.82	
<b>Total</b>	<b>796.36</b>		<b>1,024.76</b>		<b>1,556.57</b>	
<b>Current Liabilities</b>						
Sundry Creditors	176.89	55	243.43	100	582.15	85
Other Current Liabilities	7.80		8.21		44.83	
<b>Total</b>	<b>184.69</b>		<b>251.64</b>		<b>626.98</b>	
Working Capital Gap	<b>611.67</b>		<b>773.12</b>		<b>929.59</b>	
Less: Existing Bank Borrowings	68.09		196.95		317.28	
<b>Net Working Capital Requirement</b>	<b>543.58</b>		<b>576.17</b>		<b>612.31</b>	
Funded through Internal Accruals	543.58		576.17		612.31	

#### (b) Future Working Capital Requirements

Our Company proposes to utilize ₹196.52 lakhs of the Net Proceeds for our working capital requirements. This will be utilized during Fiscal 2025 towards our Company's additional working capital requirements. The balance portion of our Company working capital requirement shall be met from the working capital facilities availed and internal accruals. The incremental and proposed working capital requirements, as approved by the Board pursuant to a resolution dated September 2, 2024, and key assumptions with respect to the determination of the same are mentioned below. Our Company's expected working capital requirements for Fiscal 2025 and the proposed funding of such working capital requirements are as set out in the table below:

Particulars	31-Mar-25	
	Audited	No. of Days
<b>Current Assets</b>		
Inventories	513.44	60
Trade Receivables	1,187.18	120
Short Term Loans & Advances and Other Current Advances	100.00	

<b>Total</b>	<b>1,800.62</b>	
<b>Current Liabilities</b>		
Sundry Creditors	641.79	75
Other Current Liabilities	50.00	
<b>Total</b>	<b>691.79</b>	
Working Capital Gap	<b>1,108.83</b>	
Less: Existing Bank Borrowings	300.00	
<b>Net Working Capital Requirement</b>	<b>808.83</b>	
Funded through Internal Accruals	612.31	
<b>Funding through IPO</b>	<b>196.52</b>	

The working capital projections made by the Company are based on certain key assumptions, as set out below:

Sr. No.	Particulars	Assumptions
<b>Current Assets</b>		
1	<i>Revenue:</i>	The increase in revenue is mainly attributed to business growth, increase in capacity, second, the acquisition of new clients which broadens the customer base, leading to increased order quantities and revenue. Our operational efficiencies and better receivables management enhance profitability and cash flow. Additionally, customers, higher average order values will further contribute to the revenue growth forecast. Revenue from operations has shown a significant increase over the three years. In FY 2024, the revenue increased by ₹1,175.33 lakhs (84%) from FY 2023 and by ₹1,806.15 lakhs (233%) from FY 2022. This growth suggests a strong expansion in business operations, potentially due to increased sales volume.
2	<i>Inventories:</i>	In order to achieve cost competitiveness and shorter lead times through constant innovation, we need to maintain efficient inventory levels. In Fiscal 2022, 2023 and 2024 our inventory days were 180 days, 182 days and 70 days respectively. We have estimated 60 days of finished inventory for the Fiscal ended March 31, 2025, to ensure adequate availability of the products and better inventory management. Maintaining 60 days of finished inventory for Fiscal 2025 is aimed at achieving cost competitiveness and reducing lead times through efficient inventory management. This reduction from previous years' higher inventory days reflects a strategic shift towards leaner inventory levels, enhancing cash flow and reducing holding costs. This approach balances adequate stock levels with effective inventory turnover, aligning with goals for better cost management and operational agility.
2	Trade receivables	In Fiscal 2021, 2022 and 2024 our receivable days were 92 days, 146 days and 149 days respectively. Due to the business growth, addition of new clients and rationalizing the receivables, we estimate the receivables at 120 for Fiscal 2025. It reflects a strategic adjustment due to business growth, the addition of new clients, and efforts to rationalize receivables. While this is a reduction from the previous years' higher receivable days, it allows for a manageable balance between extended credit terms and effective cash flow management. This level provides sufficient time for clients to settle accounts while supporting ongoing growth and maintaining operational liquidity.
3	Other current assets including other financial assets	The key items under this head are advance to staff, other advances, GST Input, prepaid expenses etc.
<b>Current Liabilities</b>		
4	Trade payables	Our trade payables have been for 55 days, 100 days and 85 days for fiscal 2022, 2023 and 2024 respectively. However, going forward we estimate to maintain payables at 75 days for Fiscal 2025 to avail best pricing and also buy from large suppliers. Reducing the payables period to 75 days can enhance your standing with suppliers. Suppliers may view shorter payment terms as a sign of financial stability and reliability. It will also help us in enhancing cash flow efficiency, improving financial planning, and aligning with broader business goals. This approach not only supports better pricing and supplier terms but also ensures a more balanced and effective management of trade payables.

5	Other current liabilities	Other current liabilities include provisions, statutory dues, expenses payable etc.
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## 2. Acquisition of Factory Premises on Lease Basis

We intend to take new factory premises on lease to relocate our existing manufacturing Units and also expand the capacity. This will ensure streamlining our existing manufacturing facilities at one place and will also enable us to further increase in capacity due to efficient use of resources. We will take premises admeasuring 10,000 sq. ft. for the purpose of operating a factory. For this purpose, we have entered into an MoU for taking land on lease basis with Everstrong Metal Private Limited for a period of 10 years. We have paid a token amount of ₹ 5.00 lakhs for the same. Total security deposit for the same is ₹ 200.00 lakhs which will be paid out of the IPO proceeds. The proposed land is located at Plot No. PL 7, at Integrated Textile Park, at Banipur, North 24 Parganas. For details, please refer to “Our Business” on page 77 of the Draft Prospectus. This involves strategic planning to ensure a smooth transition and operational efficiency. This will provide us with favorable logistical advantages, such as ease of managing raw material and finished products supply from one single location and will also enable the senior management to have a better oversight and quality control. We can invest in a facility design that enhances workflow and integrates process. We will plan a phased relocation process to minimize disruption to ongoing production and maintain business continuity.

## 3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹125.00 lakhs towards general corporate purposes. The General Corporate Purpose is 20.83% of the fresh Issue Proceeds. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include but are not limited to funding growth opportunities, strategic initiatives, joint-ventures, partnerships, marketing and business development expenses, expansion of facilities and meeting exigencies and expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board based on the business requirements of our Company, from time to time. Our Company’s management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any. However, we confirm that the amount for general corporate purposes, as mentioned in objects of the issue, shall not exceed twenty-five per cent of the fresh issue amount raised by our Company.

### Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹100.00 lakhs. The expenses of this Offer include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Offer expenses are as follows:

<i>(₹ in lakhs)</i>			
Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
Payment to Merchant Banker including, underwriting, and selling commissions, brokerages, Advisors to the Company, payment to other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses, Brokerage and selling commission <sup>(1)</sup>	73.00	73.00%	6.08%
Advertising and marketing expenses	15.00	15.00%	1.25%
Printing and stationery expenses, distribution, and postage	4.00	4.00%	0.33%
ROC, Regulatory and other expenses including Listing Fee	8.00	8.00%	0.67%
<b>Total estimated Issue expenses</b>	<b>100.00</b>	<b>100.00%</b>	<b>8.33%</b>

\*The total offer expenses are estimated at ₹ 100.00 lakhs out of which ₹ 75.00 lakhs shall be borne by our Company and ₹ 25.00 lakhs shall be bore by the Selling Shareholders.

<sup>(1)</sup>The SCSBs and other intermediaries will be entitled to processing fees of ₹ 10 per valid Application form uploaded on the electronic system of the Stock Exchange by them and for which the shares are allotted.

### Schedule of implementation

- The entire amount of Fresh Issue Proceeds will be utilised during FY 2024-2025.

## Deployment of Funds in the Objects

As on the date of the Draft Prospectus, our Company has not incurred any expenditure on the Objects.

### Details of balance fund deployment

(₹ in Lakhs)

Sr. No.	Particulars	Expenses Already Incurred till September 25, 2024*	FY 2024-25	Total
1	Funding Working capital requirements	Nil	200.00	<b>200.00</b>
2	Acquisition of Factory Premises on Lease Basis	5.00	195.00	<b>200.00</b>
3	General Corporate Purposes	Nil	125.00	<b>125.00</b>
4	Issue Related Expenses	Nil	75.00	<b>75.00</b>
	<b>Total</b>	<b>Nil</b>	<b>595.00</b>	<b>600.00</b>

\*As certified by Maheshwari and Co., Chartered Accountants, vide their certificate dated September 25, 2024.

The aforesaid funds have been deployed out of the internal accruals of our Company. The funds already deployed will be recouped out of the fresh Issue Proceeds.

### Interim Use of Funds

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

### Appraisal Report

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

### Bridge Loan

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

### Monitoring of Utilization of Funds

As the size of the Offer will not exceed Rs.10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Offer Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

### Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013.

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

**Other Confirmations**

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



## BASIS FOR OFFER PRICE

The Offer Price is determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Company's restated financial statements. Investors should also refer to the sections titled 'Risk Factors' and 'Financial Information' on pages 18 and 110, respectively, to get a more informed view before making the investment decision.

### **Qualitative Factors**

For details of Qualitative factors please refer to the paragraph "Our Competitive Strengths" in "Our Business" beginning on page 77.

### **Quantitative Factors (Based on Standalone Financial Statements)**

#### **1. Basic & Diluted Earnings Per Share (EPS):**

Period	Basic and Diluted EPS (₹)	Weights
FY 2024	1.52	3
FY 2023	0.68	2
FY 2022	0.56	1
<b>Weighted Average</b>	<b>1.08</b>	

Notes:

1. Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.

2. Basic Earnings per share = Net profit/ (loss) after tax, as restated attributable to equity shareholders /Weighted average number of shares outstanding during the year/ period.

3. Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of diluted equity shares outstanding during the year/ period.

4. The figures disclosed above are based on the Restated Consolidated Financial Statements of our Company.

#### **2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 40.00:**

a. Based on the basic and diluted EPS of ₹1.52 as per restated financial statements for the FY ended March 31, 2024, the P/E ratio is 26.34.

b. Based on the weighted average EPS of ₹1.08, as per restated financial statements the P/E ratio is 37.08.

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

c. Industry P/E

Particulars	Industry P/E
▪ Highest	62.68
▪ Lowest	27.33
▪ Average	39.37

(1) The industry high and low has been considered from the industry peer set in Plastic products (industrial)/ packaging industry, 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. For further details, please see the paragraph entitled "Comparison listed industry peers" on next page.

#### **3. Return on Net Worth**

Period	Return on Net Worth (%)	Weights
FY 2024	12.11	3
FY 2023	6.15	2
FY 2022	3.17	1
<b>Weighted Average</b>	<b>8.63</b>	

\* RoNW is calculated as a ratio of Net Profit after tax as restated (PAT), attributable to equity shareholders of the parent, for the relevant year / period, as divided by Net Worth. Net Worth is equity share capital, other equity (including Securities Premium, and Surplus/ (Deficit) in the Statement of Profit and Loss, and other comprehensive income but excluding Capital Reserve arising on consolidation,)

\*\* Weighted average = Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e.  $[(Net\ Worth \times Weight) \text{ for each year}] / [Total\ of\ weights]$ .

#### 4. Minimum Return on increased Net Worth required to maintain pre-Issue EPS.

The minimum return on increased net worth required maintaining pre-Issue EPS:

A) Based on weighted average EPS of ₹1.08

At the Issue Price of ₹40: 6.68% based on restated financial statements.

B) Based on Basic and Diluted EPS for the FY ended March 31, 2024 of ₹1.52

At the Issue Price of ₹40: 9.40% based on restated financial statements.

#### 5. Net Asset Value per Equity Share

- As of March 31, 2024 ₹12.54
- NAV per Equity Share after the Issue is: ₹16.18
- Issue Price per Equity Share is: ₹40.00

Net Asset Value (in ₹) = Equity attributable to owners of the Company but does not include reserves created out of revaluation of assets, Capital Reserve arising on consolidation, write-back of depreciation and amalgamation divided by weighted average numbers of equity shares outstanding during the year / period.

#### 6. Peer Competitors - Comparison of Accounting Ratios

Name of the Company	Total Income (₹ in lakhs)	Face value per equity share (₹)	P/E Ratio <sup>(2)</sup>	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share <sup>(3)</sup> (₹)
Durgadevi Raiment Limited*	2,579.30	10	26.32	1.52	1.52	12.11	12.54
<b>Listed Peers</b>							
SP Apparels Limited	1,10,367.20	10	27.33	35.72	35.72	11.74	304.33
Kitex Garments Limited	63,117.10	1	62.68	8.47	8.47	6.17	136.03
Veekayem Fashion And Apparels Limited	24,432.05	10	28.10	6.85	6.85	0.88	777.96

\*Our financial information is derived from our Restated Financial Information for the year ended March 31, 2024.

(1) Source: All the financial information for listed industry peers mentioned above is sourced from the regulatory filings made by aforesaid companies to stock exchanges for the year ended March 31, 2023 to compute the corresponding financial ratios. Except for Time Technoplast Limited, the financial information for other peer group companies is on a standalone basis.

(2) P/E figures for the peers are based on closing market prices of equity shares on BSE on September 16, 2024 divided by the Basic EPS as at March 31, 2024.

(3) Basic Earnings per share = Net profit after tax, as restated attributable to equity shareholders / Weighted average number of shares outstanding during the year/ period.

(4) Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of diluted equity shares outstanding during the year/ period.

- (5) NAV per share for listed industry peers is computed as the Total Equity as on March 31, 2024 divided by the outstanding number of equity shares as on March 31, 2024.
- (6) Return on Net Worth (%) for listed industry peers has been computed based on the Profit for the year ended March 31, 2024 divided by Total Equity as on March 31, 2024.

The face value of Equity Shares of our Company is ₹10 per Equity Share and the Issue price of ₹40 is 4.00 times of the face value.

The Issue Price of ₹40.00 is determined by our Company, in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled 'Risk Factors', and chapters titled 'Our Business' and 'Financial Information' beginning on page 18, 77 and 110, respectively of the Draft Prospectus.

### Key Operational and Financial Performance Indicators:

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

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 24, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Prospectus. Further, the KPIs herein have been certified by M/s. Maheshwari and Co., Chartered Accountants, by their certificate dated September 25, 2024.

The KPIs of our Company have been disclosed in the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on beginning pages 77 and 133 respectively. We have described and defined the KPIs, as applicable, in "Definitions and Abbreviations" beginning on page 6 **Error! Bookmark not defined.**

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. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

### Financial KPIs of our Company

(₹ in lakhs, except for percentage)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations <sup>(1)</sup>	2,579.30	1,403.97	773.15
Total Income <sup>(2)</sup>	2,579.30	1,403.97	773.15
EBITDA <sup>(3)</sup>	145.66	67.28	33.98
EBITDA margin (%) <sup>(4)</sup>	5.65%	4.79%	4.40%
PAT <sup>(5)</sup>	78.97	35.27	17.07
PAT Margin (%) <sup>(6)</sup>	3.06%	2.51%	2.21%
Net Debt <sup>(7)</sup>	312.27	208.19	84.33
Total Equity <sup>(8)</sup>	652.24	573.27	538.00
ROE (%) <sup>(9)</sup>	12.11%	6.15%	3.17%
ROCE (%) <sup>(10)</sup>	8.13%	4.51%	2.73%
EPS (Basic & Diluted) <sup>(11)</sup>	1.52	0.68	0.56

(1) Revenue from operations is the revenue generated by us and is comprised of the sale of products and other operating income, as set out in the Restated Financial Statements. For further details, see "Restated Financial Statements – Notes forming part of the Restated Financial Statements – Note 16: Revenue from operations" on page 127.

(2) Total income comprised of revenue from operations and other income, as set out in the Restated Financial Statements. For further details, see "Restated Financial Statements – Notes forming part of the Restated Financial Statements – Note 16: Revenue from operations on page 127.

- (3) *EBITDA = Profit before tax + depreciation & amortization expense + finance cost.*
- (4) *EBITDA Margin = EBITDA/ Total income.*
- (5) *PAT = Profit before tax – current tax – deferred tax.*
- (6) *PAT Margin = PAT/ Total income.*
- (7) *Net debt = Non-current borrowing + current borrowing - Cash and cash equivalent, Bank balance, and Investment in Mutual Funds.*
- (8) *Total Equity = Equity share capital + Other equity.*
- (9) *ROE = Net profit after tax / Total equity.*
- (10) *ROCE = Profit before tax and finance cost / Capital employed\**  
*\*Capital employed = Total Equity + Non-current borrowing + Current Borrowing + Deferred Tax Liabilities – Intangible Assets.*
- (11) *EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average number of equity shares outstanding during the year/ period.*

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

(₹ in lakhs, except for percentage and per share data)

Parameters	SP Apparels Limited			Kitex Garments Limited			Veekayem Fashion And Apparels Limited		
	FY 2024	FY 2023	FY 2022	FY 2024	FY 2023	FY 2022	FY 2024	FY 2023	FY 2022
Revenue from operations	1,08,736	1,08,086	85,943	61692.2	55699.55	78832.83	24382.14	23509.53	14900.64
Total Income	1,10,367	1,10,089	86,892	63117.1	60105.24	81521.91	24432.05	23551.48	14947.02
EBITDA <sup>(1)</sup>	17,409	16,554	16,123	11476.39	10493.66	19763.93	1652.24	1358.3	1032.71
EBITDA margin (%) <sup>(2)</sup>	15.77%	15.04%	18.56%	18.18%	17.46%	24.24%	6.76%	5.77%	6.91%
PAT	8,963	8251.2	8469.3	5583.05	5692.24	12512.14	402.55	180.99	188.54
PAT Margin (%)	8.12%	7.50%	9.75%	8.85%	9.47%	15.35%	1.65%	0.77%	1.26%
Net Debt <sup>(3)</sup>	10,359	15,180	70,289	61,196	-7,581	-6,080	9,558	8,853	8,141
Total Equity	76,364	67361.1	63777.4	90458.67	85832.89	81,215	45710.6	25595.62	19745.36
ROE (%) <sup>(4)</sup>	11.74%	12.25%	13.28%	6.17%	6.63%	15.41%	0.88%	0.71%	0.95%
ROCE (%) <sup>(5)</sup>	9.24%	9.04%	5.88%	3.51%	6.41%	14.03%	2.90%	1.41%	1.65%
EPS (Basic) <sup>(6)</sup>	35.72	32.37	32.96	8.47	8.65	18.82	6.85	3.44	4.39
EPS (Diluted) <sup>(6)</sup>	35.72	32.37	32.96	8.47	8.65	18.82	6.85	3.44	4.39

Note: (1) Source: All the financial information for listed industry peers mentioned above is sourced from the regulatory filings made by aforesaid companies to stock exchanges for the respective years to compute the corresponding financial ratios. Except for our Company and TPL Plastech Limited, the financial information for other peer group companies is on a consolidated basis.

(1) EBITDA = Profit before tax + depreciation & amortization expense + finance cost.

(2) EBITDA Margin = EBITDA / Total income.

(3) Net debt = Non-current borrowing + current borrowing - Cash and Cash Equivalent, Bank Balance, and Investment in Mutual Funds.

(4) ROE = Net profit after tax / Total equity.

(5) ROCE = Profit before tax and finance cost / Capital employed\*

\*Capital employed = Total Equity + Non-current borrowing + current Borrowing + Deferred Tax Liabilities – Intangible Assets

(6) EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average number of equity shares outstanding during the financial year/ period.

**Weighted average cost of acquisition**

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

There has been no issuance of Equity Shares or convertible securities, other than Equity Shares issued pursuant to a bonus issue on August 26, 2024, during the 18 months preceding the date of this Draft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

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

Other than as mentioned below, there have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where the promoters, members of the promoter group, selling shareholders, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Offer 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.

Date of Transfer	Nature of acquisition	Number of Equity Shares	Transfer price per Equity Share (in ₹)	Nature of Consideration
31-07-2024	Purchased by Everstrong Metal Private Limited	7,00,000	40.00	Cash
31-07-2024	Purchased by Agradooti Vanijya Private Limited	4,00,000	40.00	Cash
31-07-2024	Purchased by Voltaire Leasing and Finance Limited	3,00,000	40.00	Cash
25-09-2024	Purchased by Kiwi Delcom Private Limited	4,20,000	40.00	Cash
25-09-2024	Purchased by Ayodhya Vincom Private Limited	4,20,000	40.00	Cash

- c) Weighted average cost of acquisition, offer price of Rs. 40

Types of transaction	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (i.e. ₹ 40)
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA <sup>^</sup>	NA
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	40.00	1 time

Note:

<sup>^</sup>There were no primary / new issue of shares (equity/ convertible securities) other than Equity Shares issued pursuant to a bonus issue on August 26, 2024, in last 18 months and three years prior to the date of this Draft Prospectus.

**Justification for Offer Price**

The Issue Price of ₹ 40.00 is determined by our Company, in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled 'Risk Factors', and chapters titled 'Our Business' and 'Financial Information' beginning on page 18, 77 and 110, respectively of the Prospectus.

## STATEMENT OF TAX BENEFITS

### STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO DURGADDEVI RAIMENT LIMITED AND IT'S SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,  
**The Board of Directors**  
**Durgadevi Raiment Limited**  
A5, Calcutta Land Premises No. E3-509/New,  
Shibrampur Road, PO-Ganipur,  
PS-Maheshtala, Kolkata - 700141,  
West Bengal, India.

Dear Sirs,

**Sub: Statement of possible special tax benefits (“the Statement”) available to Durgadevi Raiment Limited (“the Company”) and its shareholders prepared in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018, as amended (“the Regulations”)**

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act') as amended by the Finance Act, 2024 (i.e. applicable to Financial Year 2024-25 relevant to Assessment Year 2025-26), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met.

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

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change. We shall not be liable to Company for 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 of intentional misconduct.

The enclosed annexure is intended for your information and for inclusion in this Draft Prospectus / Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

**M/s Maheshwari and Company,**  
**Chartered Accountants**  
**Firm Registration No: 105834W**

CA Pawan Gattani  
Partner  
**Membership No: 144734**

**Date:** September 23, 2024

**Place:** Mumbai

**UDIN:** 24144734BKBISD7540

**Annexure**

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

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2024-25.

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

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

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

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



## SECTION V: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section has been extracted from reports publicly available documents and information, including, but not limited to, materials issued or commissioned by the Government of India and certain of its ministries, trade and industry-specific publications and other relevant third-party sources.*

*Industry websites and publications generally 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. While the Company has exercised reasonable care in relying on such government, industry, market and other relevant data in this document, it has not been independently verified by the Company or any of its advisors, nor the Lead Manager or any of its respective advisors, and should not be relied on as if it had been so verified.*

### INDIAN ECONOMY OVERVIEW

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

#### INTRODUCTION

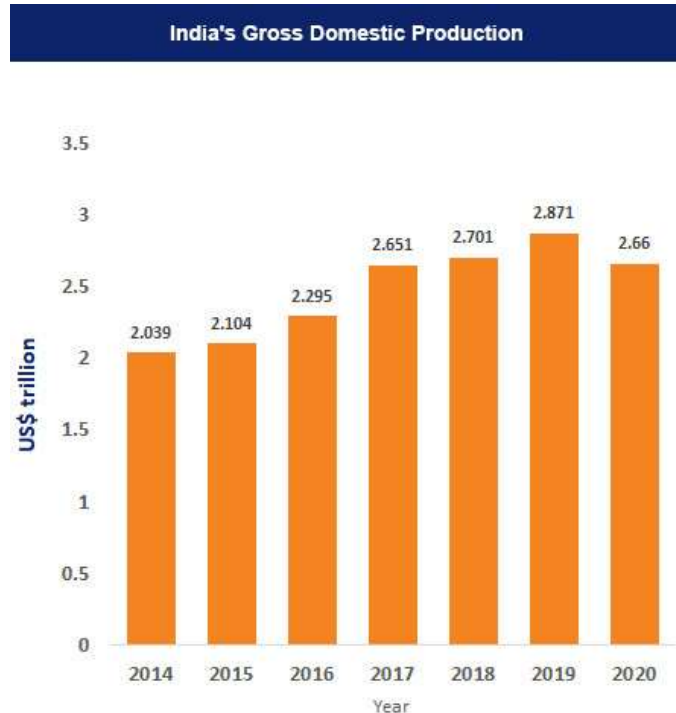
Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 295.36 lakh crores (US\$ 3.54 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-June 2025, India's exports stood at US\$ 109.11 billion, with Engineering Goods (25.35%), Petroleum Products (18.33%) and electronic goods (7.73%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

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

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

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

## MARKET SIZE



Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 173.82 lakh crores (US\$ 2.08 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. India's current account deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at US\$ 23.2 billion for the 2023-24 compared to US\$ 67.0 billion or 2.0% of GDP in the preceding year. This was largely due to decrease in merchandise trade deficit. Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

## RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy.

## GOVERNMENT INITIATIVES

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

## **ROAD AHEAD**

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

## **TEXTILE INDUSTRY & MARKET GROWTH IN INDIA**


Source: <https://www.ibef.org/industry/textiles>

### **INTRODUCTION**


India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk, and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

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

In order to attract private equity and employ more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.




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May 2024

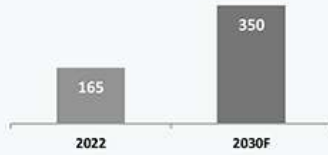
# TEXTILES AND APPAREL

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MARKET SIZE


Textiles and Apparel Industry (US\$ billion)




Year	Value (US\$ billion)
2022	165
2030F	350




Contributes 2.3% to India's GDP



Employs over 45 million people

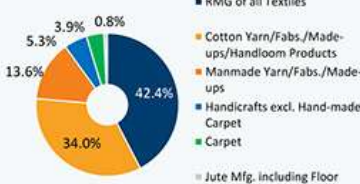


Contributes 12% to India's export earnings




SECTOR COMPOSITION

Share of India's textile exports FY24




Category	Share (%)
RMG of all Textiles	42.4%
Cotton Yarn/Fabs./Made-ups/Handloom Products	34.0%
Manmade Yarn/Fabs./Made-ups	13.6%
Handicrafts excl. Hand-made Carpet	5.3%
Carpet	3.9%
Jute Mfg. including Floor Covering	0.8%

Fabric Production in FY24\*(million square meter)




Category	Value (million square meter)
Cotton Yarn	511.0
Blended & 100% Non-cotton Yarn	952.0
Man-made Filament Yarn	450.0
Man-made Fibre	432.0

Note: \* Until April-June 2023-24




KEY TRENDS

Textiles Trade (US\$ billion)




Fiscal Year	Export (US\$ billion)	Import (US\$ billion)
FY18	36.8	7.0
FY19	37.5	7.39
FY20	34.2	8.15
FY21	29.9	5.87
FY22	44.4	8
FY23	36.7	10.48
FY24	35.9	8.80


Note: Imports include textile yarn fabric and made-up articles; Exports include RMG of all textiles, cotton yarn/fabs./made-ups/handloom products, man-made yarn/fabs./made-ups, handicrafts excl. handmade carpets, carpets, jute mfg. including floor coverings




GOVERNMENT INITIATIVES



National Textile Policy




Khadi App Store



Pradhan Mantri Fasal Bima Yojana

Note: SAATHI - Sustainable and Accelerated Adoption of efficient Textile technologies to Help small Industries



ADVANTAGE INDIA

- **Robust demand:** Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030, with exports expected to reach US\$100 billion. In FY24, exports of readymade garments including accessories stood at US\$ 14.23 billion.
- **Competitive advantage:** Abundant availability of raw materials such as cotton, wool, silk and jute. India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers.
- **Policy support:** 100% FDI (automatic route) is allowed in the Indian textile sector. In October 2021, the government approved a scheme worth Rs. 4,445 crore (US\$ 594.26 million) to establish seven integrated mega textile parks and boost textile manufacturing in the country.
- **Increasing Investments:** In June 2023, Government approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in textile sector. Total FDI inflows in the textiles sector stood at US\$ 4.47 billion between April 2000- March 2024.

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India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home, and technical products. The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.

India has a 4.6% share of the global trade in textiles and apparel. Moreover, India is the world's 3rd largest exporter of Textiles and Apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$ 100 billion by FY 2030.

Around 45 million people are working in the textile business, including 3.5 million people who work on handlooms. Textile manufacturing in India has been steadily recovering amid the pandemic. The Manufacturing of Textiles Index for the month of April 2024 is 105.9.

Global apparel market is expected to grow at a CAGR of around 8% to reach US\$ 2.37 trillion by 2030 and the Global Textile & Apparel trade is expected to grow at a CAGR of 4% to reach US\$ 1.2 trillion by 2030. The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030, with exports expected to reach US\$ 100 billion.

The Indian Technical Textile market has a huge potential of a 10% growth rate, increased penetration level of 9-10% and is the 5<sup>th</sup> largest technical textiles market in the world. India's sportech industry is estimated to be around US\$ 1.17 million in 2022-23.

The Indian Medical Textiles market for drapes and gowns is around US\$ 9.71 million in 2022 and is expected to grow at 15% to reach US\$ 22.45 million by 2027.

The Indian composites market is expected to reach an estimated value of US\$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027.

India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers. During FY24, the total exports of textiles (including handicrafts) stood at US\$ 35.9 billion. Exports of textiles (RMG of all textiles, cotton yarns/fabs/made-ups/handloom products, man-made yarns/fabs/made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 35.90 billion in FY24. In FY24, exports of readymade garments including accessories stood at US\$ 14.23 billion. India's textile and apparel exports to the US, its single largest market, stood at 32.7% of the total export value in FY24. India's ready-made garment (RMG) exports are likely to surpass US\$ 30 billion by 2027, growing at a CAGR of 12-13%. Exports for 247 technical textile items stood at Rs. 5,946 crore (US\$ 715.48 million) between April-June (2023-24).

India is the world's largest producer of cotton. Agriculture ministry projected cotton output for 2023-24 at 32.3 million bales.

In FY24, the Indian jute yarn exports were estimated at US\$ 10 million.

In FY2024, cotton yarn worth US\$ 3.7 billion was exported from India.

According to the Cotton Association of India (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills.

Total FDI inflows in the textiles sector stood at US\$ 4.47 billion between April 2000- March 2024. 100% FDI (automatic route) is allowed in the Indian textile sector.

Companies involved in home textiles are using technology to optimise the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0—an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.

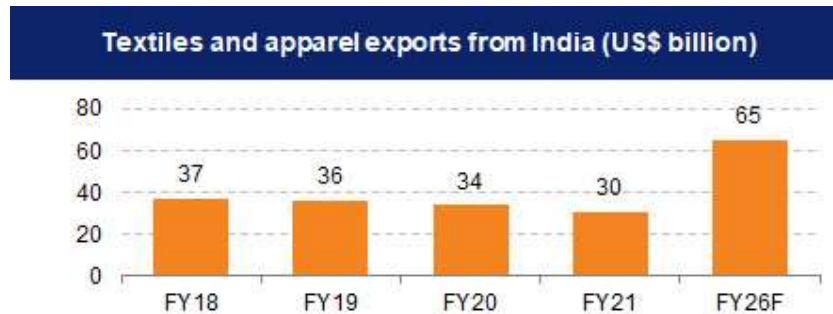
The Government's Rs. 10,683 crore (US\$ 1.44 billion) PLI scheme is expected to be a major booster for the textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products.

Source: <https://www.ibef.org/industry/indian-textiles-and-apparel-industry-analysis-presentation>

## **MARKET SIZE**

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030. Moreover, India is the world's 3rd largest exporter of Textiles and Apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$100 billion.

The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.



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In 2022-23, the production of fibre in India stood at 2.15 million tonnes. While for yarn, the production stood at 5,185 million kgs during the same period. Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US\$ 138 billion to US\$ 195 billion by 2025.

During FY24, the total exports of textiles (including handicrafts) stood at US\$ 35.9 billion. Exports of textiles (RMG of all textiles, cotton yarns/fabs/made-ups/handloom products, man-made yarns/fabs/made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 35.90 billion in FY24. In FY24, exports of readymade garments including accessories stood at US\$ 14.23 billion. India's textile and apparel exports to the US, its single largest market, stood at 32.7% of the total export value in FY24.

Exports for 247 technical textile items stood at Rs. 5,946 crore (US\$ 715.48 million) between April-June (2023-24).

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

## GOVERNMENT INITIATIVES

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

Other initiatives taken by the Government of India are:

- Secretary of the Ministry of Textiles, Ms. Rachna Shah, announced that India's technical textiles market has great potential, with a notable growth rate of 10% and ranking as the 5th largest in the world.
- A tripartite Memorandum of Understanding (MoU) was signed by the Textiles Committee under the Ministry of Textiles, the Government e Marketplace (GeM) under the Ministry of Commerce and Industry, and the Standing Conference of Public Enterprises (SCOPE) to promote upcycled products made from textile waste and scrap.
- Piyush Goyal also discussed the roadmap to achieve the target of US\$ 250 billion in textiles production and US\$ 100 billion in exports by 2030.
- In July 2023, 43 new implementing partners were empanelled under the SAMARTH scheme and an additional target of training around 75,000 beneficiaries has been allocated.
- 1,83,844 beneficiaries trained across 1,880 centres under Samarth.
- In June 2023, the Government approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in the textile sector.
- In February 2023, the union government approved 1,000 acres for setting up a textile park in Lucknow.
- In February 2023, according to the Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US\$ 536.4 million). Out of this, Rs. 900 crore (US\$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), Rs. 450 crore (US\$ 54.99 million) for National Technical Textiles Mission, and Rs. 60 crore (US\$ 7.33 million) for Integrated Processing Development Scheme.
- In December 2022, a total of 44 R&D projects were started, and 23 of them were successfully completed. 9777 people were trained in a variety of activities relating to the silk industry.
- In December 2022, a total of US\$ 75.74 million (Rs. 621.41 crore) in subsidies was distributed in 3,159 cases under the Amended Technology Upgradation Fund Scheme, with special campaigns held in significant clusters to settle backlog cases.
- In December 2022, a total of 73,919 people (SC: 18,194, ST: 8,877, and Women: 64,352) have received training, out of which 38,823 have received placement under SAMARTH.
- The establishment of 7 (seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US\$ 541.82 million (Rs. 4,445 crore) for the years up to 2027–28 was approved by the government.
- In the academic year 2022–23, the opening of a new campus of the National Institute of Fashion Technology (NIFT) in Daman. Moreover, new campus buildings are being constructed in Bhopal and Srinagar.
- Under the National Technical Textile Mission (NTTM), 74 research projects for speciality fibre and technical textiles valued at US\$ 28.27 million (Rs. 232 crore) were approved. 31 new HSN codes have been developed in this space.
- In November 2022, Tamil Nadu Chief Minister Mr. M. K. Stalin announced the establishment of a "Textile City" in Chennai as part of Tamil Nadu's strategy to become a major participant in the global textile industry. Additionally, the state will build a 1,500-acre textile park in the Virudhunagar district, for which SIPCOT will buy land.
- In June 2022, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated that the Indian government wants to establish 75 textile hubs, similar to Tiruppur, which will greatly increase employment opportunities while promoting the export of textile products and ensuring the use of sustainable technology.
- In June 2022, Amazon India signed a MoU with the Manipur Handloom & Handicrafts Development Corporation Limited (MHHDC), a Government of Manipur entity, to encourage the development of weavers and artisans throughout the state.
- In June 2022, the Kerala government announced that it would provide free training to 1,975 candidates under the SAMARTH scheme of the textile industry.
- The Sustainable Textiles for Sustainable Development (SusTex) project by the United Nations Climate Change entity enhances the employment and working circumstances of textile artisans while promoting the sustainable production and use of environmentally friendly textiles.
- In May 2022, Minister of Micro, Small and Medium Enterprises, Mr. Narayan Rane, inaugurated the Center of Excellence for Khadi (CoEK) at NIFT, Delhi. In order to produce innovative fabrics and apparel that will meet the needs of both domestic and foreign consumers, the CoEK will seek to introduce the newest designs and adopt procedures that adhere to international standards.
- In April 2022, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Mr. Piyush Goyal, said that new Economic Cooperation and Trade Agreements with Australia and the UAE would open infinite opportunities for textiles and handloom. Indian textile exports to Australia and the UAE would now face zero duties, and he expressed confidence that soon Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.

- In March 2022, the Tamil Nadu government included a Sustainable Cotton Cultivation Mission in its agriculture budget by allocating US\$ 1.86 million (Rs 15.32 crore) to enhance the yield of organic cotton.
- In March 2022, the Ministry of Textiles, in collaboration with the Confederation of Indian Industries (CII), organized a day-long International Conference on Technical Textiles with the theme: Creating the Winning Leap in Technical Textiles.
- The Khadi and Village Industries Commission (KVIC) achieved turnover of Rs. 1.15 lakh crore (US\$ 14.68 billion) in FY22, a growth of 20.54% YoY, and more than any Indian FMCG company managed in FY22.
- The Government of India has earmarked a corpus of Rs. 1,000 crore (US\$ 127.72 million) dedicated for research and development of the technical textiles sector.
- In March 2022, the Bihar government submitted a proposal to the Ministry of Textiles to set up a mega hub under the PM Mitra Mega Textile Park.
- In March 2022, Tamil Nadu Chief Minister Mr. MK Stalin announced that the State Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT) will set up a mega textile park in the Virudhunagar district.
- For export of handloom products globally, the Handloom Export Promotion Council (HEPC) is participating in various international fairs/events with handloom exporters/weavers to sell their handloom products in the international markets under NHDP.
- The Ministry of Textiles has also been implementing the Handloom Marketing Assistance (HMA), a component of National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.
- In November 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated the desire to target a 3-5x time increase in the export of technical textiles worth US\$ 10 billion over the next three years.
- The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns, MMF fabrics and apparel, which came into effect from January 1, 2022.
- Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, announced a mega handloom cluster in Manipur and a handloom and handicraft village at Moirang in Bishnupur. The mega cluster will be set up at an estimated cost of Rs. 30 crore (US\$ 4.03 million) under the National Handloom Development Programme (NHDP).

## ROAD AHEAD

The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring. Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials.

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

The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020.

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



## OUR BUSINESS

Following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Prospectus, including the information contained in the section titled ‘Risk Factors’, beginning on page 18 of the Draft Prospectus.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled ‘Risk Factors’ and ‘Financial Information’ and chapter titled ‘Management Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page 18, 110 and 133, respectively, of the Draft Prospectus.

Unless the context otherwise requires, in relation to business operations, in this section of the Draft Prospectus, all references to “we”, “us”, “our” and “our Company” are to Durgadevi Raiment Limited and Group Entities as the case may be.

### Overview

We are engaged into the manufacturing of kids apparels and garments and trading of yarn. The products manufactured by us are mainly sold to one of leading online platform for kid’s garments. As a contract manufacturer specializing in kids’ apparel, our business focuses on producing high-quality garments based on client specifications. Our production is guided by the designs and technical specifications provided by our clients, ensuring that the final products meet their exact needs and standards. We manufacture kids garments for both boys and girls. Our main products include kids’ t-shirts, polo shirts, leggings, night suits, lowers, long pants, frocks, jump suits baba-suits, girls top etc.

Our manufacturing facilities are equipped with the technology and machinery necessary to produce high-quality children’s apparel. This includes everything from fabric cutting and sewing to finishing and quality inspection. Our production volumes are aligned with the online platform’s needs, which may vary based on seasonal demand, promotional events, or new product launches.

Currently, we have 2 garments manufacturing unit and one printing unit. We have installed capacity to produce, 3,25,000 pcs garments per month. However, the capacity may vary depending upon the production schedule, complexity of designs etc.

We procure yarn from our suppliers and get the grey fabric done out of the same. The fabric is then dyed and processed for the designs as approved by our customers. We have our own internal design team to design the fabric as per the clients’ requirements. The presence of strong raw materials base in terms of cotton and polyester fibres and large fabric manufacturing capacities in the Country have given a thrust to garmenting sector.

We are also engaged in the trading of yarn. This creates an extra revenue stream and strengthens supplier relationships, leading to better terms. Overall, yarn trading supports operational efficiency and mitigates risks associated with raw material procurement.

The breakup of our revenue is as under:

Particulars	(₹ Lakhs)		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Sales of Products Manufactured	816.83	823.50	447.43
Sale of Trading of Goods (Yarn)	1,762.46	580.47	325.71
<b>Total</b>	<b>2,579.30</b>	<b>1,403.97</b>	<b>773.15</b>

The Contribution of our Top Customers to our revenues are as under:

Particulars	As at March 31, 2022		As at March 31, 2023		As at March 31, 2022	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Top 5	816.83	31.67%	823.5	58.66%	447.43	57.87%
Top 10	1,762.46	68.33%	580.47	41.34%	325.71	42.13%
<b>Total</b>	<b>2,579.30</b>	<b>100.00%</b>	<b>1,403.97</b>	<b>100.00%</b>	<b>773.15</b>	<b>100.00%</b>

Our Promoters, Mr. Vivek Kumar Kajalia, Ms. Preeti Kajalia and Mr. Neha Kajalia are actively involved in the day-to-day business. Our Promoters are the guiding force behind the Strategic Decisions of our Company. Their Industry Knowledge and understanding of the current market situation enables us to improve our geographic horizon and market presence. For further details of our Promoters, please refer to section “Our Promoters and Promoter Group” beginning on page 102 of the Draft Prospectus.

#### **Our locational presence:**

**Registered Office and Manufacturing Unit 1: Garmenting Unit:** A5, Calcutta Land Premises No. E3-509/New, Shibarampur Road Kolkata, West Bngal, India

**Manufacturing Unit 2: Garmenting Unit:** D-1/46/1/New, Gangarampur Road, Raipur, Maheshtala, Kolkata, South, Twenty Four Parganas, West Bengal, 700141.

**Unit 3: Printing Unit:** CE-1/New, Shilpayan Industrial Road, Raipur, Kolkata, West Bengal, - 700141

#### **Our Competitive Strengths**

##### **Expertise and Specialization**

As a garment manufacturer, we operate as a third-party vendor for a big online brand. As a manufacturer we possess specialized knowledge and skills tailored to the brand's specific needs. Our experience in producing high-quality garments can lead to better product outcomes as we are equipped to handle large volumes of production efficiently. This scalability allows us to meet the demands of big brands without compromising quality.

##### **Strong Customer Base**

Our Company has strong customer base in the local as well as interstate market. Over a period of time, our Company has built-up a track record for quality products and timely delivery. Our team closely interacts with the customers, understands their requirements and develops the products as per their requirements. Our Company has been able to retain customers and further strengthen the relationship by providing them end-to-end solutions for their requirements, i.e. from Purchase of yarn, designing as per their specifications and manufacturing and supply of end user garment.

##### **Capability to Manage Multiple and Large Orders**

Large orders require the capabilities to manage the workforce, sourcing, production planning and ability to ensure timely delivery to the customer. We have installed capacity to produce, 3,25,000 pcs garments per month. Over the years, our Company has developed the skills to manage multiple designs concurrently. Our Company has also developed a diversified product range, which has helped us to grow.

##### **Quality Assurance**

Our customer implements quality control measures to ensure that the products meet the standards required by them. Their team also visit our facilities and sample check each batch for sizes and colors. This helps in maintaining brand reputation and customer satisfaction. Further, quality checks are done to ensure adherence to desired specifications, our long-term association with the client is the testimony of our quality. We get repetitive orders from our buyer, as we are capable of meeting their quality standards, which enables them to maintain their brand image in the market. By outsourcing production to a third-party manufacturer, big brands can focus on their core activities such as marketing, design, and retail, while leaving the manufacturing to us.

##### **Punctuality**

Meeting customer deadlines on a consistent basis is paramount for our business. To ensure timely deliveries, we meticulously plan our entire range of activities well in advance, right from sourcing of yarn and components to manufacturing and shipping. Thus, allowing us deliver the products as per their requirements.

#### **Our Business Strategy**

Our key strategic initiatives are described below:

### **Maintain and Expand Long-term Relationships with existing Clients**

Our Company believes that business is a by-product of relationship. This is a continuous process in our organization and the skills that we impart in our people gives importance to clients. Our business model is based on client relationships that are established over period rather than an order-based execution approach. Our Company believes that a long-term client relationship with large clients fetches better dividends. Long-term relations are built on trust and continuously meeting the requirements of the customers. It also forms basis of further expansion for our Company, as we can monitor a potential product/ market closely. Our existing clientele is an example of our long-term client relationships. We plan to increase our business by meeting orders in hand on time, maintaining our client relationship and renewing our relationship with existing buyers.

### **Capitalize the opening of new markets and enhancing our existing customer base**

Our present customer base comprises of Indian companies/concerns. Our Company intends to grow business continuously by adding new customers. With the growth in the retail sector through physical and online stores, our products can be accessed to remotest market also. Our strategy will be to capitalize on the growth of the retail sector with the acquisition of clients and becoming the preferred supplier for clients with offline business and also with clients having online e-commerce business.

### **Setting-up of New Manufacturing Unit**

We intend to take new factory premises on lease to relocate our existing Units. This will ensure streamlining our existing manufacturing facilities at one place and this will also better utilise our manufacturing facilities. For this purpose, we have entered into an MoU for taking land on lease basis with Everstrong Metal Private Limited for a period of 10 years. The proposed land is located at Plot No. PL 7, at Integrated Textile Park, at Banipur, North 24 Parganas. For details, please refer to “Objects of the Offer” on page 55 of the Draft Prospectus. This involves strategic planning to ensure a smooth transition and operational efficiency. This will provide us with favorable logistical advantages, such as ease of managing raw material and finished products supply from one single location and will also enable the senior management to have a better oversight and quality control. We can invest in a facility design that enhances workflow and integrates process. We will plan a phased relocation process to minimize disruption to ongoing production and maintain business continuity.

## **OUR TECHNOLOGY AND PRODUCTION PROCESS**

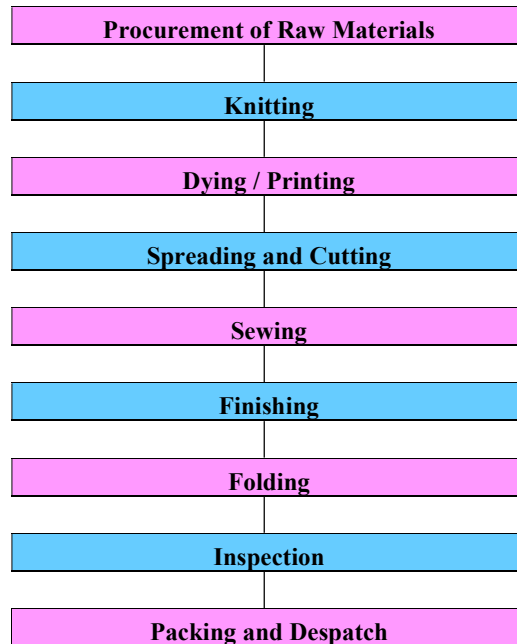
### **Garmenting Process**

We manufacture various kinds of kid’s garments based on the requirements of the orders sourced. We manufacture all types of garments right from basic to value added garments. We have our own designing department, which sends its designs for approval to the customers on getting the approval we undertake the manufacturing of the approved design, or our customers provide the designs for the garments required by them and on the basis of these designs we undertake our production activities.

Garment manufacturing requires yarn as the main input and several types of accessories for functional and aesthetic purposes. Yarn variety to be used depends on the type of garment, its price, season for usage, etc. Accessories that are used in garment production include sewing threads, buttons, zips, laces, hooks, labels, packing materials etc. Raw materials are easily available and care is taken on the quality of the same.

Machines used are cutting machine and table, sewing machine and finishing iron table with boilers. The selected machinery can be made available from authorized suppliers of these items.

The production process is as under:



Raw materials (Yarn) purchased from the vendor sent to the job worker for knitting. Knitted material (Grey Fabric) is either sent to the dyer for dying purpose or printer for printing fabric. Posting dying printing, the fabric is received in the factory and following processes are undertaken:

- Fabric is spread manually by spreaders over the cutting table and layers are cut with the help of cutting machines.
- Stitching quality and production are of immense importance. All the sewing machines would be procured from reputed sewing machine suppliers. Post sewing, the pieces will be moved for finishing after thorough checking.

In the finishing stage the stitched products are checked for any faults or defects. These reparable are mended or else the piece is rejected. The pieces are then ironed and packed.

The garment pieces Produced are checked thoroughly for various types of defects as broken needle, fly, hole, thick yarn, thin yarn and barrel.

After inspection, the defective products are sent for correction while the other products are wrapped in polythene bags and sent for packing in suitable form as per the buyers' specifications. After packing, the final products are dispatched.

We also attach pricing and branding tags on the products as per our customers specifications.

### **Products**

Some of the products manufactured by our Company are as under:

Night Suits and Cod Sets



Frocks



Tops and Leggings



Other Dresses, Lowers, Pajamas



**Quality Control**

For a contract manufacturer of children's garments, the quality control process for raw materials begins with supplier evaluations to ensure they meet industry standards and safety regulations. Incoming materials undergo detailed inspections, including tests for fabric durability, colorfastness, and safety compliance, with sample testing performed to verify

adherence to specifications. Documentation is maintained for traceability, including test results, ensuring that all materials used are reliable and meet the required quality benchmarks.

In terms of finished goods, the quality control process involves continuous in-process inspections to monitor adherence to production standards and catch potential issues early. Comprehensive final product testing assesses garment quality, including stitching, sizing accuracy, and safety features crucial for children's clothing. A thorough final inspection ensures that all garments meet design and safety specifications before they are approved for packaging and distribution. This process is supported by a feedback loop for ongoing improvements based on customer returns and feedback.

### Garment Distribution

For the purpose of distribution, garments will be arranged in accordance with the locations they have to be sent to and as per the specific requirements of every order. From the manufacturing facilities, the goods are sent to the respective clients stores/ warehouses/ outlets in the manner specified by them. We are significantly dependent on local third-party transportation providers for the delivery of raw materials to us and delivery of our products to our customers. Our dispatch department oversees the dispatches as per the delivery schedules and supply of the finished goods to the customers.

### Plant and Machinery

List of our major Plant and Machinery is as given below.

Sr. No.	Plant and Machinery	Unit 1	Unit 2	Unit 3
1	Cutting Machines		3	
2	In Cutter Machine		2	
3	Plotter Machine		1	
4	Lock Machines (single needle)	27	60	
5	Over Lock (4 needles)	15	25	
6	Flat Lock	4	8	
7	Peeku Machine	2	4	
8	Button Holing Machines	2	4	
9	Button Attaching Machines	2	4	
10	Fusing Machines		1	
11	Iron Machines with Boiler		13	
12	Printing Table 325 sq ft			1
13	Fusing Machine			1
14	Screen Machine and Screen Stretching			1

As certified by our statutory auditor vide certificated dated September 25, 2024.

### Collaborations

We have not entered into any technical or other collaboration. However, we have entered into a supply agreement with one of the India's leading kid garments online retailer.

### Infrastructure Facilities

#### Utilities

Our Company mainly requires the following utilities:

#### Power

Our Company has the necessary electricity connection from CESC Limited. Our Company has adequate power load connection of CESC Limited to carry out our present manufacturing activities.

#### Fuel

Our Company does not require fuel in the manufacturing process.

#### Water

There is no major requirement for water in our manufacturing process.

### Raw Materials

The major raw materials required for our production process are:

1. Knitting Yarn – This is sourced from local markets and grey fabric is manufactured by local units.
2. Dyeing and Printing – Both inhouse and through third-party printing units
3. Sewing Thread, buttons, hooks, needles and other consumables – These are sourced from local vendors.
4. Packing Material – Poly bags, Boxes and labels are also acquired locally.

We purchase and source the material only from local suppliers and vendors. Choice of vendor is primarily based on quality considerations with other commercial considerations like Price, Delivery Period, Consistency in Quality. Our Company is not importing any Raw Materials for the present operations.

### Manpower

Our Company is committed towards creating an organization that nurtures talent. We provide our employees an open atmosphere with a continuous learning platform that recognizes meritorious performance. The following is a department-wise break-up of our employees as on the date of the Prospectus:

Sr. No.	Category	Total
1	Senior Management	4
2	Middle Management	10
3	Contractual Labor	60 (APPROX)

As certified by our statutory auditor vide certificate dated September 25, 2024.

### Logistics

To ensure smooth functioning of our manufacturing operations, we need to maintain continuous supply and transportation of the raw materials required from the supplier to our manufacturing unit and transportation of our products from our unit to our customers. We are significantly dependent on local third party transportation providers for the delivery of raw materials to us and delivery of our products to our customers. Our dispatch department oversees the dispatches as per the delivery schedules and supply of the finished goods to the customers.

### Competition

We operate in a competitive atmosphere. Our competition varies by market, geographic areas and type of products. Our Company may face stiff competition from domestic as well as global markets as the dynamic changes. Some of our competitors may have greater resources than those available to us. While service quality, technical ability, performance records, etc. are key factors in client decisions among competitors, however, price is the deciding factor in most cases. Further, this industry is fragmented with many small and medium sized companies and entities, which manufactures some of these products at various levels, which may adversely affect our business operation and financial condition. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition.

### Approach to Marketing and Marketing Set-up

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

### Capacity and Capacity Utilization

Particulars	Fiscal/ Period		
	2024	2023	2022
Installed Capacity (in PCS per month)	3,25,000	2,50,000	1,80,000
Utilised Capacity (in PCS per month)	2,80,000	2,20,000	1,60,000
Utilised Capacity (%)	86.15%	88.00%	88.89%



### Export Possibilities & Export Obligation

Currently, we do not have any outstanding export obligations.


### Property

The following table sets forth the location and other details of the leasehold properties of our Company:

Description of Property	Purpose and Leave & License Details
A5, Calcutta Land Premises No. E3-509/New, Shibrapur Road, PO-Ganipur, PS-Maheshtala, Kolkata - 700141, West Bengal, India.	Registered Office and Unit 1 Unit 1 and Registered Office Taken on leave and licence basis from Ashok Kumar Haldar for a period of 5 years with effect from April 1, 2022. Deposit - ₹ 2.70 Lakhs, Monthly Rent - ₹ 0.90 Lakhs
D-1/46/1/New, Gangarampur Road, Raipur, Maheshtala, Kolkata, South, Twenty Four Parganas, West Bengal, 700141	Unit 2 Taken on leave and licence basis from Pinaki Properties from September 1, 2024 for a period of 5 years Deposit - ₹ 0.90 Lakhs, Monthly Rent - ₹ 0.62 Lakhs
CE-1/New, Shilpayan Industrial Road, Raipur, Kolkata, West Bengal, - 700141	Unit 3 Taken on leave and licence basis from Nehan Ansari from September 1, 2024 for a period of 5 years Deposit - ₹ 4.00 Lakhs, Monthly Rent - ₹ 0.70 Lakhs

### Intellectual Property

The following table sets forth the details of our Trademarks:

Sr. No	Particulars	Status
1	Domain Name www.ddrl.in	Registered
2	Logo 	Unregistered

For details, please refer to the Risk Factors section beginning on page 18 of this Draft Prospectus.

### Insurance

Our Company maintains Stock Insurance against various risks inherent in our business activities. Other than stock insurance we have not taken any insurance. For details, please refer Risk Factor beginning on page 18 of this Draft Prospectus. We have taken Burglary Insurance Policy for our manufacturing units of Rs. 375.00 lakhs for Raw Material from Bajaj Allianz General Insurance Company Limited vide till September 29, 2024.

## **KEY INDUSTRIAL REGULATIONS AND POLICIES IN INDIA**

*The following description is a summary of certain sector-specific laws currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description below may not be exhaustive and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial, or administrative decisions. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain.*

*The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For information on regulatory approvals obtained by us, please refer “Government and Other Approvals” on page 146. We are required to obtain and regularly renew certain licenses / registrations / sanctions / permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts, and policies. Additionally, the projects undertaken by us require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local byelaws.*

*Following is an overview of some of the important laws and regulations, which are relevant to our business.*

### **Technology Up-Gradation Fund Scheme**

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

### **National Textile Policy, 2000**

The National Textile Policy, 2000 (“NTP 2000”) aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing and to equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market. NTP 2000 aims at developing a strong and vibrant textile industry that can produce quality products at acceptable prices. This objective is sought to be achieved by liberalizing controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. Major thrust areas of NTP 2000 includes increase in exports and innovating marketing strategies, product diversification along with quality consciousness, among others. Additionally, certain sector specific initiatives envisaged under the NTP 2000 include initiatives regarding improving the availability, productivity and quality of raw materials at reasonable prices for the industry, improving the production, productivity and quality of cotton. Initiatives were also proposed for the spinning sector, weaving sector, organised mill industries, powerloom industry, knitting sector, processing and finishing sector for achieving ISO 9000 and ISO 14000 standards. Export specific reforms were also proposed in order to be consistent with World Trade Organization norms.

Ministry of Textiles is contemplating a New Textile Policy which has not been finalized and it is at draft stage. The New Textile Policy, inter alia, will give thrust on enhancing export performance and creating better employment opportunities. The New Textile Policy is being formulated by holding widespread consultations with various associations, industry bodies, State Governments and other stakeholders representing subsectors viz. Cotton, Silk, Jute Wool, Handloom, Handicrafts, Powerloom etc.

### **Cotton Control Order, 1986**

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

### ***Textiles Committee Act, 1963***

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

### ***Textile (Development and Regulation) Order, 2001***

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

## **LABOUR LAWS**

Depending upon the nature of the activities undertaken by our Company, certain applicable labour laws and regulations include the following:

### ***Child Labour (Prohibition and Regulation) Act, 1986***

The Child Labour (Prohibition and Regulation) Act, 1986, (“**CLPRA Act**”) provides for prohibiting engagement of children below 14 years in factories, mines and hazardous employments and regulates the conditions of their employment in certain other employments. The CLPRA Act aims to regulate the number of hours, period of work and holidays to be given to child labourers. It specifies that the employer has to mandatorily furnish certain information regarding employment of child labour to the inspector and maintain a register which would contain details regarding the child labourers. The CLPRA Act also provides for health and safety measures to be complied with by the employer.

### ***Inter State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979 (“ISMW Act”)***

The ISMW Act regulates the employment of inter-state migrant workmen and provides for their conditions of services and for matter connected therewith. Under the provisions of the ISMW Act, every principal employer of an establishment which employs five or more inter-state migrant workmen (whether or not in addition to other workmen) on any day of the preceding 12 months has to register his establishment under ISMW Act. The ISMW Act also requires the principal employers and contractors to maintain registers with such details of the migrant workmen as may be prescribed. Any violation of the provisions of the ISMW Act and Rules prescribed thereunder is imprisonment which may extend to two years or with fine which may extend to ₹ 2,000 or with both.

### ***Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013***

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**SHWPPR Act**”) aims to provide women protection against sexual harassment at the workplace and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines ‘sexual harassment’ to include any unwelcome acts or a sexually determined behaviour (inter alia whether directly or by implication). Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organisations, non-governmental organisations, organisations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an ‘internal complaints committee’ at each office or branch, of an organization employing at least 10 employees. Factors like mental trauma, medical expenses, loss in the career opportunity and income shall be considered while determining compensation. The duties of the employer and the district officer are provided in the SHWPPR Act.

### ***The Maternity Benefit Act, 1961***

The Maternity Benefit Act, 1961, as amended (“**Maternity Benefit Act**”) on 1<sup>st</sup> April 2017 regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. However, the relevant provision on the “work from home” option will come into effect from 1<sup>st</sup> July 2017. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. The maximum period for which any woman shall be entitled to maternity benefit shall be 26 weeks, of which not more than Eight weeks shall precede the date of her expected delivery. For women who are expecting after having 2 children, the duration of paid maternity leave shall be 12 weeks (i.e., 6 weeks pre and 6 weeks post expected date of delivery). It also provides that every woman who adopts a child shall be entitled to 12 weeks of maternity leave, from the date of adoption. The MB Amendment Act has also introduced an enabling provision relating to “work from home” for women, which may be exercised after the expiry of the 26 weeks’ leave period depending on nature of work. Entitlement of six weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy. The MB Amendment Act makes crèche facility mandatory for every establishment employing 50 or more employees. Women employees would be permitted to visit the crèche 4 times during the day.

### ***The Minimum Wages Act, 1948***

Under the Minimum Wages Act, 1948 (“**Minimum Wages Act**”) every employer is mandated to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the Minimum Wages Act, in respect of which minimum rates of wages have been fixed or revised under the Minimum Wages Act.

### ***Laws relating to taxation***

#### ***The Income Tax Act, 1961***

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory.

#### ***The Central Goods and Services Tax Act, 2017 (the “GST Act”)***

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. The GST Act is applicable from July 1, 2017 and will bound together the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. Under GST, goods and services will be taxed under five different categories that are 0%, 5%, 12%, 18%, 28%. GST will be levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India will adopt a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

### **Other Laws and Regulations**

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations. Our Company is also amenable to various central and state tax laws.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our Company was incorporated as Durgadevi Raiment Private Limited on December 29, 2016 under the Companies Act, 2013 with the Registrar of Companies. The status of the Company was changed to public limited and the name of our Company was changed to Durgadevi Raiment Limited vide Special Resolution dated March 23, 2022. The fresh certificate of incorporation consequent to conversion was issued on April 28, 2022 by the Registrar of Companies, Kolkata.

Our corporate identification number is U74999WB2016PLC218784.

The Promoters of our Company are Vivek Kumar Kajalia, Priti Kajalia and Neha Kajalia.

### Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them:

The names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association: Initial allotment of 40,000 Equity Shares to Vivek Kumar Kajalia, 30,000 Equity Shares each to Priti Kajalia and Neha Kajalia, being the subscribers to the MoA of our Company.

**Changes in our Registered Office:** There has been no change in the registered office of our Company since incorporation.

### Major Events and Milestones

The table below sets forth some of the key events in the history of our Company:

Financial Year	Event
2016-17	Incorporation of our Company.
2017-18	Started Unit 1
2021-22	Commenced Unit 2
2022-23	Commenced Unit 3 – Printing Unit
2021-22	Changed the status of our Company from Private to Public i.e. to Durgadevi Raiment Limited

### Significant financial and strategic partners

As on the date of the Draft Prospectus, our Company does not have any significant financial or strategic partners.

### Time and cost overrun

Our Company has not experienced any significant time and cost overrun since we are in trading business.

### Launch of Key Products or services

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, facility creation, location of our facilities, see “*Our Business*” beginning on page 77.

### Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions in respect of our current borrowings from lenders.

### Material Acquisitions or Divestments of Business/Undertakings, Mergers, Amalgamations or Revaluation of Assets, in the last ten years

Our Company has not undertaken any material acquisitions or divestments of business/undertakings, mergers, amalgamations, or revaluation of assets in the last ten years.

### Main Objects of our Company:

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To carry on the business of manufacturing, trading, importing, exporting and dealing in textiles, cotton, and other fabrics whether textile felted, netted or looped or any of the business of general merchants and traders, manufacturers, assemblers, distributors, importers, exporters, factors and shippers of and wholesale and retail dealers in goods, wares, produce, products, commodities, handicrafts and merchandise of every description, to act as agents for and to enter into agreements and arrangements of all kinds on behalf of such persons, firms of companies as may be thought expedient, and to negotiate, assign and mortgage or pledge for cash or otherwise any such agreements and the payments due thereunder and any property the subject thereof.
2. To carry on the business of general merchants, traders, commission agents, selling agents, distributors, stockists, representatives, dealers, producers, processors, manufacturer or in any other capacity in India or elsewhere and to export, import, manipulate, barter, exchange, pledge, treat in industrial, commercial, agricultural, scientific, household, domestic, farm and forest products, goods, plants, machineries, equipments, apparatus, gadgets, appliances, accessories, spare parts or other merchandise including jute and jute goods, tea, coffee, tobacco, textile, cotton, warn, wool and woolen goods, handicrafts, piece of art, jewellery, ornaments, sugar and vanaspati oil (edible and non edible, steel and steel products, hardware items, pipe, pipe fittings, and sanitary goods, aluminum and aluminum products, plastic and plastic products, rubber and rubber products, chemicals, medicines, drugs and pharmaceutical items, engineering goods, minerals, electronic, musical and sports goods, cloth, dresses, garments, means of transport of all types, food products, live stocks, books, reading and educative materials, paper, paper board, straw board and its products, packaging materials, stationary goods, carpet, wood and wood products, furniture, glassware, potteries, ceramic utensils and all other goods, articles and merchandise of every kind and description.
3. To carry on the business of underwriting in or dealing in shares, debentures or other securities as investment company and to invest in and acquire and hold or otherwise deal in shares, debentures, bonds, obligations and securities issued or guaranteed by any company constituted and carrying on business in India or elsewhere and debentures, bonds, obligations and securities issued or guaranteed by any Government state dominion, sovereign, ruler, public body, or authority municipal, local or otherwise whether in India or elsewhere and in lands, buildings, flats, offices and other properties (movable or immovable), plan, machineries, equipments, instruments, appliances, means of transport and to sell, let on lease, or hire or deal in any other manner for such consideration as the company may think fit.
4. To carry on the business of manufacturing, recycling, processing, refining, buying, selling, exporting, importing, reselling, transporting, storing, developing, promoting, marketing, supplying, trading, dealing in any manner whatsoever, on retail as well as on wholesale basis at any place in India or elsewhere, in washed, refined, edible and/or non-edible oil, oil made or processed from seeds, coconuts, ground nuts, products of plantation, horticulture, agriculture and forest produces, animals and poultry feeds, barns and oil cakes, denil cake of any nature and kind whatsoever, hydrogenated oils, oil substitutes, glycerin, fatty acids, soaps and allied products and by products including linters, hardened oils, vanaspati, ghee, margarine, edible proteins, castor oil, alkali refined linseed oil, industrial oils, extraction of linseed, cotton seed, groundnut oil, fertilizer mixtures and lubricants made from such oils and other or as by-products thereof.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out as well as to carry on the activities for which the funds are being raised in the Issue.

#### **Amendments to the Memorandum of Association**

The following changes have been made in the Memorandum of Association of our Company since inception:

<b>Particulars of Change</b>	<b>Date of Shareholders' Meeting</b>	<b>AGM/ EGM</b>
Increase in Authorised capital from ₹10,00,000 consisting of 1,00,000 Equity shares of ₹10.00 each to ₹10,35,00,000 consisting of 1,03,50,000 Equity shares of ₹10.00 each.	January 31, 2022	EGM
Change in name to 'Durgadevi Raiment Limited'	March 23, 2022	EGM

#### **Changes in the Management**

There has been no change in the management of our Company since incorporation.

### **Defaults or rescheduling of borrowings from financial institutions/ banks and conversion of loans into equity**

No defaults have been called by any financial institution or bank in relation to borrowings from financial institutions or banks. For details of our financing arrangements, please refer “*Financial Indebtedness*” on page 142. Further, except as stated in the section “*Capital Structure*” beginning on page 45, none of our loans have been rescheduled or been converted into Equity Shares.

### **Lock outs and strikes**

There have been no lock outs or strikes at any of the units of our Company.

### **Time and cost overruns**

Our Company has not implemented any projects and has not, therefore, experienced any time or cost overrun in relation thereto.

### **Details regarding acquisition of business/undertakings, mergers, amalgamations, and revaluation of assets**

Our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation, or revaluation of assets.

### **Holding Company of our Company**

As of the date of the Draft Prospectus, our Company does not have any holding, Company.

### **Subsidiary of our Company**

As of the date of the Draft Prospectus, our Company does not have a subsidiary company.

### **Collaboration Agreements**

As on the date of the Draft Prospectus, our Company is not a party to any collaboration agreements.

### **Shareholders’ Agreements**

As on the date of the Draft Prospectus, our Company has not entered into any shareholders’ agreements.

### **Material Agreements**

We have not entered into any material contract, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by us or contract entered into more than two years before the filing of the Draft Prospectus.

*We confirm that there are no other agreements/arrangements and clauses / covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.*

### **Number of Shareholders**

Our Company has 8 (eight) shareholders on date of the Draft Prospectus.

## OUR MANAGEMENT

### Board of Directors

Under our Articles of Association, we are required to have not less than three directors and not more than 15 Directors. As on the date of this Draft Prospectus, we have 6 Directors on our Board.

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

Name, Designation, Address, Date of Birth, Age, Occupation, Term, Period of Directorship and DIN	Other Directorships
<p><b>Vivek Kumar Kajalia</b></p> <p><i>Designation: Managing Director</i></p> <p><i>Address: Mangalam Park Block A4, Flat 206, 14, Ho Chi Minh Sarani, Behala Chowrasta, Behala, Kolkata – 700034, West Bengal, India</i></p> <p><i>Date of Birth: January 11, 1980</i></p> <p><i>Age: 44 years</i></p> <p><i>Occupation: Business</i></p> <p><i>Term: Appointed as Managing Director w.e.f. August 27, 2022 for a period of Five years i.e. till August 26, 2027 and liable to retire by rotation.</i></p> <p><i>Period of Directorship: Director since incorporation</i></p> <p><i>DIN: 07573794</i></p>	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
<p><b>Neha Kajalia</b></p> <p><i>Designation: Executive Director</i></p> <p><i>Address: Green Field City, Block 6, 9<sup>th</sup> Floor, Flat 9 C, Jote Shibrampur, South 24 Parganas – 700141, West Bengal, India.</i></p> <p><i>Date of Birth: March 20, 1986</i></p> <p><i>Age: 38 years</i></p> <p><i>Occupation: Business</i></p> <p><i>Term: Director w.e.f. December 29, 2016, liable to retire by rotation.</i></p> <p><i>Period of Directorship: Director since incorporation.</i></p> <p><i>DIN: 07664130</i></p>	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
<p><b>Priti Kajalia</b></p> <p><i>Designation: Executive Director</i></p> <p><i>Address: Green Field City, Block 6, 9<sup>th</sup> Floor, Flat 9 C, Jote Shibrampur, South 24 Parganas – 700141, West Bengal, India</i></p> <p><i>Date of Birth: April 11, 1984</i></p>	<ul style="list-style-type: none"> <li>• Nil</li> </ul>



<p><i>Age:</i> 40 years</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> Director w.e.f. December 29, 2016, liable to retire by rotation</p> <p><i>Period of Directorship:</i> Director since incorporation</p> <p><i>DIN:</i> 07664002</p>	
<p><b>Suresh Singh Balwant Singh Rao</b></p> <p><i>Designation:</i> Non-Executive and Independent Director</p> <p><i>Address:</i> 7, Mata Prasad Chawl, Khotwadi, Firoz Shah Mehta Road, Behind Hanuman Temple, Mumbai – 400054, Maharashtra, India</p> <p><i>Date of Birth:</i> January 22, 1975</p> <p><i>Age:</i> 49 years</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> Appointed as Non-Executive Independent Director for a period of Five years and is not liable to retire by rotation</p> <p><i>Period of Directorship:</i> Director since August 16, 2024</p> <p><i>DIN:</i> 09415899</p>	<ul style="list-style-type: none"> <li>• Silver Pearl Hospitality &amp; Luxury Spaces Limited</li> </ul>
<p><b>Jagannath Jadhav</b></p> <p><i>Designation:</i> Non-Executive and Independent Director</p> <p><i>Address:</i> 406, 4<sup>th</sup> Floor, St. Anthony CHS Ltd, Bhawani Shankar Road, Sharda Ashram School, Dadar, Mumbai – 400028, Maharashtra, India</p> <p><i>Date of Birth:</i> June 16, 1976</p> <p><i>Age:</i> 48 years</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> Appointed as Non-Executive Independent Director for a period of Five years and is not liable to retire by rotation</p> <p><i>Period of Directorship:</i> Director since August 16, 2024</p> <p><i>DIN:</i> 10712437</p>	<ul style="list-style-type: none"> <li>• Vaishno Cement Company Limited</li> </ul>
<p><b>Debjyoti Ghosh</b></p> <p><i>Designation:</i> Non-Executive and Independent Director</p> <p><i>Address:</i> 37A, Panchanantala Road, Nona Chandanpukur, Barrackpore, Kolkata 700122, 24 Pgs (N), West Bengal, India</p> <p><i>Date of Birth:</i> November 28, 1996</p> <p><i>Age:</i> 27 years</p>	<ul style="list-style-type: none"> <li>• Nil</li> </ul>

<p><i>Occupation:</i> Service</p> <p><i>Term:</i> Appointed as additional director w.e.f. September 18, 2024 and is not liable to retire by rotation</p> <p><i>Period of Directorship:</i> Appointed as additional director w.e.f. September 18, 2024.</p> <p><i>DIN:</i> 10773410</p>	
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### Relationship between our Directors

- Vivek Kumar Kajalia – Spouse of Preeti Kajalia.
- Priti Kajalia – Spouse of Vivek Kumar Kajalia
- Neha Kajalia – Sister-in-Law of Preeti Kajalia and Vivek Kumar Kajalia

### Brief Profile of our Directors

**Vivek Kumar Kajalia**, aged 44 years is the founding Promoter and Managing Director of Our Company. He is an under graduate. He has around 10 years of experience in the field of textiles including garmenting Industry. He is currently responsible for formulating business strategies and oversight of day-to-day functioning of our Company.

**Neha Kajalia**, aged 38 years is the Non-Executive Director of our Company. She has completed her Bachelor’s Degree of Commerce from University of Calcutta in the year 2008. She possesses 7 years of experience in the field of textile industry. She is responsible for decision making as part of Board of Directors.

**Priti Kajalia**, aged 36 years, is the Executive Director of the Company. She has completed her degree of Bachelor’s of Science from University of Calcutta. She is having 7 years of experience in the field of textile trading and marketing. She is responsible for executing marketing strategies of our Company to achieve the revenue targets.

**Suresh Singh Balwant Singh Rao** aged 49 years, is the Non-Executive Independent Director of the Company. He has completed his Second Year B.Com. from Mumbai University. He also completed his vocational training in computers and there after he started his own coaching institute. He is having over 20 years of experience in the field of computer training.

**Jagannath Jadhav** aged 48 years, is the Non-Executive Independent Director of the Company. He is an under graduate. He is having over 10 years of experience in the field of construction and transport.

**Debjyoti Ghosh** aged 27 years, is the Non-Executive Independent Director of the Company. He has completed his Bachelor’s degree in Commerce from West Bengal State University. He is having over 5 years of experience in the field of accounts.

### Further Confirmations:

- There are no arrangements or understanding with major shareholders, customers, suppliers, or others, pursuant to which any of the Directors were selected as a director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is declared as wilful defaulters by the RBI or any bank or financial institution or consortium thereof.
- None of our Promoters or Directors of our Company are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.
- None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.
- No proceedings/ investigations have been initiated by SEBI against any company, the board of directors of which also comprises any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

#### Compensation of our Directors

#### Terms and conditions of employment of our Managing Director

The compensation package payable to the Managing Director for as resolved in the EGM dated August 27, 2022 is stated hereunder:

Name	Designation	Maximum limit of Remuneration / Compensation (including other benefits)
Vivek Kumar Kajalia	Managing Director	<p>Mr. Vivek Kumar Kajalia is entitle to receive a monthly remuneration upto Rs. 1,00,000/- with such increments as the Board may decide from time to time, subject however to a ceiling of Rs.5,00,000/-(Rupees Five Lakhs only) per month (Inclusive of following perquisites)</p> <p>a) Companies Contribution to Provident Fund;                      b) Gratuity as per rules of the Company;                      c) Provision for use of Company Car and driver for official duties;                      d) Business Travel Expenses in India or Abroad.                      e) Rent free accommodation / Re-imburement of house rent.                      f) Electricity and Telephone charges as per bill of his residence;                      g) Reimbursement of medical expenses incurred for self and family.                      h) Payment of Club fees/admission fees for two clubs.</p>

**Vivek Kumar Kajalia** was appointed as Managing Director of our Company *vide* EGM dated August 27, 2022, for a period of five years commencing from 27th August, 2022 till 26th August, 2027.

The remuneration / Compensation (including other benefits) paid to our Executive Director by our company / subsidiary Companies/ associate Companies, for financial year ended March 31, 2024 is as follows:

(₹ in lakhs)

Sr. No.	Name of Director	Remuneration / Compensation paid
1.	Priti Kajalia	1.80

#### Remuneration details of our Non-Executive and Independent Directors

No remuneration or compensation is paid to our non-executive Directors or Independent Directors.

### Bonus or Profit-Sharing Plan of the Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

### Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares. As on date of the Draft Prospectus, our Directors hold the following number of Equity Shares of our Company:

Name of Directors	Number of Equity Shares Held (Pre-Issue)	Percentage of pre-Issue capital
Vivek Kumar Kajalia	11,76,000	18.85%
Priti Kajalia	9,12,000	14.62%
Neha Kajalia	9,12,000	14.62%

### Interest of Directors

- Our Non-Executive Non-Independent Directors and Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and Committees thereof and reimbursement of expenses available to them and commission payable to them as approved by our Board. All our Executive Directors may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to them.
- Our Promoters may be deemed to be interested in the promotion or formation of our Company. Our Directors may also be regarded as interested in the Equity Shares held by them, if any (together with dividends and any other distributions in respect of such Equity Shares).
- Further, none of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.
- No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.
- Except as disclosed in “Financial Statements” beginning on page 110 and as disclosed in this section, none of our Directors have any interest in our business.
- Further, except as disclosed in “Financial Statements” beginning on page 110, no loans have been availed by our Directors from our Company.

### Changes in our Board during the Last Three Years

Except as disclosed below, there have been no changes in our Board during the last three years:

Name of Director	Date of change	Reason
Debjyoti Ghosh	September 18, 2024	Appointed as Additional Independent Director
Jagannath Jadhav	August 16, 2024	Appointed as Additional Independent Director
Suresh Singh Balwant Singh Rao	August 16, 2024	Appointed as Additional Independent Director
Alok Kumar Das	August 25, 2023	Appointed as Additional Independent Director
Swati Saraf	August 11, 2023	Resignation
Vicky Churiwala	August 11, 2023	Resignation
Piyush Saraf	August 11, 2023	Appointed as Additional Independent Director
Vicky Churiwala	September 30, 2022	Re-designation as Independent Director
Swati Saraf	September 30, 2022	Re-designation as Independent Director
Bikash Kansabanik	September 30, 2022	Re-designation as Independent Director
Vicky Churiwala	September 7, 2022	Appointed as Additional Independent Director
Swati Saraf	September 7, 2022	Appointed as Additional Independent Director
Bikash Kansabanik	September 7, 2022	Appointed as Additional Independent Director

Name of Director	Date of change	Reason
Vivek Kumar Kajalia	August 27, 2022	Redesignated as Managing Director
Vivek Kumar Kajalia	January 31, 2022	Appointed as Executive Director
Vivek Kumar Kajalia	January 9, 2022	Appointed as additional Director

### Borrowing Powers of our Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by our shareholders at their meeting held on August 27, 2022, our shareholders have authorized our Board to borrow any sum of money from time to time notwithstanding that the sum or sums so borrowed together with the monies, if any, already borrowed by the company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceed the paid up capital and free reserves of the Company provided such amount does not exceed ₹50,00,00,000 (Rupees Fifty Crores Only) in excess of its paid up capital and free reserves which may have not been set apart for any purpose.

### Corporate Governance

The provisions of the SEBI (LODR) Regulations with respect to corporate governance will also be applicable to our Company immediately upon the listing of our Equity Shares with the Stock Exchange. Our Company is in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, the SEBI (ICDR) Regulations and the Companies Act, 2013 in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, to the extent applicable. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act and the SEBI (LODR) Regulations, to the extent applicable our Board of Directors consists of 4 (four) Directors (including one woman Director) of which three are non-executive Independent Directors which is in compliance with the requirements of Regulation 17 of SEBI (LODR) Regulations.

### Committees of our Board

Our Board has constituted the following committees including those for compliance with corporate governance requirements:

a. *Audit Committee*

Our Audit Committee was constituted pursuant to a resolution of our Board dated September 18, 2024. The Audit Committee comprises:

Name of Director	Status in Committee	Nature of Directorship
Debjyoti Ghosh	Chairman	Independent Director
Jagannath Jadhav	Member	Independent Director
Suresh Singh Balwant Singh Rao	Member	Independent Director

The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

Set forth below are the scope, functions, and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations.

A. *Powers of Audit Committee*

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise if it considers necessary.

B. *Role of Audit Committee*

The role of the Audit Committee shall include the following:

- Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Modified opinion(s) in the draft audit report.
- Reviewing, the quarterly financial statements with the management before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of our Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of our Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the commencement of the audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 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;
- To establish and review the functioning of the whistle blower mechanism;
- Approval of appointment of the 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;
- Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI (LODR) Regulations or by any other regulatory authority; and
- Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters / letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (LODR) Regulations; (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (LODR) Regulations.

As required under Regulation 18 of the SEBI (LODR) Regulations, the Audit Committee shall meet at least four times in a year, and not more than four months shall elapse between two meetings. The quorum shall be two members present, or

one-third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

**b. Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated September 18, 2024. The Stakeholders' Relationship Committee comprises:

<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Suresh Singh Balwant Singh Rao	Chairman	Independent Director
Jagannath Jadhav	Member	Independent Director
Debjyoti Ghosh	Member	Independent Director

The Company Secretary of the Company shall act as the Secretary of the Stakeholders' Relationship Committee.

Set forth below are the terms of reference of our Stakeholders' Relationship Committee.

- To look into the redressal of grievances of shareholders, debenture holders and other security holders;
- To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares;
- To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
- To carry out any other function as prescribed under the SEBI (LODR) Regulations as and when amended from time to time.

**c. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted by our Board on September 18, 2024. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations. The Nomination and Remuneration Committee include the following:

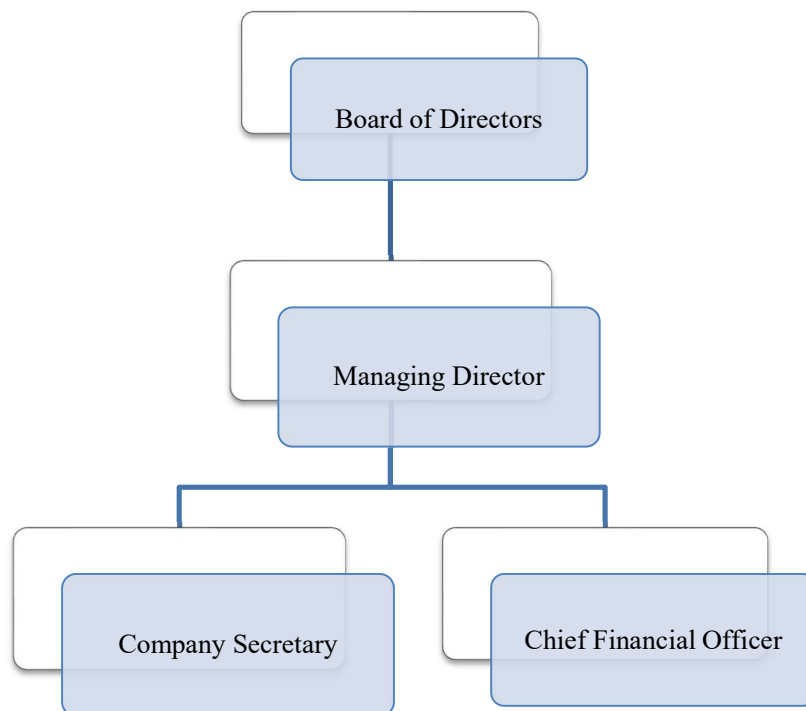
<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Suresh Singh Balwant Singh Rao	Chairman	Independent Director
Jagannath Jadhav	Member	Independent Director
Debjyoti Ghosh	Member	Independent Director

The Company Secretary of the Company shall act as the Secretary of the Nomination and Remuneration Committee.

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Set forth below are the terms of reference of our Nomination and Remuneration Committee.

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel, and other employees. The Nomination and Remuneration Committee shall, while formulating such policy ensure that (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the 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 the company and its goals;
- Devising a policy on diversity of board of directors;
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

## ORGANIZATION STRUCTURE



## OUR KEY MANAGERIAL PERSONNEL

Set forth below are the details of our key managerial personnel in addition to our Managing Director, Whole-time Director as on the date of the Draft Prospectus. For details of our Managing Director, Whole-time Director please refer “*Our Management*” on page 92.

**Loknath Chakraborty**, aged 42 years, is the Chief Financial Officer of our Company. He has completed his bachelors in commerce from University of Calcutta. He has experience of over 10 years in accounts and finance including banking. He has been associated with our Company as the Chief Financial Officer with effect from May 30, 2022. The remuneration paid to him during fiscal ended March 31, 2024 was ₹1.50 lakhs.

**Nikita Agarwal**, aged 32 years, is the Company Secretary & Compliance Officer of our Company. She is a qualified Company Secretary. She has professional experience of approximately over 5 years in the field of Company Law and secretarial compliances. She has been associated with our Company since May 30, 2022. The remuneration paid to her during fiscal ended March 31, 2024 was ₹1.80 lakhs.

### Shareholding of KMP

None of the above mentioned key managerial personnel hold any Equity Shares in our Company. For details of shareholding of our directors and key managerial personnel, please refer “*Capital Structure*” on page 45.

### Status of Key Managerial Personnel

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

### Nature of family relationship

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

### Arrangements and Understanding with Major Shareholders



None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers, or others. For more information, refer “*History and Certain Other Corporate Matters*” on page 89.

#### **Bonus or Profit-Sharing Plan for our Key Managerial Personnel**

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

#### **Loans to Key Managerial Personnel**

There is no loan outstanding against any of the key managerial personnel as on date of this Draft Prospectus.

#### **Interest of Key Managerial Personnel**

Except as disclosed in “*Interest of Directors*” on page 96 in respect of Directors, no other Key Managerial Personnel of our Company has any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel, even if the compensation is payable at a later date.

Further, the Key Managerial Personnel may be regarded as interested in the Equity Shares held by them, if any, (together with dividends and any other distributions in respect of such Equity Shares). No loans have been availed by our Key Managerial Personnel from our Company.

#### **Employees Stock Option Scheme**

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

#### **Payment or Benefit to officers of our Company**

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our Company’s employees including the Key Management Personnel within the two years preceding the date of filing of this Draft Prospectus, except for the payment of remuneration or commission for services rendered as an officer of our Company.

#### **Changes in our Company’s Key Managerial Personnel during the last three years**

Except as disclosed below, there have been no changes in our Key Managerial Personnel during the last three years

<b>Name of Employee</b>	<b>Date of appointment</b>	<b>Date of cessation</b>	<b>Reason</b>
Loknath Chakrabortty	May 30, 2022	-	Appointed as CFO
Nikita Agrawal	May 30, 2022	-	Appointed as company Secretary and Compliance Officer

## OUR PROMOTERS AND PROMOTER GROUP

### **Individual Promoter:**

1. Vivek Kumar Kajalia
2. Priti Kajalia
3. Neha Kajalia

### **Details of our Promoters**



**Vivek Kumar Kajalia**, aged 44 years is the founding Promoter and Managing Director of Our Company. He is an under graduate. He has around 7 years of rich experience in the field of textiles including garmenting Industry. He is currently responsible for formulating business strategies and oversight of day-to-day functioning of our Company.

For a complete profile of Vivek Kumar Kajalia, and other directorships, please refer “*Our Management*” on page 92.

**Address:** Mangalam Park Block A4, Flat 206, 14, Ho Chi Minh Sarani, Behala Chowrasta, Behala, Kolkata – 700034, West Bengal, India

As on date of the Draft Prospectus, Vivek Kumar Kajalia holds 11,76,000 Equity Shares representing 18.85% of the pre-issue paid-up share capital of our Company.



**Priti Kajalia**, aged 36 years, is the Executive Director of the Company. She has completed her degree of Bachelor’s of Science from University of Calcutta. She is having 7 years of experience in the field of textile trading and marketing. She is responsible for executing marketing strategies of our Company to achieve the revenue targets.

For a complete profile of Priti Kajalia, and other directorships, please refer “*Our Management*” on page 92.

**Address:** Green Field City, Block 6, 9<sup>th</sup> Floor, Flat 9 C, Jote Shibrampur, South 24 Parganas – 700141, West Bengal, India

As on date of the Draft Prospectus, Priti Kajalia holds 9,12,000 Equity Shares representing 14.62% of the pre-issue paid-up share capital of our Company.



**Neha Kajalia**, aged 38 years is the Non-Executive Director of our Company. She has completed her Bachelor’s Degree of Commerce from University of Calcutta in the year 2008. She possesses 7 years of experience in the field of textile industry. She is responsible for decision making as part of Board of Directors.

For a complete profile of Neha Kajalia, and other directorships, please refer “*Our Management*” on page 92.

**Address:** Green Field City, Block 6, 9<sup>th</sup> Floor, Flat 9 C, Jote Shibrampur, South 24 Parganas – 700141, West Bengal, India

As on date of the Draft Prospectus, Neha Kajalia holds 9,12,000 Equity Shares representing 14.62% of the pre-issue paid-up share capital of our Company.

**Declaration:** We confirm that the PAN, bank account number and passport number of our Promoter will be submitted to BSE on whose SME Platform the Equity Shares are proposed to be listed, at the time of filing the Draft Prospectus.

### Interest of our Promoters

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) of their shareholding and the shareholding of relatives in our Company and the dividend payable, if any and other distributions in respect of the Equity Shares held by them or the relatives; (iii) of being Managing Director and Key Management Personnel of our Company and the remuneration, sitting fees and reimbursement of expenses payable by our Company to him; (iv) that he has mortgaged his personal properties and provided personal guarantees for the loans availed by our Company; (v) of being a subscriber to the Memorandum of Association of our Company; (vi) of his relatives having been appointed to places of profit in our Company; and (vii) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoter hold shares. For details regarding the shareholding of our Promoter in our Company, please refer “*Capital Structure*”, “*Our Management*” and “*Related Party Transactions*” on pages 45, 92 and 128, respectively.

Other than as mentioned below, our Promoters do not have any interest in any property acquired by our Company within two years of the date of this Draft Prospectus or proposed to be acquired by it or in any transaction in acquisition of land and construction of building etc. Further, our Promoter do not have any interest in any supply of machinery to our Company.

Other than as disclosed in the section “*Related Party Transaction as Restated*” on page 128, there are no sales/purchases between our Company and our Promoter and Promoter Group and Group Companies where such sales or purchases exceeding in value in the aggregate 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoter, our Promoter Group and Group Entities as on the date of the last audited financial statements. We have entered into sales and purchase transactions with our related parties, i.e. related group entities in last three financial years. The details of transactions are as under:

(Rs. Lakhs)				
Name of the transacting related party	Nature of transactions	March 31, 2024	March 31, 2023	March 31, 2022
Durga Textile (Vivek Kajalia – proprietorship)	Sales	-	-	138.60
Arun Textile (Vivek Kajalia – proprietorship)	Purchase	6.87	957.44	604.13

Our Promoters may also be deemed to be interested in our Company to the extent of the personal guarantees given by them for the loans availed by our Company. For further details, please see the chapter titled “*Financial Indebtedness*” beginning on page 142 of this Draft Prospectus.

Our Promoters are not members of any firm or company having any interest in the Company for which any sums are paid or agreed to be paid to either of our Promoters or to the firm or company in cash or shares or otherwise by any person either to induce our Promoters to become, or to qualify our Promoters as, a director, or otherwise for services rendered by our Promoters or by the firm or company, in connection with the promotion or formation of the Company.

### Change in the management and control of our Company

There has been no change in the management and control of our Company since incorporation.

### Group Company

For details of our group entities, please refer “*Our Group Entities*” on page 105 of the Draft Prospectus.

### Payment of Benefit to Promoters

Except as stated above in “*Interest of Promoters*” and in “*Financial Statements- Note 24 –Related Party Transactions*” on pages 103 and 128 of the Draft Prospectus, there has been no payment of benefits to our Promoters, members of our Promoter Group and Group Entities, during the two years preceding the filing of the Draft Prospectus.

### Material Guarantees

Our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares, as on the date of this Draft Prospectus.

### Common Pursuits

Our Promoter Group Entities namely, Arun Textiles, (Proprietor, Vivek Kumar Kajalia) and Durga Textiles, (Proprietor, Vivek Kumar Kajalia) are engaged in business similar to our Company. We have not entered into any non-compete

agreement with the said entities. We cannot assure that our Promoter/ Promoter Group who has common interest in said entities will not favour the interest of the said entity. As a result, conflicts of interests can arise on account of common suppliers/ customers and in allocating business opportunities amongst our Company and our Promoter Group entity in circumstances where our respective interests diverge.

### **Litigation**

For details relating to legal proceedings involving the Promoters, please refer ‘*Outstanding Litigations and Material Developments*’ on page 143 of the Draft Prospectus.

### **Other Confirmations**

Our Promoters and their relatives have not been declared as Wilful Defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters or Directors are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of the Promoters, Promoter Group entities or Group Companies have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Offer against our Promoters, except as disclosed under the chapter titled “Outstanding Litigation and Material Developments” beginning on page 143 of this Draft Prospectus.

Except as disclosed in “*Related Party Transactions*” on page 128, our Promoters are not related to any of the sundry debtors or beneficiaries of loans and advances of our Company.

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

### **Guarantees**

Our Promoters have not given any guarantee to any third party as of the date of the Draft Prospectus.

### **Companies with which our Promoters have disassociated in the last three years**

Our Promoters have not disassociated themselves as a promoter(s) from any Company in three years preceding the date of the Draft Prospectus.

## OUR PROMOTER GROUP

In addition to the Promoters named above, the following individuals and entities form part of the Promoter Group:

### A. Individuals forming part of Promoter Group:

Relationship	Vivek Kumar Kajalia	Priti Kajalia	Neha Kajalia
Father	Lt. Arun Kumar Kajalia	Ramakant Bajaj	Birendra Kumar Agaewal
Mother	Late Bina Devi Kajalia	Navita Bajaj	Rekha Agarwal
Spouse	Priti Kajalia	Vivek Kumar Kajalia	Vikash Agarwal
Brother	Vikash Kajalia	Avinash Bajaj	Vineet Agarwal
Sister	Vinita Agarwal	Ritu Lohia Dipti Churiwala Swati Saraf	Megha Desai
Son	Devansh Kajalia	Devansh Kajalia	Sanvi Kajalia
Daughter	--	--	Manvi Kajalia
Spouse's Father	Ramakant Bajaj	Lt. Arun Kumar Kajalia	Lt. Arun Kumar Kajalia
Spouse's Mother	Navita Bajaj	Late Bina Devi Kajalia	Late Bina Devi Kajalia
Spouse's Brother	Avinash Bajaj	Vikash Kajalia	Vivek Kumar Kajalia
Spouse's Sister	Ritu Lohia Dipti Churiwala Swati Saraf	Vinita Agarwal	Vinita Agarwal

### B. Entities forming part of Promoter Group:

#### *Companies*

Nil

#### *LLPs*

Nil

#### *Partnership Firms*

Nil

#### *H.U.F.*

Nil

#### *Proprietary concern*

Arun Textiles, (Proprietor, Vivek Kumar Kajalia)  
Durga Textiles, (Proprietor, Vivek Kumar Kajalia)

#### *Other Persons forming part of Promoter Group*

Nil

## OUR GROUP ENTITIES

As per the requirements of SEBI (ICDR) Regulations, for the purpose of identification of ‘Group Companies’, our Company considered companies as covered under the applicable accounting standards, being AS 18 (as mentioned in our restated financial statements), or other companies as considered material by our Board.

Accordingly, our Board has identified following entities as our Group Companies, and other than these entities, there are no companies which are considered material by the Board to be identified as group companies. Set forth below are details of our Group Companies as on the date of this Draft Prospectus.

### 1. Arun Textiles

Arun Textiles is the proprietorship concern of Vivek Kumar Kajalia. The office of the proprietorship is located at C6-12/ New Kumar Para, Maheshtala, Kolkata – 700141, West Bengal, India.

#### *Nature of activities*

Arun Textiles is engaged in the business of trading of Textiles.

#### *Financial Information*

In accordance with SEBI ICDR Regulations, the financial information derived from the audited financial statements of Arun Textiles for last three financial years are available on the website, www.ddrl.in.

### 2. Durga Textiles

Durga Textiles is the proprietorship concern of Vivek Kumar Kajalia. The office of the proprietorship is located at C6-12/ New Kumar Para, Maheshtala, Kolkata – 700141, West Bengal, India.

#### *Nature of activities*

Durga Textiles is engaged in the business of trading of Textiles.

#### *Financial Information*

In accordance with SEBI ICDR Regulations, the financial information derived from the audited financial statements of Durga Textiles for last three financial years are available on the website, www.ddrl.in.

#### **Litigation**

There is no outstanding litigation involving our Group Companies which have a material impact on our Company.

#### **Group Companies under the Insolvency and Bankruptcy Code, 2016**

Neither has any winding up petition been filed under the Companies Act, 2013 against any group company nor has any corporate insolvency resolution process commenced against such group company under the Insolvency and Bankruptcy Code, 2016 or any other applicable law.

#### **Defunct Group Companies**

None of our Group Companies are defunct companies, nor has any application been made to strike off their names from the register of companies during the five years preceding the date of filing the Draft Prospectus.

#### **Related Party Transactions and sales and purchases between our Company and Group Entities**

For details of related party transactions entered into by our Company, refer “*Related Party Transactions*” on page 128.

### Common Pursuits

There are no common pursuits amongst any of our Group Companies and our Company.

### Interest of Group Entities

- a) None of the Group Companies have any interest in the promotion of our Company.
- (b) None of the Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the preceding three years.
- (c) Except as disclosed in “*Financial Statements*” beginning on page 110, none of the Group Companies is interested in any transactions for acquisition of land, construction of building or supply of machinery.
- (d) Except in the ordinary course of business as disclosed in “*Financial Statements*” beginning on page 110, none of the Group Companies have any business interest or other interests in our Company.

We have entered into sales and purchase transactions with our related parties, i.e. related group entities in last three financial years. The details of transactions are as under:

(Rs. Lakhs)				
Name of the transacting related party	Nature of transactions	March 31, 2024	March 31, 2023	March 31, 2022
Durga Textile (Vivek Kajalia – proprietorship)	Sales	-	-	138.60
Arun Textile (Vivek Kajalia – proprietorship)	Purchase	6.87	957.44	604.13

### Payment or Benefit to our Group Entities

Except as stated in the “*Related Party Transactions*” on page 128, there has been no payment of benefits to our Group Entities during the two years prior to the filing of this Draft Prospectus.

### Other Confirmations

As on the date of this Draft Prospectus, none of the Group Entities: (i) are listed on any stock exchange; (ii) have completed any public or rights issue since the date of its incorporation; (iii) has received any winding up petition accepted by a court; (iv) have become defunct; (v) have made an application to the relevant registrar of companies (in India), for striking off its name (vi) have been identified as wilful defaulters, as defined under the SEBI (ICDR) Regulations and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them (vii) have been refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad (viii) had negative net worth as of the date of their last audited financial statements.

## **RELATED PARTY TRANSACTIONS**

For details of related party transactions of our Company as per the requirements under Accounting Standard 18 “*Related Party Disclosures*” issued by the Institute of Chartered Accountants of India and as reported in the Restated Financial Statements, please refer “*Statement of Related Parties & Transactions*” on page 128.



## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions, and overall financial position of our Company. Our Company has not declared any dividend in last three financial years.

Our Company has no formal dividend policy. Our Board may also, from time to time and in accordance with applicable laws, pay interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared.

**SECTION VI – FINANCIAL INFORMATION  
FINANCIAL STATEMENTS**

**RESTATED FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR’S REPORT**

**INDEPENDENT AUDITOR’S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION OF  
DURGADEVI RAIMENT LIMITED**

Auditor’s Report on the Restated Statement of Assets and Liabilities as on March 31, 2024, March 31, 2023 and March 31, 2022, Statement of Profit & Loss and Cash Flow for the financial years ending on March 31, 2024, 2023 and 2022 of Durgadevi Raiment Limited.

To,  
The Board of Directors,  
**Durgadevi Raiment Limited**  
CIN: - U74999WB2016PLC218784  
A5, Calcutta Land Premises No. E3-509  
New Shibarampur Road, Kolkata,  
West Bengal 700141.

Dear Sirs,

- 1) We have examined the attached Restated Summary Statements and Other Financial Information of DURGADEVI RAIMENT LIMITED, for the financial period ended March 31, 2024, March 31, 2023 and March 31, 2022 (collectively referred to as the “Restated Summary Statements” or “Restated Financial Statements”) as duly approved by the Board of Directors of the Company.
- 2) The said Restated Financial Statements and other Financial Information have been examined and prepared for the purpose of inclusion in the Draft Prospectus/Prospectus (collectively hereinafter referred to as “Offer Document”) in connection with the proposed Initial Public Offering (IPO) on SME Platform of BSE Limited (“BSE SME”) of the company taking into consideration the followings and in accordance with the following requirements of:
  - Section 26 and 32 of Part I of Chapter III to the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014, as amended from time to time;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations), 2018 (the ‘SEBI ICDR Regulations’) as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992;
  - The Guidance Note on Reports in Company Draft Prospectus / Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“ICAI”) (“Guidance Note”);
  - The applicable regulation of SEBI (ICDR) Regulations, 2018, as amended, and as per Schedule VI (Part A) (11) (II) of the said Regulations; and
  - The terms of reference to our engagement letter with the company dated June 01, 2024 requesting us to carry out the assignment, in connection with the proposed Initial Public Offering of equity shares on SME Platform of BSE Limited (“BSE SME”) (“IPO” or “SME IPO”).
- 3) These Restated Financial Information (included in Annexure I to IV) have been extracted by the Management of the Company from:

The Company’s Financial Statements for the financial period ended March 31, 2024, 2023 and 2022 which have been approved by the Board of Directors at their meeting respectively and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Statements, are the responsibility of the Company’s Management. The Financial Statement of the Company for the financial period ended March 31, 2024 and March 31, 2023 has been audited by us being the Statutory Auditors of the Company and of the financial year ended March 31, 2022 has been audited by M/S. NITHIN GAMI & ASSOCIATES, Chartered Accountants and had issued unqualified reports for these years.

- 4) In accordance with the requirement of Section 26 and 32 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:
- (a) The Restated Statement of Assets and Liabilities for the financial years ended on March 31, 2024, 2023 and 2022 examined by us, as set out in Annexure I to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings of the financial statements, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.
  - (b) The Restated Statement of Profit and Loss of the Company for the financial years ended on March 31, 2024, 2023 and 2022 examined by us, as set out in Annexure II to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss, have been arrived at after making such adjustments and regroupings of the financial statements, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.
  - (c) The Restated Statement of Cash Flows of the Company for the financial years ended on March 31, 2024, 2023 and 2022, examined by us, as set out in Annexure III to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flows, have been arrived at after making such adjustments and regroupings of the financial statements, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.

As a result of these adjustments, the amounts reporting in the above-mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

- 5) Based on the above, as per the reliance placed by us on the audited financial statements of the Company and report thereon given by the Statutory Auditor of the Company for the financial years ended on March 31, 2024, 2023 and 2022, and to the best of our information and according to the explanation given to us, we are of the opinion that Restated Financial Statement:
- (a) Have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policies for all the reporting periods based on the significant accounting policies adopted by the Company as at March 31, 2024.
  - (b) Have been made after incorporating adjustments for prior period and other material amounts, if any, in the respective financial years to which they relate to;
  - (c) Do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Financial Statement and do not contain any qualification requiring adjustments;
  - (d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial years ended March 31, 2024, 2023 and 2022 which would require adjustments in this Restated Financial Statements of the Company;
  - (e) Restated Summary Statement of Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in Annexure IV to this report;
  - (f) Adjustments in Restated Summary Statements have been made in accordance with the correct accounting

policies,

- (g) There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements;
- (h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
- 6) We have also examined the following other Restated Financial Information as set out in the respective Annexure’s to this report and forming part of the Restated Financial Statement, prepared by the management of the Company and approved by the Board of Directors of the company for the years ended on March 31, 2024, 2023 and 2022 proposed to be included in the Draft Red Hearing/Red Hearing/Prospectus (“Offer Document”) for the proposed IPO:
  - 1. Statement of Assets & Liabilities, as restated in Annexure I to this report.
  - 2. Statement of Profit & Loss, as restated in Annexure II to this report.
  - 3. Statement of Cash Flow, as restated in Annexure III to this report.
  - 4. Statement of Significant Accounting Policies & Notes on Financial Statement, as restated in Annexure IV to this report.
- 7) We, Maheshwari & Company, Chartered Accountants hold a valid peer review certificate issued by the “Peer Review Board” of the Institute of Chartered Accountants of India (“ICAI”).
- 8) The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
- 9) This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by Statutory Auditor, nor should this report be construed as an opinion on any of the Standalone Financial Information referred to herein.
- 10) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 11) In our opinion, the above Restated Financial Statements contained in Annexure I to III to this report read along with the ‘Significant Accounting Policies and Notes to the Financial Statements’ appearing in Annexure IV after making adjustments and regrouping/reclassification as considered appropriate and have been prepared in accordance with the provisions of Section 26 and 32 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.
- 12) Our report is intended solely for use of the Management and for inclusion in the offer documents in connection with the proposed SME IPO of equity shares of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

**For Maheshwari & Co.**  
**Chartered Accountants**  
**Firm’s Registration No.105834W**

**Pawan Gattani**  
**Partner**  
**Membership No. 144734**  
**UDIN: 24144734BKBIRJ4037**  
**Place: Mumbai**  
**Date: 06-09-2024**

<b>DURGADEVI RAIMENT LIMITED</b>		<b>Annexure I</b>		
<b>CIN: U74999WB2016PLC218784</b>				
<b>(All amounts in ₹ Lakhs, unless otherwise stated)</b>				
<b>Restated Statement of Assets &amp; Liabilities</b>				
<b>Particulars</b>	<b>Note No.</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>I - EQUITY &amp; LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share Capital	2	520.00	520.00	520.00
(b) Reserve & Surplus	3	132.24	53.27	18.00
<b>2 Non Current Liabilities</b>				
(a) Long Term Borrowings	4	1.47	11.50	17.78
(b) Deferred Tax Liabilities (Net)	5	0.04	0.30	0.53
<b>3 Current Liabilities</b>				
(a) Short- Term Borrowings	6	317.28	196.95	68.09
(b) <u>Trade Payables</u>	7			
(i) Due to Micro and Small Enterprises		-	-	-
(ii) Due to Other than Micro and Small Enterprises		582.15	243.43	176.89
(c) Short - Term Provisions	8	31.38	6.58	7.68
(d) Other Current Liabilities	9	13.42	1.63	0.12
	<b>TOTAL</b>	<b>1,597.98</b>	<b>1,033.66</b>	<b>809.08</b>
<b>II - ASSETS</b>				
<b>1 Non Current Assets</b>				
(a) Property, Plant & Equipment and Intangible Assets				
(i) Property, Plant & Equipment	10	34.93	8.64	11.18
(ii) Intangible Assets		-	-	-
(iii) Capital Work-In-Progress		-	-	-
(iv) Intangible assets under development		-	-	-
(b) Non Current Investment		-	-	-
(c) Deferred Tax Assets		-	-	-
(d) Long- Term Loans and Advances		-	-	-
(e) Other Non Current Assets		-	-	-
<b>2 Current Assets</b>				
(a) Current Investments		-	-	-
(b) Inventories	11	476.86	445.12	572.69
(c) Trade Receivable	12	1,049.89	561.36	193.95
(d) Cash & Cash Equivalents	13	6.48	0.26	1.54
(e) Short Term Loans and Advance	14	5.02	0.90	2.63

(f) Other Current Assets	15	24.80	17.38	27.09
	<b>TOTAL</b>	<b>1,597.98</b>	<b>1,033.66</b>	<b>809.08</b>

<p><b>The accompanying notes form an integral part of the restated financial statements.</b> As per our report of even date attached</p> <p><b>For Maheshwari &amp; Co.</b> Chartered Accountants (Firm Registration No.-105834W)</p> <p><b>CA Pawan Gattani</b> Partner M. No.- 144734</p> <p><b>Dated :- 06-09-2024</b> <b>Place :- Mumbai</b></p>	Annexure IV 1 to 25	
	<b>For and on behalf of Board of Directors of DURGADDEVI RAIMENT LIMITED</b>	
	<b>Priti Kajalia</b> Director DIN: 7664002	<b>Neha Kajalia</b> Director DIN: 7664130
	<b>Nikita Agarwal</b> (CS & Compliance Officer)	<b>Loknath Chakraborty</b> (Chief Financial Officer)
	<b>Pan No - ASWPG2030Q</b>	<b>Pan No- AFKPC3249N</b>
	<b>Dated :- 06-09-2024</b> <b>Place :- Kolkata</b>	

<b>DURGADEVI RAIMENT LIMITED</b>		<b>Annexure II</b>		
<b>CIN: U74999WB2016PLC218784</b>				
<b>(All amounts in ₹ Lakhs, unless otherwise stated)</b>				
<b>Restated Statement of Profit &amp; Loss</b>				
<b>Particulars</b>	<b>Note No.</b>	<b>For the Year Ended March 31, 2024</b>	<b>For the Year Ended March 31, 2023</b>	<b>For the Year Ended March 31, 2022</b>
<b>I. Revenue From Operations</b>	16 - A	2,579.30	1,403.97	773.15
<b>II. Other Income</b>	16 - B	-	-	-
<b>III. Total Income (I+II)</b>		<b>2,579.30</b>	<b>1,403.97</b>	<b>773.15</b>
<b>IV. Expenses:</b>				
Cost of Materials Consumed	17	515.40	675.33	841.23
Purchase Of Stock in Trade	18	1,983.34	215.49	322.46
Changes in Inventories of Stock in Trade- Yarn	19	(188.78)	393.75	(479.10)
Employee Benefit Expense	20	87.14	36.98	30.53
Financial Costs	21	26.05	14.52	4.20
Depreciation And Amortisation	10	6.31	3.36	4.56
Other Expenses	22	36.54	15.14	24.05
<b>Total Expenses</b>		<b>2,466.00</b>	<b>1,354.57</b>	<b>747.93</b>
<b>V. Profit/(Loss) before Tax</b>		113.30	49.40	25.22
<b>VI. Tax Expenses</b>				
<b>1 Current Tax</b>		34.59	14.35	7.69
<b>2 Deferred Tax</b>		0.26	0.22	0.47
<b>VII. Profit/(Loss) for the Period (V-VI)</b>		<b>78.97</b>	<b>35.27</b>	<b>17.07</b>
<b>VIII. Earnings Per Equity Share</b>				
<b>1 Basic</b>	23	1.52	0.68	0.33
<b>2 Diluted</b>	23	1.52	0.68	0.33

The accompanying notes form an integral part of the restated financial statements.

As per our report of even date attached

For Maheshwari & Co.

Chartered Accountants

(Firm Registration No.-105834W)

CA Pawan Gattani

Partner

M. No.- 144734

Annexure IV 1 to 25

For and on behalf of Board of Directors of  
DURGADEVI RAIMENT LIMITED

Priti Kajalia

Director

DIN: 7664002

Neha Kajalia

Director

DIN: 7664130

Nikita Agarwal

(CS & Compliance Officer)

Pan No - ASWPG2030Q

Loknath Chakrabortty

(Chief Financial Officer)

Pan No- AFKPC3249N

Dated :- 06-09-2024 Place :- Mumbai	Dated :- 06-09-2024 Place :- Kolkata
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<b>DURGADEVI RAIMENT LIMITED</b> <b>CIN: U74999WB2016PLC218784</b> <b>(All amounts in ₹ Lakhs, unless otherwise stated)</b> <b>Restated Statement of Cash Flow</b>	<b>Annexure III</b>
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Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit Before Tax	113.30	49.40	25.22
<u>Add / ((Less) Adjustment</u>			
Add: Financial Charges	26.05	14.52	4.20
Add: Depreciation	6.31	3.36	4.56
Less: Dividend Income	-	-	-
Other Inflows/ (Outflows) of Cash	-	-	-
Operating Profit before working capital changes	145.66	67.28	33.98
(Decrease)/ Increase in Trade Payables	338.72	66.54	129.40
(Increase)/ Decrease in Inventory	(31.74)	127.57	(502.55)
Decrease/( Increase) in Trade Receivable	(488.53)	(367.41)	(152.92)
Decrease/( Increase) in Other current Assets	(7.43)	9.71	-
Decrease/( Increase) in Short Term Loan & Advance	(4.12)	1.73	(2.63)
(Decrease)/ Increase in Other current Liabilities	11.79	1.51	(0.24)
(Decrease)/ Increase in short term provisions	0.60	-	-
Cash from operation	(35.05)	(93.07)	(494.96)
Less: Extra Ordinary Items	-	-	-
Less: (Tax Paid)/Refund	(10.40)	(15.45)	(25.64)
Net Cash Flow from Operating Activity	(45.45)	(108.52)	(520.60)
<b>Cash Flow from Investing Activity</b>			
Fixed Assets Purchased	(33.67)	0.82	-
(Increase)/ Decrease in Other Non Current Assets	1.08	-	(22.35)
(Increase)/ Decrease in Non Current Investment	-	-	-
Dividend Received	-	-	-
(Increase)/ Decrease in Long Term Advance	-	-	-
Net Cash Flow from Investing Activity	(32.59)	(0.82)	(22.35)
<b>Cash Flow from Financing Activity</b>			
Issue of Equity Shares	-	-	500.00
(Increase) / Decrease in Short Term Loan	-	-	29.23
Finance Cost	(26.05)	(14.52)	(4.20)
Increase / (Decrease) in Loan Liability	110.31	122.58	(16.44)
<b>Net cash from financing</b>	84.26	108.06	508.59
<b>Net Cash flow during the year</b>	6.22	(1.28)	(11.28)
Cash & Cash equivalent at the beginning of the year	0.26	1.54	12.83
Cash & Cash equivalent at the end of the year	<b>6.48</b>	<b>0.26</b>	<b>1.54</b>

The accompanying notes form an integral part of the restated financial statements. As per our report of even date attached For Maheshwari & Co. Chartered Accountants (Firm Registration No.-105834W) CA Pawan Gattani	Annexure IV 1 to 25 For and on behalf of Board of Directors of DURGADEVI RAIMENT LIMITED	
	Priti Kajalia, Director DIN: 7664002	Neha Kajalia, Director DIN: 7664130
	Nikita Agarwal	Loknath Chakraborty
	(CS & Compliance Officer)	(Chief Financial Officer)



Partner M. No.- 144734 Dated:- 06-09-2024 Place:- Mumbai	Pan No - ASWPG2030Q	Pan No- AFKPC3249N
	Dated :- 06-09-2024 Place :- Kolkata	

## DURGADEVI RAIMENT LIMITED

## Annexure IV

**CIN: U74999WB2016PLC218784**

**Notes to the restated financial statement including a summary of significant accounting policies and other explanatory information as at and for the year ended**

### 1.1 SIGNIFICANT ACCOUNTING POLICIES:

#### Company Overview

DURGADEVI RAIMENT LIMITED is a Limited Company, incorporated under the provisions of Companies Act, 2013 and having CIN: U74999WB2016PLC218784. The Company is mainly engaged in the business of Manufacturing and Trading of garment products. The Registered office of the Company is situated at A5, Calcutta Land Premises No. E3-509/New, Shibarampur Road Kolkata Kolkata, West Bengal-700141.

#### Basis of Preparation of Financial Statements:

"(a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company.

(b) The financial statements are prepared to comply in all material respects with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Companies Act, 2013.

(c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

"

#### 1.3 a) Use of Estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company's most significant estimates include those on the useful life of assets, deferred taxes and provision for taxes. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

#### 1.4 b) Current-Non-Current classification

##### "Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purposes of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the company's normal operating cycle;
- b. it is held primarily for the purposes of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**Current liabilities include the current portion of non-current financial liabilities.**

All other liabilities are classified as non-current.

**"c) Property, Plant and Equipment and Intangible**

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all incidental costs related to acquisition and installation, other pre-operative costs and interest on borrowed funds, if any, used to finance the acquisitions of fixed assets and is capitalized up to the date the assets are ready for commercial use.

Depreciation is provided over the estimated useful life of the assets using written down value method. The rates of depreciation used are those which have been calculated as per the method specified in Schedule II of the Companies Act, 2013. "

**d) Impairment of assets**

"The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the statement of profit and loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized."

**1.5 e) Revenue Recognition:**

Revenue/income are recognised generally when goods are supplied to customers and are recorded inc of Goods and service Tax

**1.6 f) Investments:**

Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, separately for each individual non-current investment. Investments that are readily realizable and are expected to be realized within twelve months after the reporting date are classified as "Current investments". All other investments are classified as "Non-current investments".

**1.7 g) Provision for Current and Deferred Tax:**

Current Tax: Provisions for Current Tax is made at the current rate of tax after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred Tax: Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

**1.8 h) Provision, Contingent Liabilities and Commitments:**

"(a) Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as result of past events and it is probable that there will be an outflow of resources.

(b) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

(c) A Contingent Assets are recognized when realisation of income is virtually certain."

## **1.9**

### **i) Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash and deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### **1.10 j) Inventories:**

#### **Inventories are valued after providing for obsolescence, as follows:**

"a) Raw Materials, Semi Finished goods Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on Weighted Average Cost basis.

b) Work-in-Progress is valued at raw material cost plus proportionate conversion cost.

Net realizable value is the estimated selling price in the ordinary resources of business, less estimated costs of completion and estimated costs necessary to make the sale, however due to the nature of the company the own manufactured goods are valued at a Retail Method basis on a consistent basis, however the Trading Goods are valued at the lower of Cost or Net Realisable Value."

### **k) Investments**

Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, separately for each individual non-current investment. Investments that are readily realizable and are expected to be realized within twelve months after the reporting date are classified as "Current investments". All other investments are classified as "Non-current investments".

### **1.11 Earnings per Share:**

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

### **1.12 Foreign Exchanges**

Foreign Currency Transaction are recorded at the Exchange rate prevailing on the date of transaction. Gains and (Loss) arising out of subsequent Fluctuation are accounted for an actual payment or realization Monetary items denominated in foreign currency as at the Balance Sheet date are converted at the exchange rates prevailing on that date. Exchange differences other than those relating to acquisition of fixed assets from a country outside India are recognized in the Profit and Loss Account, Exchange differences relating to acquisition of fixed assets from a country outside India are adjusted to carrying cost of fixed assets.

DURGADEVI RAIMENT LIMITED

Annexure IV

CIN: U74999WB2016PLC218784

Notes forming Part of Restated Financial Statement  
(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Amount in Rs	No of shares	Amount in Rs	No of shares	Amount	No of shares
<b>2 Share Capital</b>						
<b>Equity</b>						
<b>Authorised</b>						
10350000 Equity Shares of Rs 10.00 each	1,035.00	1,03,50,000	1,035.00	1,03,50,000	1,035.00	1,03,50,000
<b>Issued, Subscribed and Paid up</b>						
52,00,000 Equity Shares of Rs 10.00 each fully paid up in Cash	520.00	52,00,000	520.00	52,00,000.00	520.00	52,00,000

**2.1 Shareholders having more than 5% of holding**

	Name of the Shareholders	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
		No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
1	Priti Kajalia	7,60,000	15%	7,60,000	15%	7,60,000	15%
2	Neha Kajalia	7,60,000	15%	7,60,000	15%	7,60,000	15%
3	Vivek Kajalia	9,80,000	19%	9,80,000	19%	9,80,000	19%
4	Sharad Jajodia	8,00,000	15%	8,00,000	15%	8,00,000	15%
5	Bimla Saraogi	7,00,000	13%	7,00,000	13%	7,00,000	13%
6	Ajay Kumar Saraogi	5,00,000	10%	5,00,000	10%	5,00,000	10%
7	Amit Saraogi	7,00,000	13%	7,00,000	13%	7,00,000	13%
		<b>52,00,000</b>	<b>100%</b>	<b>52,00,000</b>	<b>100%</b>	<b>52,00,000</b>	<b>100%</b>

**2.2 Reconciliation of Shares**

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares
-						
Shares outstanding at the beginning of the year	520.00	52,00,000	520.00	52,00,000	520.00	1,00,000
Add: Issued during the year	-	-	-	-	-	51,00,000
Less: Buyback during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	520.00	52,00,000	520.00	52,00,000	520.00	52,00,000

**2.3 Right, Preference & restrictions attached to shares**

The Company has one class of equity shares having a par value of Rs 10/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive all the assets of the company in the proportion to their shareholding.

<b>2.4 Shareholding of Promoters as at March 31, 2024</b>				
S. No.	Promotor Name	No. of Shares	% of total shares	% Change during the year
1	Priti Kajalia	7,60,000	15%	-
2	Neha Kajalia	7,60,000	15%	-
3	Vivek Kajalia	9,80,000	19%	-
<b>Shareholding of Promoters as at March 31, 2023</b>				
S. No.	Promotor Name	No. of Shares	% of total shares	% Change during the year
1	Priti Kajalia	7,60,000	15%	-
2	Neha Kajalia	7,60,000	15%	-
3	Vivek Kajalia	9,80,000	19%	-
<b>Shareholding of Promoters as at 31.03.2022</b>				
S. No.	Promotor Name	No. of Shares	% of total shares	% Change during the year
1	Priti Kajalia	7,60,000	15%	-
2	Neha Kajalia	7,60,000	15%	-
3	Vivek Kajalia	9,80,000	19%	-

<b>3 Reserve &amp; Surplus</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Profit &amp; Loss Account</b>			
Opening Balance	53.27	18.00	10.87
Add: Profit for the year	78.97	35.27	17.07
Add: Previous year adjustment			0.06
Less: Utilised for bonus issue			(10.00)
<b>Profit available for appropriation</b>			<b>18.00</b>
<b>Securities Premium Account</b>			
Opening Balance			-
Add: Addition during the year			250.00
Less: Utilised for bonus issue			(250.00)
Balance at the end of the year			-
<b>Total Reserve and Surplus</b>	<b>132.24</b>	<b>53.27</b>	<b>18.00</b>

<b>4 Long Term Borrowings</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>[A] Secured</b>			
<b>a. Term Loan From Bank</b>			

Vehicle Loan	1.47	4.24	6.78
<b>[B] Unsecured</b>			
Loan from Directors	-	7.26	11.00
	<b>1.47</b>	<b>11.50</b>	<b>17.78</b>

**5 Deferred Tax Liabilities(Net)**

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Depreciation as per The Companies Act, 2013	6.31	3.36	4.56
Depreciation as per The Income Tax Act, 1961	6.15	2.17	2.48
Timing Difference	0.16	1.19	2.07
<b>On Account of Fixed Assets :</b>			
Impact of difference between Tax Depreciation and Charged in Financial Statement	0.04		
<b>Deferred Tax (Assets / Liabilities)</b>	<b>0.04</b>	<b>0.30</b>	<b>0.53</b>

**6 Short Term Borrowings**

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>[A] Secured</b>			
Working Capital Loan from Bank	313.03	190.42	59.67
<b>[B] Secured</b>			
Gesl Loan	1.49	3.98	6.08
Vehicle Loan	2.76	2.55	2.34
	<b>317.28</b>	<b>196.95</b>	<b>68.09</b>

**7 Trade Payables**

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(i) Due to Micro and Small Enterprises	-	-	-
(ii) Due to Other than Micro and Small Enterprises	582.15	243.43	176.89
	<b>582.15</b>	<b>243.43</b>	<b>176.89</b>

**Trade Payables ageing schedule as at 31-03-2024**

Sr. No.	Particulars	Outstanding for following periods from due date of payment			
		Less than 1 year	1-2 years	2-3 years	Total
(i)	MSME	-	-	-	-
(ii)	Others	582.15	-	-	582.15
(iii)	Disputed dues- MSME	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-
<b>Total</b>		<b>582.15</b>	<b>-</b>	<b>-</b>	<b>582.15</b>

**Trade Payables ageing schedule as at 31-03-2023**

Sl. No.	Particulars	Outstanding for following periods from due date of payment			
		Less than 1 year	1-2 years	2-3 years	Total
(i)	MSME	-	-	-	-

(ii)	Others	243.43	-	-	243.43
(iii)	Disputed dues- MSME	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-
<b>Total</b>		243.43	-	-	243.43

**Trade Payables ageing schedule as at 31-03-2022**

Sl. No.	Particulars	Outstanding for following periods from due date of payment			
		Less than 1 year	1-2 years	2-3 years	Total
(i)	MSME	-	-	-	-
(ii)	Others	176.89	-	-	176.89
(iii)	Disputed dues- MSME	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-
<b>Total</b>		176.89	-	-	176.89

**Note:1** Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st December 2023, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>8 Short Term Provision</b>			
Provision for Income Tax (net)	30.78	6.58	7.68
Provision for Expenses	0.60	-	-
	<b>31.38</b>	<b>6.58</b>	<b>7.68</b>
<b>9 Other Current Liabilities</b>			
Advance From Party	7.00	-	-
Statutory Dues	2.51	0.28	-
Audit Fees Payable	3.60	1.35	0.12
Salary Payable	0.31	-	-
	<b>13.42</b>	<b>1.63</b>	<b>0.12</b>
<b>11 Inventories</b>			
Closing Stock - Yarn	284.43	349.47	83.29
Closing Stock - Fabric	192.43	95.65	489.40
	<b>476.86</b>	<b>445.12</b>	<b>572.69</b>
<b>12 Trade receivables</b>			
Unsecured, considered good; Sundry Debtor	1,049.89	561.36	193.95
	<b>1,049.89</b>	<b>561.36</b>	<b>193.95</b>

**Trade Receivable ageing schedule as at 31-03-2024**

Sl. No	Particulars	Outstanding for following periods from due date of payment				
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	Total
(i)	Undisputed Trade receivables -considered good	1,049.89	-	-	-	1,050.89
(ii)	Undisputed Trade receivables -considered doubtful	-	-	-	-	-
(iii)	Disputed trade receivables - considered good	-	-	-	-	-
(iv)	Disputed trade receivables - considered doubtful	-	-	-	-	-
<b>TOTAL</b>		<b>1,049.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,050.89</b>

**Trade Receivable ageing schedule as at 31-03-2023**

Sl. No	Particulars	Outstanding for following periods from due date of payment				
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	Total
(i)	Undisputed Trade receivables -considered good	561.36	-	-	-	561.36
(ii)	Undisputed Trade receivables -considered doubtful	-	-	-	-	-
(iii)	Disputed trade receivables - considered good	-	-	-	-	-
(iv)	Disputed trade receivables - considered doubtful	-	-	-	-	-
<b>TOTAL</b>		<b>561.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>561.36</b>

**Trade Receivable ageing schedule as at 31-03-2022**

Sl. No	Particulars	Outstanding for following periods from due date of payment				
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	Total
(i)	Undisputed Trade receivables -considered good	193.95	-	-	-	193.95
(ii)	Undisputed Trade receivables -considered doubtful	-	-	-	-	-
(iii)	Disputed trade receivables - considered good	-	-	-	-	-
(iv)	Disputed trade receivables - considered doubtful	-	-	-	-	-
<b>TOTAL</b>		<b>193.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>193.95</b>



**Schedule : 10 Property, Plant & Equipment**

**Tangible Assets**

(All amounts in ₹ Lakhs, unless otherwise stated)

Asset	Rate	Gross Block					Depreciation						Net Block		
		Total As on 01-04-2023	Addition During The Year	Deletion During The Year	Revaluation	Total As on 31-03-2024	As on 01-04-2023	Adjustment Consequent Upon revision of useful life/ rate	Depreciation For The Year	Deletion During The Year	Revaluation	Total As on 31-03-2024	Written down value as on 31.03.2024	Written down value as on 31.03.2023	
A	Office Equipment	45.07%	1.04	0.24	-	-	1.28	0.79	-	0.16	-	-	0.95	0.33	0.25
B	Plant & Machinery	18.10%	5.08	29.68	1.08	-	33.68	2.52	-	3.69	-	-	6.21	27.47	2.56
C	Furniture and Fixtures	25.89%	2.08	3.55	-	-	5.63	1.45	-	0.79	-	-	2.24	3.39	0.63
D	Computer & Accessories	63.16%	0.14	0.20	-	-	0.34	0.14	-	0.04	-	-	0.18	0.16	-
E	Car	31.23%	12.94	-	-	-	12.94	7.74	-	1.62	-	-	9.36	3.59	5.20
	<b>Total</b>		<b>21.28</b>	<b>33.67</b>	<b>1.08</b>	<b>-</b>	<b>53.87</b>	<b>12.64</b>	<b>-</b>	<b>6.31</b>	<b>-</b>	<b>-</b>	<b>18.95</b>	<b>34.93</b>	<b>8.64</b>

Asset	Rate	Gross Block					Depreciation						Net Block		
		As on 01-04-2022	Addition During The Year	Deletion During The Year	Revaluation	Total As on 31-03-2022	As on 01-04-2022	Adjustment Consequent Upon revision of useful life	Depreciation For The Year	Deletion During The Year	Revaluation	Total As on 31-03-2023	Written down value as on 31.03.2023	Written down value as on 31.03.2022	
A	Office Equipment	45.07%	0.92	0.12	-	-	1.04	0.58	-	0.21	-	-	0.79	0.25	0.34
B	Plant & Machine	18.10%	4.38	0.70	-	-	5.08	1.96	-	0.56	-	-	2.52	2.56	2.43
C	Furniture and Fixtures	25.89%	2.08	-	-	-	2.08	1.23	-	0.22	-	-	1.45	0.63	0.84
D	Computer & Accessories	63.16%	0.14	-	-	-	0.14	0.13	-	0.01	-	-	0.14	0.00	0.01
E	Car	31.23%	12.94	-	-	-	12.94	5.38	-	2.36	-	-	7.74	5.20	7.56
	<b>Total</b>		<b>20.46</b>	<b>0.82</b>	<b>-</b>	<b>-</b>	<b>21.28</b>	<b>9.28</b>	<b>-</b>	<b>3.36</b>	<b>-</b>	<b>-</b>	<b>12.64</b>	<b>8.64</b>	<b>11.18</b>

Asset	Rate	Gross Block					Depreciation						Net Block		
		As on 01-04-2021	Addition During The Year	Deletion During The Year	Revaluation	Total As on 31-03-2022	As on 01-04-2021	Adjustment Consequent Upon revision of useful life	Depreciation For The Year	Deletion During The Year	Revaluation	Total As on 31-03-22	Written down value as on 31.03.2022	Written down value as on 31.03.2021	
A	Office Equipment	45.07%	0.92		-	-	0.92	0.30	-	0.28	-	-	0.58	0.34	0.62
B	Plant & Machine	18.10%	4.38	-	-	-	4.38	1.42	-	0.54	-	-	1.96	2.42	2.96
C	Furniture and Fixtures	25.89%	2.08	-	-	-	2.08	0.94	-	0.30	-	-	1.24	0.84	1.14
D	Computer & Accessories	63.16%	0.14	-	-	-	0.14	0.12	-	0.01	-	-	0.13	0.01	0.02
E	Car	31.23%	12.94	-	-	-	12.94	1.94	-	3.44	-	-	5.38	7.56	11.00
	<b>Total</b>		<b>20.46</b>	-	-	-	<b>20.46</b>	<b>4.72</b>	-	<b>4.56</b>	-	-	<b>9.28</b>	<b>11.18</b>	<b>15.74</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>13 Cash &amp; Cash Equivalents</b>			
Cash in hand	6.48	0.26	1.54
	<b>6.48</b>	<b>0.26</b>	<b>1.54</b>
<b>14 Short Term Loans and Advance</b>			
Security Deposite for Rent	4.12	0.90	0.90
Security Deposite for Govt.	0.90	-	-
Advance to Others	-	-	1.73
	<b>5.02</b>	<b>0.90</b>	<b>2.63</b>
<b>15 Other Current Assets</b>			
Advance to Employee	1.08	-	-
Prepaid Insurance	0.46	-	-
GST Input	23.26	17.38	27.09
	<b>24.80</b>	<b>17.38</b>	<b>27.09</b>
<b>16 - A Revenue From Operation</b>			
Sales of Products	816.83	823.50	447.43
Trading of Goods (Yarn)	1,762.47	580.47	325.72
	<b>2,579.30</b>	<b>1,403.97</b>	<b>773.15</b>
<b>17 COST OF MATERIALS CONSUMED</b>			
Opening Stock	349.47	83.29	59.84
Add : Purchases and Incidental Expenses	225.31	933.32	862.96
Add : Other Manufacturing Expenses	133.05	8.19	1.73
Less : Closing Stock	192.43	349.47	83.30
	<b>515.40</b>	<b>675.33</b>	<b>841.23</b>
<b>18 PURCHASES OF STOCK-IN-TRADE</b>			
Purchase of stock-in-trade	1,983.34	215.49	322.46
	<b>1,983.34</b>	<b>215.49</b>	<b>322.46</b>
<b>19 Changes in Inventories of Stock in Trade- Yarn</b>			
<b>Opening Stock</b>	95.65	489.40	10.30
<b>Less : Closing Stock</b>	284.43	95.65	489.40
	<b>(188.78)</b>	<b>393.75</b>	<b>(479.10)</b>
<b>20 Employee Benefit Expenses</b>			
Salary and Bonus	87.14	36.98	30.53
	<b>87.14</b>	<b>36.98</b>	<b>30.53</b>
<b>21 Financial Costs</b>			
Interest on Loan	24.88	14.52	4.20
Loan Processing Charges	1.17	-	-
	<b>26.05</b>	<b>14.52</b>	<b>4.20</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>22 Other Expenses</b>			
Advertisement Expenses	0.02	0.14	1.59
Accounting Charges	-	-	0.15
Sampling Charges	0.65	0.56	8.23
Delivery Charges	0.06	0.05	0.66
Bank Charges	0.29	0.19	0.06
Computer Expenses	0.26	0.22	0.34
General Expenses	0.15	0.33	1.26
Office Expenses	-	-	1.20
Stock Insurance	0.51	0.58	0.13
Printing & Stationery	-	-	0.43
Power & Fuel	8.60	2.17	0.24
Professional Charges	1.87	2.29	0.84
Repairs & Maintenance	0.23	2.38	0.72
Rent	11.11	1.03	4.80
Telephone Charges	-	-	0.25
Travelling & Conveyance	0.07	0.17	0.72
Licence Fees	-	-	0.46
Electricity Charges	6.36	2.07	-
Security Charges	1.68	-	-
SEBI Fees	0.59	-	-
Interest and Penalty on Statutory Dues	0.07	-	-
Donation	0.20	-	-
Maintainance charges	0.32	-	-
Sales Promotion Exps	0.52	-	0.79
Misc. Expenses	0.48	1.46	1.06
	<b>34.04</b>	<b>13.64</b>	<b>23.93</b>
Audit Fees	2.50	1.50	0.12
	<b>2.50</b>	<b>1.50</b>	<b>0.12</b>
	<b>36.54</b>	<b>15.14</b>	<b>24.05</b>

<b>23 Earning Per Share</b>	<b>F.Y-2023-2024</b>	<b>F.Y-2022-2023</b>	<b>F.Y-2021-2022</b>
<b>i-</b> Net Profit/(Loss) Before Tax	113.30	49.40	25.22
<b>ii-</b> Current Tax	34.59	14.35	7.69
<b>iii-</b> Deferred Tax	0.26	0.22	0.47
<b>iv-</b> Previous year tax adjustment	-	-	-
<b>v-</b> Net Profit/(Loss) After Tax	78.97	35.27	17.07
<b>vi-</b> Number of Equity Shares of Rs. 10.00 each	52,00,000	52,00,000	52,00,000
<b>vii-</b> Basic and Diluted Earnings Per Share (Rs.)	1.52	0.68	0.33

**24 RELATED PARTY TRANSACTION****STATEMENT OF RELATED PARTY TRANSACTIONS AS RESTATED**

As per Accounting Standard-18 “Related Party Disclosures” issued by the Institute Chartered Accountants of India, the name of the related parties are given:

Nature of Relationship	Name of Related Parties
i) Individuals owing directly or indirectly, an interest in the voting power that gives them control or significant influence.	Priti Kajalia Neha Kajalia Vivek Kajalia Sharad Jajodia Bimla Saraogi Ajay Kumar Saraogi Amit Saraogi Durga Textile ( Vivek Kajalia - proprietorship) Arun Textile ( Vivek Kajalia - proprietorship)
ii) Key Management Personnel (KMP)	Vivek Kajalia Priti Kajalia Neha Kajalia Nikita Agarwal Loknath Chakraborty Alok Kumar Das Piyush Saraf
iii) Relatives of any such individual or personnel mention in (a) (i) & (ii)	Seuli Chakraborty

## Disclosure in respect of transactions with Related Parties

(All amounts in ₹ Lakhs, unless otherwise stated)

Sr No	Name of the transacting related party	Description of the relationship between the parties	Description of the nature of transactions	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Vivek Kajalia	Director	Loan Taken	10.00	0.11	90.00
2	Vivek Kajalia	Director	Expense-reimbursement	6.39	-	-
3	Vivek Kajalia	Director	Repayment of loan	10.87	-	-
4	Durga Textile ( Vivek Kajalia -proprietorship)	Sundry Debtors	Advance to Debtors	29.13	-	-
5	Durga Textile ( Vivek Kajalia -proprietorship)	Sundry Debtors	Refund from Debtors	27.13		-
6	Durga Textile ( Vivek Kajalia – proprietorship)	Sundry Debtors	Receipt	-	445.70	113.82
7	Durga Textile ( Vivek Kajalia – proprietorship)	Sundry Debtors	Sales	-	-	138.60
8	Durga Textile ( Vivek Kajalia – proprietorship)	Sundry Debtors	Payment	-	-	10.00
9	Arun Textile ( Vivek Kajalia – proprietorship)	Sundry Creditors	Payment	31.87	-	459.51
10	Arun Textile ( Vivek Kajalia – proprietorship)	Sundry Creditors	Purchase	6.87	957.44	604.13

11	Neha Kajalia	Director	Loan Taken	-	-	8.76
12	Neha Kajalia	Director	Repayment of loan	-	-	8.76
13	Priti Kajalia	Director	Director Remuneration	4.18	-	-
14	Priti Kajalia	Director	Loan Taken	-	-	6.50
15	Priti Kajalia	Director	Repayment of loan	-	-	6.50
16	Seuli Chakraborty	Employee	Advance to Employee	1.50	-	-
17	Seuli Chakraborty	Employee	Salary	0.42	-	-
18	Nikita Agarwal	Company Secretary	Salary	1.80	-	-

## Disclosure in respect of Outstanding Balances of Related Parties

(All amounts in ₹ Lakhs, unless otherwise stated)

Sr No	Name of the transacting related party	Description of the relationship between the parties	Description of the nature of transactions	Closing Balance s as on 31st March, 2024	Closing Balance s as on 31st March, 2023	Closing Balance s as on 31st March, 2022
1	Vivek Kajalia	Director	Loan Taken	-	4.89	98.00
2	Durga Textile ( Vivek Kajalia – proprietorship)	Sundry Debtors	Advance to Debtors	-	2.00	17.25
3	Arun Textile ( Vivek Kajalia – proprietorship)	Sundry Creditors	Payment	0.01	25.01	164.61
4	Priti Kajalia	Director	Director Remuneration	4.18	-	-
5	Seuli Chakraborty	Employee	Advance to Employee	1.08	-	-
6	Nikita Agarwal	Company Secretary	Salary	1.80	-	-

## 25 Adjustments in Restated Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Adjustments for	March 31, 2024	March 31, 2023	March 31, 2022
Net profit / (Loss) after Tax as per Audited Profit & Loss Account	76.97	37.11	19.73
<b>Adjustments for:</b>			
Income Tax Provision	(1.79)	1.19	0.59
Deferred Tax Liability / Asset Adjustment	(0.21)	(0.18)	0.47
Adjustments of Depreciation per companies act,2013	(0.00)	0.83	1.61
Adjustment of Expenses Capitalised	-	-	-
<b>Net profit / (Loss) after Tax as per Restated</b>	<b>78.97</b>	<b>35.27</b>	<b>17.07</b>

Note:

## 1. Income Tax Provision

There is difference in taxation as per audited books and restated books as the taxation provision is calculated on restated profits.

2. Deferred Tax Liability / Asset Adjustment

In Audited Financial Statements, there was mistake in calculating Deferred Tax Asset / Liability which is rectified in Restated Financial Statements

3. Adjustment of Depreciation per Companies Act, 2013

In Audited Financial statement pro rata basis depreciation is not charged due difference arise in restated financial statement

4. Depreciation Adjustment as per Companies Act, 2013

In Audited Financial statement depreciation on fixed assets are not charged in line with Companies Act, 2013, so same should be incorporated in restated financial statement

5. Adjustment of Expenses Capitalised

As expenses which are capital in nature are capitalised in restated financial statement

6. Prior Period Goodwill Amortization Adjustment

Due to change in depreciation in earlier years same shall be adjusted as prior period items

7. To Give Explanatory Notes regarding Adjustments

Appropriate adjustments have been made in the restated summary statements, wherever required , by a reclassification of the corresponding items, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the latest audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the securities and Exchange Board of India (Issue of Capital & Disclosures Requirements) Regulations, 2018 (as amended).

Due to changes in accounting policies and other adjustments as stated above, the Company has recalculated the Income-tax provision and MAT Credit Entitlement and Set-off thereof at the rate of normal tax rate applicable at the end of relevant year and accordingly, their readjusted amounts have been provided in Tax Shelter.

The accompanying notes form an integral part of the restated financial statements. As per our report of even date attached For Maheshwari & Co. Chartered Accountants (Firm Registration No.-105834W) CA Pawan Gattani Partner M. No.- 144734  Dated :- 06-09-2024 Place :- Mumbai	Annexure IV 1 to 25 For and on behalf of Board of Directors of <b>DURGADEVI RAIMENT LIMITED</b>	
	Priti Kajalia Director DIN: 7664002	Neha Kajalia Director DIN: 7664130
	Nikita Agarwal (CS & Compliance Officer)	Loknath Chakraborty (Chief Financial Officer)
	Pan No - ASWPG2030Q	Pan No- AFKPC3249N
	Dated :- 06-09-2024 Place :- Kolkata	

## OTHER FINANCIAL INFORMATION

## STATEMENT OF ACCOUNTING RATIOS AS RESTATED

(₹ in lakhs)

Particulars	As at 31.03.24	As at 31.03.23	As at 31.03.22
EBITDA (Rs. in Lacs)	145.66	67.28	33.98
Net Profit (Rs.in Lacs)	78.97	35.27	17.07
Net Worth (Rs.in Lacs)	652.24	573.27	538.00
Return on Net worth (%)	12.11%	6.15%	3.17%
Basic and Diluted Earnings per Equity Share	1.52	0.68	0.56
Net Asset Value / Book Value per Equity share (Based on no of share at the end of year)	12.54	11.02	17.64

**Note:**

1. Net Worth: Equity Share Capital + Reserves & Surplus
2. Return on Net worth (%) = Restated Profit after taxation / Net worth x 100
3. Earnings per share (Rs.) = Profit available to equity shareholders / weighted No. of shares outstanding at the end of the year
4. Net asset value / Book value per share (Rs.) = Net worth / No. of equity shares

## Annexure – VII

## STATEMENT OF CAPITALIZATION AS RESTATED

(₹ in lakhs)

Particulars	Pre-Issue	Post Issue*
	As at 31.03.2024	
<b>Debt :</b>		
Short term debt	317.28	317.28
Long term debt	1.47	1.47
<b>Total Debt</b>	<b>318.75</b>	<b>318.75</b>
<b>Shareholders Funds</b>		
Equity Share Capital	520.00	774.00
Reserves and Surplus	132.24	478.24
Less: Revaluation Reserves	0	0
Less: Misc. Expenditure	0	0
<b>Total Shareholders' Funds</b>	<b>652.24</b>	<b>1,252.24</b>
Long Term Debt/ Shareholders' Funds	0.002	0.001
Total Debt / Shareholders Fund	0.49	0.25

\*Based on the assumption that issue will be fully subscribed.



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

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled “Risk Factors” on page 18 which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources.*

*Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and restated as described in the report of our auditor dated September 6, 2024 which is included in this Draft Prospectus under “Financial Statements”. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### Significant Developments Subsequent to the Last Financial Period

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

#### *Allotment of Equity Shares:*

Following Equity Shares were issued by our Company after the date of last financial statements i.e. March 31, 2024:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
26-08-2024	10,40,000	10	Nil	Bonus Issue in the ratio of 1:5	Nil

### Key factors affecting the results of operation:

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

#### ***Growth in the textile industry***

Our business is significantly dependent on general economic conditions and textile sector activity in India and in international market. The Indian government has in recent years introduced a number of policies and incentives aimed at encouraging the domestic textile sector, while the removal of textile quotas internationally has created potentially significant market opportunities for textile manufacturers from countries with relatively lower production costs. Our ability to anticipate and respond to the expected rapid growth, and consequent competition, in the Indian and international textile industry will be critical to our results of operations in the coming years.

#### ***Demand and supply***

Our products sales realizations are influenced by the demand for and supply of these products in the Indian and international markets. Demand and supply is influenced by factors such as fashion trends, consumer preferences, perception of prospective demand, competition, tax and manufacturing incentives, the Indian and international macroeconomic and retail environment and the cost of raw materials, principally cotton.

#### ***Dependence on single client for manufacturing revenue***

Our Company derives the 100% of its manufacturing revenues from sale one single client. Relying heavily on a single client poses significant business risks that can jeopardize the stability and growth of our company. This dependence creates a adverse situation where the business’s financial health is tightly coupled with the fortunes of one client. If the client

experiences financial difficulties, undergoes organizational changes, or chooses to shift their business elsewhere, the company may face severe revenue shortfalls.

**Raw material cost**

A significant risk factor for our business is the volatility in cotton prices or a potential decrease in the supply of cotton. Raw material costs, specifically cotton, represent a substantial portion of our total expenses. Raw materials costs accounted for 96.88% and 63.45% of our total revenues respectively for FY 2024 and 2023 respectively.

**RESULTS OF OPERATIONS**

**Description of the major components of revenue and expense items: -**

Our total revenue consists of revenue from sale of products and sale of services and other income.

**Revenue**

Revenue from Operations

Our revenue from operations primarily accrues from sale of products/garments manufactured by our company and trading of yarn.

**Expenses**

Purchase of stock in trade comprised of purchases of yarn for our trading business.

Cost Of Materials Consumed consists for material consumed for our manufacturing business inclusive of other incidental expenses.

Changes in inventories signifies increase or decrease in stock in trade.

Employee Benefit expense includes, salaries, bonus, incentives, director remuneration and staff welfare expenses.

Other expenses include expenses towards rent, power & fuel, electricity, packing material, postage and courier, legal and professional charges, repairs and maintenance etc.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses comprised depreciation on fixed assets both tangible and intangible.

Financial Expenses

Comprises of interest on loan and other processing charges.

Tax Expense

Our tax expense or credit for the period represents the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

**DISCUSSION ON RESULTS OF OPERATIONS:**

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the financial years ended March 31, 2024, 2023 and 2022.

**OUR SIGNIFICANT ACCOUNTING POLICIES**

For Significant accounting policies please refer *Significant Accounting Policies*, “Annexure IV” beginning under “Auditors’ Report and Financial Information of our Company” on page 117.

**Comparison of Financial Years ended March 31, 2024, 2023 and 2022**

(₹ lakhs)

Particulars	31.03.24	31.03.23	31.03.22
<b>Income</b>			
Sales of Products Manufactured	816.83	823.5	447.43
Increase/Decrease (%)	-0.81%	84.05%	
Trading of Goods (Yarn)	1762.47	580.47	325.72
Increase/Decrease (%)	203.63%	78.21%	
<b>Revenue from Operations</b>	<b>2,579.30</b>	<b>1,403.97</b>	<b>773.15</b>
Increase/Decrease (%)	83.71%	81.59%	
<b>Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Income</b>	<b>2,579.30</b>	<b>1,403.97</b>	<b>773.15</b>
Increase/Decrease (%)	83.71%	81.59%	
<b>Expenditure</b>			
<b>Cost of Material Consumed</b>	<b>515.40</b>	<b>675.33</b>	<b>841.23</b>
Increase/Decrease (%)	-23.68%	-19.72%	
% to Total Income	19.98%	48.10%	108.81%
<b>Purchase of Stock in Trade</b>	<b>1,983.34</b>	<b>215.49</b>	<b>322.46</b>
Increase/Decrease (%)	820.39%	-33.17%	
% to Total Income	76.89%	15.35%	41.71%
<b>Changes in Inventories of Stock in Trade- Yarn</b>	<b>-188.78</b>	<b>393.75</b>	<b>-479.1</b>
Increase/Decrease (%)	-147.94%	-182.19%	
% to Total Income	-7.32%	28.05%	-61.97%
<b>Employee Benefit Expenses</b>	<b>87.14</b>	<b>36.98</b>	<b>30.53</b>
Increase/Decrease (%)	135.64%	21.13%	
% to Total Income	3.38%	2.63%	3.95%
<b>Other Expenses</b>	<b>36.54</b>	<b>15.14</b>	<b>24.05</b>
Increase/Decrease (%)	141.35%	-37.05%	
% to Total Income	1.42%	1.08%	3.11%
<b>Total Expenditure</b>	<b>2,433.64</b>	<b>1,336.69</b>	<b>739.17</b>
Increase/Decrease (%)	82.06%	80.84%	
% to Total Income	94.35%	95.21%	95.60%
<b>EBIDTA</b>	<b>145.66</b>	<b>67.28</b>	<b>33.98</b>
Increase/Decrease (%)	116.50%	98.00%	
% to Total Income	5.65%	4.79%	4.40%
<b>Depreciation</b>	<b>6.31</b>	<b>3.36</b>	<b>4.56</b>

Increase/Decrease (%)	87.74%	-26.30%	
% to Total Income	0.24%	0.24%	0.59%
<b>Profit Before Interest and Tax</b>	<b>139.35</b>	<b>63.92</b>	<b>29.42</b>
Increase/Decrease (%)	118.01%	117.26%	
% to Total Income	5.40%	4.55%	3.81%
<b>Interest &amp; Financial Charges</b>	<b>26.05</b>	<b>14.52</b>	<b>4.20</b>
Increase/Decrease (%)	79.41%	245.71%	
% to Total Income	1.01%	1.03%	0.54%
<b>Profit before Taxation</b>	<b>113.30</b>	<b>49.40</b>	<b>25.22</b>
Increase/Decrease (%)	129.36%	95.87%	
% to Total Income	4.39%	3.52%	3.26%
<b>Tax Effect</b>	<b>34.33</b>	<b>14.13</b>	<b>8.16</b>
Increase/Decrease (%)	142.96%	73.26%	
% to Total Income	1.33%	1.01%	1.05%
<b>Profit After Tax</b>	<b>78.97</b>	<b>35.27</b>	<b>17.07</b>
Increase/Decrease (%)	123.91%	106.67%	
% to Total Income	3.06%	2.51%	2.21%

The sales of manufactured products showed a strong upward trajectory in the first year but then decreased slightly, indicating a potential need for strategic adjustments to maintain growth. The need of high working capital for manufactured goods, the manufacturing business was stagnant during FY 2024 as there was equity raising in FY 2022 and same helped us in increasing sales manufactured goods during FY 2023, but after that there was no fund raising so we are not been able to raise it. IPO proceeds and working capital will help us increase it further. The trading of goods (yarn) displayed accelerating growth over the three periods, suggesting that this segment may be an area of strength for the business as we only have one customer for sale of our manufactured products.

#### **Comparison of FY 2024 with FY 2023:**

##### **Revenue from operations**

Revenue from operations increased from ₹ 1407.93 lakhs during FY 2023 to ₹ 2579.30 lakhs during FY 2024. Revenue from operations experienced a significant increase of 83.71% in FY 2024 compared to FY 2023. The substantial growth in FY 2024 can be attributed to a considerable increase in trading of goods (yarn), which grew by 203.63%, more than compensating for a minor decline in sales of products by 0.81%. The sharp rise in trading activity suggests that the company capitalized on market opportunities.

There has been no other income recorded in either fiscal year. This lack of non-operational income suggests that the company has not engaged in any supplementary activities such as investments or asset sales.

##### **Expenditure:**

##### **Cost of Material Consumed**

Cost of Material Consumed decreased from ₹ 675.53 lakhs during FY 2023 to ₹ 515.40 lakhs during FY 2024. The cost of materials consumed decreased by 23.68% in FY 2024 compared to FY 2023. This reduction follows a previous decrease of 19.72% from FY 2022 to FY 2023. The lower cost of materials, as a percentage of total income, dropped from 48.10% in FY 2023 to 19.98% in FY 2024. This significant reduction indicates improved efficiency in material procurement. Efficient management of material costs is critical for maintaining profitability, and the decrease reflects effective cost control measures.

### **Purchase of Stock in trade**

Purchase of Stock in trade increased from ₹ 215.49 lakhs during FY 2023 to ₹ 1983.34 lakhs during FY 2024. The purchase of stock in trade surged by 820.39% in FY 2024 compared to FY 2023, following a 33.17% decrease from FY 2022 to FY 2023. This increase reflects increase in trading business of our Company. The substantial rise in stock purchases, which accounted for 76.89% of total income in FY 2024, highlights the company's focus on enhancing its inventory position due to increase in trading sales. Balancing inventory levels with sales performance will be key to optimizing working capital and supporting continued revenue growth.

### **Changes in Inventories**

Changes in Inventories was ₹ (188.78) lakhs during FY 2024 and it was ₹393.75 lakhs during FY 2023. The negative change in inventories of stock in trade for FY 2024 reflects a decrease in stock levels, reversing the positive change observed in FY 2023. This shift indicates increased sales and de-stocking. The percentage of total income from inventory changes moved from 28.05% in FY 2023 to -7.32% in FY 2024. Effective management of inventory levels is essential for maintaining operational efficiency and optimizing cash flow. Our company should ensure that inventory reductions align with sales growth and market demand to avoid potential disruptions in supply chain operations.

### **Employee Benefit Expenses**

Employee Benefit Expenses increased from ₹ 36.98 lakhs during FY 2023 to ₹ 87.14 lakhs during FY 2024. Employee benefit expenses increased significantly by 135.64% in FY 2024 compared to FY 2023. This substantial rise suggests higher compensation costs, potentially due to salary increments, or enhanced benefits. Despite the increase, employee benefit expenses as a percentage of total income rose slightly from 2.63% in FY 2023 to 3.38% in FY 2024. Investing in human capital is crucial for driving operational performance and growth.

### **Other Expenses**

Other Expenses increased from ₹ 15.14 lakhs during FY 2023 to ₹ 36.54 lakhs during FY 2024. Other expenses increased by 141.35% in FY 2024 compared to FY 2023, following a 37.05% decrease from FY 2022 to FY 2023. The rise in other expenses, while relatively small as a percentage of total income (1.42% in FY 2024), reflects higher spending on non-core activities. Managing other expenses effectively is important for maintaining overall financial health. Efficient management of all expense categories will contribute to better profitability and financial performance.

Total Expenses increased from ₹ 1336.69 lakhs during FY 2023 to ₹ 2433.64 lakhs during FY 2024. Total expenditure increased by 82.06% in FY 2024 compared to FY 2023, reflecting a similar growth pattern to total income. The percentage of total income spent on expenditure remained relatively stable, decreasing slightly from 95.21% in FY 2023 to 94.35% in FY 2024. This significant increase in total expenditure is mainly due to the sharp rise in stock purchases and higher employee benefit expenses. Effective management of expenditures is crucial to ensure that they are aligned with income growth and operational efficiency.

### **EBITDA**

EBITDA increased from ₹ 67.28 lakhs during FY 2023 to ₹ 145.66 lakhs during FY 2024. EBITDA increased by 116.50% in FY 2024 compared to FY 2023, following a 98.00% increase from FY 2022 to FY 2023. This substantial growth reflects increase in our revenues and profitability. The EBITDA margin as a percentage of total income improved slightly from 4.79% in FY 2023 to 5.65% in FY 2024. The increase in EBITDA highlights the company's ability to generate earnings before interest, taxes, depreciation, and amortization, demonstrating operational efficiency. Maintaining and enhancing EBITDA growth will be crucial for supporting overall financial health and shareholder value.

### **Depreciation**

Depreciation increased from ₹ 3.36 lakhs during FY 2023 to ₹ 6.31 lakhs during FY 2024. Depreciation expenses increased by 87.74% in FY 2024 compared to FY 2023, following a 26.30% decrease from FY 2022 to FY 2023. The rise in depreciation reflects increased investment in fixed assets. The percentage of total income attributed to depreciation remained stable at 0.24% in both FY 2023 and FY 2024.

### **Interest and Financial Charges**

Interest and Financial Charges increased from ₹ 14.52 lakhs during FY 2023 to ₹ 26.05 lakhs during FY 2024. Interest and financial charges increased by 79.41% in FY 2024 compared to FY 2023, following a dramatic 245.71% rise from FY 2022 to FY 2023. The percentage of total income spent on interest and financial charges remained relatively stable at around 1.01% in FY 2024. The increase in financial charges suggests higher borrowing costs or increased debt levels.

#### **Profit after Tax and restatement adjustment (PAT)**

PAT increased from ₹ 35.27 lakhs during FY 2023 to ₹ 78.97 lakhs during FY 2024. Profit after tax increased by 123.91% in FY 2024 compared to FY 2023, following a 106.67% increase from FY 2022 to FY 2023. The percentage of total income attributed to profit after tax improved from 2.51% in FY 2023 to 3.06% in FY 2024. This substantial increase in net profit highlights the company's financial performance and effective management strategies and other reasons as detailed above.

#### **Comparison of FY 2023 with FY 2022:**

##### **Revenue from operations**

Revenue from operations increased from ₹ 773.15 lakhs during FY 2022 to ₹ 1403.97 lakhs during FY 2023. Revenue from operations showed impressive growth of 81.59% in FY 2023 compared to FY 2022. The sales of products manufactured rose significantly by 84.05%. Additionally, trading of goods (yarn) contributed to this increase with a 78.21% growth, demonstrating strong operational performance in this segment. The overall increase in revenue showcases the company's ability to capitalize on market opportunities.

The absence of other income in both FY 2023 and FY 2022 indicates that the company has not generated any non-operational income, such as investments or asset sales.

Total income increased by 81.59% in FY 2023 compared to FY 2022, paralleling the growth in revenue from operations. Maintaining this growth will require the company to innovate continuously and adapt to market changes. It is essential to analyze market trends and consumer preferences to enhance product offerings and maximize revenue potential.

#### **Expenditure:**

##### **Cost of Material Consumed**

Cost of Material Consumed decreased from ₹ 841.23 lakhs during FY 2022 to ₹ 675.33 lakhs during FY 2023. The cost of materials consumed decreased by 19.72% in FY 2023 compared to FY 2022. This decline indicates improved cost management and operational efficiencies in sourcing materials. As a percentage of total income, material costs fell significantly from 108.81% in FY 2022 to 48.10% in FY 2023, reflecting the company's ability to manage its cost structure effectively amid rising revenues. We always explore bulk purchasing strategies or supplier negotiations to maintain favorable cost dynamics.

##### **Purchase of Stock in trade**

Purchase of Stock in trade decreased from ₹ 322.46 lakhs during FY 2022 to ₹ 215.49 lakhs during FY 2023. Purchases of stock in trade decreased by 33.17% in FY 2023 compared to FY 2022, indicating a shift in inventory management strategy. This reduction reflects an efficient approach to inventory control, potentially aligning purchases more closely with sales trends. As a percentage of total income, purchases dropped from 41.71% to 15.35%, highlighting improved operational efficiencies. This change suggests that the company may have optimized its supply chain and reduced excess inventory, which can improve cash flow.

##### **Changes in Inventories**

Changes in Inventories was ₹ (479.10) lakhs during FY 2022 and ₹ 393.75 lakhs during FY 2023. The changes in inventories of stock in trade for yarn reflected a significant shift, moving from a negative change in FY 2022 to a positive change of ₹393.75 lakhs in FY 2023. This improvement indicates effective inventory management and a positive sales environment. The change also suggests that the company successfully reduced excess inventory, likely aligning stock levels more closely with consumer demand. The impact on total income was significant, with inventory changes accounting for 28.05% of total income.

### Employee Benefit Expenses

Employee benefit expenses increased from ₹ 30.53 lakhs during FY 2022 to ₹ 36.98 lakhs during FY 2023. Employee benefit expenses increased by 21.13% in FY 2023 compared to FY 2022, which aligns with the company's growth and expansion initiatives. Although the increase is notable, the percentage of total income from employee expenses declined slightly from 3.95% to 2.63%. This suggests that while the company is investing in its workforce, it is managing these costs effectively relative to revenue growth.

### Other Expenses

Other expenses decreased from ₹ 24.05 lakhs during FY 2022 to ₹ 15.14 lakhs during FY 2023. Other expenses saw a significant decrease of 37.05% in FY 2023 compared to FY 2022, reflecting effective cost-cutting measures and improved operational efficiencies. As a percentage of total income, these expenses declined from 3.11% to 1.08%. This positive trend suggests that our company is managing its non-operational costs, which is essential for maintaining profitability. Ongoing reviews of discretionary spending and seeking efficiencies in operations can further enhance cost management. Maintaining a focus on minimizing unnecessary expenditures will be critical for sustaining overall financial health.

Total expenses increased from ₹ 739.17 lakhs during FY 2022 to ₹ 1336.69 lakhs during FY 2023. Total expenditure increased by 80.84% in FY 2023, closely aligned with the growth in total income. The percentage of total income spent on expenditure slightly decreased from 95.60% in FY 2022 to 95.21% in FY 2023, indicating improved operational efficiency. The increase in total expenditure reflects higher operational activity.

### EBITDA

EBITDA increased from ₹ 33.98 lakhs during FY 2022 to ₹ 67.28 lakhs during FY 2023. EBITDA increased by an impressive 98.00% in FY 2023 compared to FY 2022, reflecting significant operational improvements. The EBITDA margin improved slightly from 4.40% in FY 2022 to 4.79% in FY 2023, indicating that the company is becoming more efficient at generating earnings before interest, taxes, depreciation, and amortization. This growth in EBITDA highlights the effectiveness of the company's strategies in enhancing operational performance and managing costs.

### Depreciation

Depreciation decreased from ₹ 4.56 lakhs during FY 2022 to ₹ 3.36 lakhs during FY 2023. Depreciation expenses decreased by 26.30% in FY 2023 compared to FY 2022, reflecting either reduced capital expenditures or an aging asset base. The depreciation expense as a percentage of total income dropped from 0.59% to 0.24%, indicating better asset utilization or a reduction in the overall asset base. This decline in depreciation can positively impact net income, enhancing profitability.

### Interest and Financial Charges

Interest and Financial Charges increased from ₹ 4.20 lakhs during FY 2022 to ₹ 14.52 lakhs during FY 2023. Interest and financial charges saw a substantial increase of 245.71% in FY 2023 compared to FY 2022. This significant rise suggests increased borrowing impacting the cost of financing. Despite this increase, the percentage of total income allocated to interest remains at 1.03%, compared to 0.54% in FY 2022. While the increase in financial charges can strain profitability, proactive management of the debt can mitigate future impacts.

### Profit after Tax and restatement adjustment (PAT)

PAT increased from ₹ 17.07 lakhs during FY 2022 to ₹ 35.27 lakhs during FY 2023. Profit after tax increased by 106.67% in FY 2023 compared to FY 2022, highlighting the company's financial performance. The percentage of total income attributed to profit after tax improved from 2.21% in FY 2022 to 2.51% in FY 2023, reflecting the success of the company's strategies in driving profitability. This growth signifies effective operational and financial management.

### Cash Flows

The following table sets forth certain information concerning our cash flows for the periods indicated:

Particulars	(₹ in lakhs)		
	Fiscal 2024	Fiscal 2023	Fiscal 2022

Net cash flow from operating activities	(45.45)	(108.52)	(520.60)
Net cash flow from investing activities	(32.59)	(0.82)	(22.35)
Net cash flow from financing activities	84.26	108.06	508.59
Net increase in cash and cash equivalents	6.22	(1.28)	(11.28)
Add: Balance at the beginning of the year	0.26	1.54	12.83
Cash and cash equivalents at the end of the year	<b>6.48</b>	<b>0.26</b>	<b>1.54</b>

## FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

### 1. Unusual or infrequent events or transactions

There have been no unusual or infrequent events or transactions during FY 2024, 2023 and 2022.

### 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 18 of the Draft Prospectus. To our knowledge, except as we have described in the Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

### 3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue, or income from continuing operations.

Apart from the risks as disclosed under Section titled “*Risk Factors*” on page 18 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

### 4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

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

### 5. 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.

Changes in revenues during the last three fiscal years are explained in “Management’s Discussion and Analysis of Financial Condition & Results of Operations” under the subsection “Comparison of Financial Years ended March 31, 2021, 2020 and 2019” under the respective paragraphs titled “Operating Revenue”.

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

For details on the total turnover of the industry please refer to “*Industry Overview*” on page 69.

### 7. Status of any publicly announced new products or business segment.

Our Company has not announced any new product or business segment.

### 8. The extent to which business is seasonal.

While our business is not seasonal, we do experience a notable increase in sales during the festive season. As a result, the second and third quarters of the financial year tend to perform better in terms of revenue.

### 9. Any significant dependence on a single or few suppliers or customers.

Particulars	Financial Year ended	Financial Year ended	Financial Year ended
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	March 31, 2024	March 31, 2023	March 31, 2022
Customers' contribution Top 10 (%)	100.00%	100.00%	100.00%
Suppliers contribution Top 10 (%)	97.49%	99.80%	99.02%

**10. Competitive conditions.**

Competitive conditions are as described under “*Industry Overview*” and “*Our Business*” on pages 69 and 77, respectively.

**FINANCIAL INDEBTEDNESS**

Following is a summary of our Company's outstanding borrowings as on March 31, 2024:

Sr. No.	Nature of Borrowing	Amount (₹ in lakhs)
1.	Secured Borrowings	318.75
2.	Unsecured Borrowings	0.00
	<b>Total</b>	<b>318.75</b>

The details of loans are as under:

There are following secured borrowings as on March 31, 2024:

(₹ in Lakhs)

Particulars	Sanctioned Amount	Outstanding as on 31.03.24	Rate of Interest	Security	Repayment
Central Bank of India Cash Credit	500.00	313.02	9.80	Hypothecation of Stock and Receivables upto 90 days. Immovable property in the name of Ms. Neha Kajalia at 3B on 3 <sup>rd</sup> Floor and E3/398 Shibrampur road, ward no.14, Maheshtala, Kolkata 700141	On Demand
GSEL Loan	3.13	1.49	7.50	Nil	On Demand
Vehicle Loan		4.23	8.25	Vehicle Loan	32 monthly installments
<b>Total</b>		<b>318.75</b>			

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Draft Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Draft Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Draft Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Draft Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.*

*Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

*Unless otherwise stated, all proceedings are pending as of the date of this Draft Prospectus. All information provided below is as of the date of this Draft Prospectus.*

*In terms of the Materiality Policy, any pending/outstanding litigation involving the Relevant Parties which exceeds the amount which is 1% of the revenue from operations of our Company as per the last audited Financial Statements i.e. for the Financial Year 2024 would be considered material for our Company:*

- i any pending/outstanding litigation involving the Relevant Parties which exceeds the amount which is 1% of the revenue from operations of our Company as per the restated audited Financial Statements for the Financial Year 2024 would be considered material for our Company and accordingly disclosed in the Prospectus.*
- ii As per the Restated Audited Financial Statements for the Financial Year 2024, the total revenue of our company is Rs. 2579.30 Lakhs and accordingly, any pending/outstanding litigation involving an amount exceeding Rs. 25.79 Lakhs has been considered material for the purposes of disclosures in this section based on the policy approved by our Board in the Board meeting held on September 2, 2024.*

*Unless otherwise stated, all proceedings are pending as of the date of this Prospectus. All information provided below is as of the date of this Prospectus.*

*None of our Promoters or Directors are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.*

*None of our Promoters or Directors are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.*

**LITIGATION INVOLVING OUR COMPANY: Nil**

**LITIGATION INVOLVING THE DIRECTORS: Nil**

**LITIGATION INVOLVING OUR PROMOTERS: Nil**

**LITIGATION INVOLVING OUR GROUP ENTITIES: Nil**

**TAX PROCEEDINGS:**

A summary of tax proceedings involving our Company, our Promoter, our Directors, or our Group Companies are stated below:

<b>Nature of case</b>	<b>Number of cases</b>	<b>Amount involved (in ₹lakhs)</b>
<b>Company</b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Our Promoter</b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Our Directors</b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Our Group Companies</b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

*The table above does not include those penalties, interests and costs, if any, which may be imposed or which may have been pleaded but not quantified in the course of legal proceedings, or which the Court / Tribunal otherwise has the discretion to impose. The imposition and amount of such penalties / interests / costs are at the discretion of the court / tribunal where the case is pending.*

**LEGAL NOTICES RECEIVED BY OUR COMPANY, OUR PROMOTER AND OUR DIRECTORS: NIL****MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this Draft Prospectus.

**PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

**NON-PAYMENT OF STATUTORY DUES**

As on the date of the Draft Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

**PAST CASES WHERE PENALTIES WERE IMPOSED**

There are no past cases where penalties were imposed on our Company by concerned authorities/courts.

**OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the Draft Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

**PAST INQUIRIES, INSPECTIONS, OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act 2013 or any previous company law in the last five years immediately preceding the year of the Draft Prospectus in the case of Company, Promoters, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Prospectus.

Further, there is no legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the promoters during the last five years immediately preceding the year of the issue of the Draft Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

### OUTSTANDING DUES TO CREDITORS

As per the Materiality Policy, our Board has approved that each creditor, to whom our Company individually owes a net aggregate amount that exceeds 5.00% of the trade payables as per the Restated Financial Statements for the most recent financial year, shall be considered as a material creditor of our Company for the purposes of disclosures in this section based on the policy approved by our Board in the Board meeting held on September 2, 2024. Our Board has also approved that dues owed by our Company to small scale undertakings as per the Restated Financial Statements for the most recent financial year shall be disclosed in a consolidated manner.

As of March 31, 2024, our Company, in its ordinary course of business, has following amount which is due towards trade creditors. As per the above policy, consolidated information of outstanding dues, as at March 31, 2024, owed to small scale undertakings, material dues to trade creditors separately, giving details of number of cases and aggregate amount for such dues is as under:

<i>(₹ in lakhs)</i>		
<b>Particulars</b>	<b>Number of cases</b>	<b>Amount Outstanding</b>
Dues to small scale undertakings	-	-
Material dues to creditors	1	496.98
Other dues to creditors	28	85.30

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year-end together with interest payable as required under the said Act have not been furnished. Our Company does not owe any small-scale industries or any MSMEs any amounts exceeding ₹1 lakh which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at [www.ddrl.in](http://www.ddrl.in). It is clarified that such details available on our website do not form a part of this Draft Prospectus. Anyone placing reliance on any other source of information, including our Company's website, [www.ddrl.in](http://www.ddrl.in), would be doing so at their own risk.

### Material Developments

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on page 133, there have not arisen, since the date of the last financial statements disclosed in the Draft Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

We have set out below a list of material approvals, consents, licences, and permissions from the governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations. In view of the approvals listed herein, our Company can undertake the Offer and its current business activities. Unless otherwise stated, our Company has obtained all material approvals and the same are valid as of the date of this Draft Prospectus. The material approvals, consents, licenses, registrations, and permits obtained by our Company which enable it to undertake its current business activities are set forth below. Further, as on the date of this Draft Prospectus, our Company does not have any material subsidiaries.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities. For further details in connection with the regulatory and legal framework within which we operate, please refer “Key Regulations and Policies” on page 86.

### A. Corporate / General Authorizations

Sr. No.	Authorisation granted	Issuing Authority	Registration No./CIN	Date of Issue	Valid up to
1.	Certificate of incorporation in the name of “Durgadevi Raiment Private Limited”	Registrar of Companies	U74999WB2016PTC218784	December 29, 2016	Valid until cancelled
2.	Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company in the name of “Durgadevi Raiment Limited”	Registrar of Companies, Mumbai	U74999WB2016PLC218784	April 28, 2022	Valid until cancelled

### B. Issue Related Authorizations

- Our Board of Directors has, pursuant to a resolution passed at its meeting held on September 2, 2024, authorised the Offer subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
- The shareholders of our Company have authorised the Offer, pursuant to a special resolution under Section 62(1)(c) of the Companies Act, 2013, passed at their EGM held on September 18, 2024.
- Our Company has obtained in-principle approval dated [●], 2024 from the BSE Limited.
- Our Company's International Securities Identification Number (“ISIN”) is INE0R0Z01016.

### C. Tax Related Authorisations

Sr. No.	Authorisation Granted	Issuing Authority	Registration No. / Reference No. / License No.	Applicable Act/ Regulation	Valid up to
1.	Permanent Account Number (PAN)	Income Tax Department, GoI	AAFC9642R	Income Tax Act, 1961	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Department, GoI	CALD14396E	Income Tax Act, 1961	Valid until cancelled
3.	GSTIN Certificate of Registration	Government of India And Government of Maharashtra	19AAFC9642R1ZQ	GST Act	Valid until cancelled

### D. Business Related Authorisations

- Udyam Registration Number - UDYAM-WB-14-0005498 issued by Ministry of Micro, Small and Medium Enterprises, Government of India for manufacturing of wearing apparel.

2. Permanent Certificate of enlistment issued under West Bengal Municipal Act, 1993, valid till July 10, 2025.

**E. Intellectual Property Registration**

Our Company does not own any intellectual property.

**F. Approvals applied for but not yet received / Renewals made in the usual course of business:**

Nil

**G. Material licenses / approvals for which our Company is yet to apply for / Statutory Approvals / Licenses required:**

Our Company may be required to update the licenses once the production is commenced at the new premises as detailed under "*Objects of the Offer*" beginning on page 55 of the Draft Prospectus.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the offer

#### Corporate Approvals

- Our Board has, pursuant to its resolution dated September 2, 2024, authorized the Offer, subject to the approval of the Equity Shareholders of our Company under Section 62(1)(c) of the Companies Act 2013.
- Our Equity Shareholders have, pursuant to a resolution dated September 18, 2024, under Section 62(1)(c) of the Companies Act, authorized the Offer.
- Further, our Board of Directors have taken on record the consent of the Selling Shareholder, Sarad Kumar Jajodia and Ajay Kumar Saraogi to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on September 2, 2024.

The Selling Shareholders have, authorized and confirmed the transfer of its portion of the Offered Shares pursuant to the Offer for Sale, as set out below:

Name of the Selling Shareholder	Number of Offered Shares in the Offer for Sale	Date of Selling Shareholders' Consent Letter	Date of corporate authorization / board resolution
Sarad Kumar Jajodia	Upto 9,00,000 Equity Shares	September 2, 2024	September 2, 2024
Ajay Kumar Saraogi	Upto 6,00,000 Equity Shares	September 2, 2024	September 2, 2024

We have received in-principle approval from BSE *vide* their letter dated [●], 2024 to use the name of BSE in this Offer Document for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

### Prohibition By Securities Market Regulators

Our Company, our Promoter, our Directors and our Promoter's Group, person(s) in control of the promoter or issuer, have not been prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the Board or any securities market regulators in any other jurisdiction or any other authority/court.

The Promoter Selling Shareholders confirm that they has not been prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

### Undertaking Regarding Regulatory Inspections and Observations

As on date of this Draft Prospectus, there are no findings, observations, or inspections by SEBI or any other regulatory authority, which may have a material impact on the investment decision.

### Prohibition by SEBI, the RBI, or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the persons in control of our Company and the Selling Shareholders have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority or court, including any securities market regulator in any jurisdiction.

### Prohibition by RBI

Neither our Company, our Promoter, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company, or the selling shareholder have been identified as a wilful defaulter or a fugitive economic offender and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.



Neither our Company, our Promoter, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India;

None of our Promoters or Directors are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

### **Compliance with the Companies (Significant Beneficial Owners) Rules, 2018**

Our Company, Promoter, members of the Promoter Group and the selling shareholder, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“SBO Rules”), to the extent applicable to each of them as on the date of this Draft Prospectus.

### **Directors associated with the Securities Market**

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Prospectus.

### **Eligibility for this Offer**

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:

- Neither our Company, nor our Promoters, promoter group nor directors are debarred from accessing the capital market by the Board.
- Neither our Promoters, nor any directors of our Company is a promoter or director of any other company which is debarred from accessing the capital market by the Board.
- Neither our Company, nor our Promoters, Promoter Group nor our directors, are Willful Defaulters or a Fraudulent Borrower.
- Neither our Promoters nor any of our directors is declared as Fugitive Economic Offender.
- Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value paidup capital is more than ten (10) crores and upto twenty-five (25) crore rupees and can issue Equity Shares to the public and propose to list the same on the SME Platform of BSE Limited.

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 for this Offer.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Offer is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as we are an Issuer whose post issue paid up capital is less or equal to Rs. 10 crore and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “SME Platform of BSE Limited”).

We confirm that:

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Offer is 100% underwritten and that the LM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled “General Information ” beginning on page 38.
2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within four (4) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of four (4) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.

3. In terms of Regulation 246(2), SEBI shall not issue observation on the Draft Prospectus. In terms of Regulation 246(1) and (3) of the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager submits a copy of the Offer Document along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Offer Document with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Offer Document.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to section titled "General Information " beginning on page 38.

**We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.**

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE:

- a) Our Company was incorporated on December 29, 2016, with the Registrar of Companies, Kolkata under the Companies Act, 2013 in India.
- b) As on the date of this Draft Prospectus, our Company has a paid-up capital of ₹624.00 lakhs and the Post Issue Paid-up Equity Share Capital will be ₹774 lakhs which is less than ₹1,000 lakhs.
- c) Our Company has a track record of at least three years.
- d) Our company has operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive, below are the details:

(₹ Lakhs)

Particulars	31.03.24	31.03.23	31.03.22
Operating Profit	145.66	67.28	33.98
<b>Net Worth</b>	<b>652.24</b>	<b>573.27</b>	<b>538.00</b>

- e) Our Company has net tangible assets of more than 3 crores in last preceding full financial year. Net Tangible assets as on March 31, 2024 is Rs. 653.75 lakhs.
- f) Our Company has not been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) and no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- g) Our Company has not received any winding up petition admitted by a NCLT / Court.
- h) No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.
- i) None of the merchant bankers involved in the IPO, have instances of any of their IPO draft offer document filed with the Exchange being returned in the past 6 months from the date of application. The Company has a website:www.ddrl.in

Other Disclosures:

- j) Any material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company: **Not Applicable**
- k) Defaults in respect of payment of interest and/or principal to the debenture/bond/ fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years: **Not Applicable**

- l) There are no litigations record against the applicant, promoters/promoting company(ies), group companies, companies and promoted by the promoters/promoting company(ies) except as stated in the *chapter “Outstanding and Material Developments” on page 143 of this Draft Prospectus.*
- m) There are no criminal cases/investigation/offences filed against the director of the company except as stated in the chapter *“Outstanding and Material Developments” on page 143 of this Draft Prospectus.*
- n) In respect of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences. **Not Applicable**
- o) There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME Platform of BSE.

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

- The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the BSE SME Platform. BSE is the Designated Stock Exchange.
- Our Company has entered into an agreement with both the depositories for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters is in dematerialised form.
- The requirement of firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the Offer Proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals is not applicable to our Company. For details, please refer the chapter “Objects of the Offer” on page 55.

Our Company confirms that the amount for general corporate purposes, as mentioned in objects of the issue in the offer document does not exceed twenty-five per cent. of the amount being raised by our Company.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter.
- (d) Neither our Company nor our Promoters or Directors is a fraudulent borrower.
- (e) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Further, In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be

unblocked forthwith. If such money is not repaid within four (4) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of four (4) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE LEAD MANAGER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●], 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.**

**THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the Registrar of Companies, West Bengal in terms of sections 26, 32 and 33 of the Companies Act, 2013.

#### **Disclaimer from our Company, our Directors, the Selling Shareholders and the Lead Manager**

Our Company, our Directors, Selling Shareholder and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, www.ddrl.in, or the website of any affiliate of our Company and its Group Companies or of the Selling Shareholder, would be doing so at his or her own risk. It is clarified that, Selling Shareholder accept or undertake no responsibility for any statements other than those specifically made or undertaken or confirmed by such Selling Shareholder in relation to itself and/ or their respective portion of the Offered Shares.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU / Issue Agreement entered into between the Lead Manager and our Company dated September 24, 2024 and the Underwriting Agreement dated September 24, 2024 entered into between the Underwriter and our Company and the Market Making Agreement dated September 24, 2024 entered into among the Lead Manager, the Market Maker and our Company.

All information shall be made available by our Company, Selling Shareholder and the Lead Manager to the Applicants and public at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at collection centres or elsewhere.

None among our Company, the Selling Shareholder or any member of the Syndicate is liable for any failure in (i) uploading the applications due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Bid Amount in the

ASBA Account on receipt of instructions from the Sponsor Banks on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for our Company, selling shareholder, our Group Entities and our respective affiliates and associates 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, selling shareholder or our Group Entities or their respective affiliates or associates for which they have received, and may in future receive compensation.

### **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 not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, Alternative Investment Fund, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹2,500 lakhs, pension fund with minimum corpus of ₹2,500 lakhs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and Insurance funds set up and managed by the Department of Posts, India, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company this Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with BSE for its observations and BSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft 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 Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the selling shareholder since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### **Disclaimer Clause of the SME Platform of BSE Limited**

As required, a copy of the Draft Prospectus has been submitted to the SME Platform of BSE.

" BSE Limited ("BSE") has vide its letter dated [●], 2024 given permission to "Durgadevi Raiment Limited" to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

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

#### **Disclaimer from the Selling Shareholders**

The Selling Shareholders accept no responsibility for statements made otherwise than in this Draft 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, or the respective websites of our Promoter Group or any affiliate of our Company would be doing so at his or her own risk. The Selling Shareholders, accept no responsibility for any statements made in this Draft Prospectus, other than those specifically made or confirmed by the Selling Shareholders in relation to itself as a Selling Shareholder and the Offered Shares. Applicants will be required to confirm and will be deemed to have represented to the Selling Shareholders and their representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not 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. The Selling Shareholders and its directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

#### **Track records of past issues handled by Inventure Merchant Banker Services Private Limited**

For details regarding the track record of the Inventure Merchant Banker Services Private Limited, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of Inventure Merchant Banker Services Private Limited at [www.inventuremerchantbanker.com](http://www.inventuremerchantbanker.com)

#### **Listing**

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

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the 40 to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Offer Closing Date. The Selling Shareholder, confirms that it shall extend reasonable support and co-operation (to the extent of its portion of the Offered Shares) as required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Offer Closing Date, or within such other period as may be prescribed. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Offer Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law. For avoidance of doubt, no liability to make any payment of interest or expenses shall accrue to Selling Shareholder unless the delay in making any of the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of its portion of the Offered Shares.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who –*

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

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Consents**

Consents in writing of (a) Our Directors, the Selling Shareholder, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Banker to the Company; (b) Lead Manager, Registrar to the Issue, Banker to the Issue/ Sponsor Bank, Legal Advisor to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Our Company has received written consent from the Statutory Auditor namely, M/s. Maheshwari & Co., Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the report of the Peer Reviewed Auditor on the Restated Financial Statements, dated September 6, 2024 and the statement of tax benefits dated September 23, 2024 and such consent has not been withdrawn as on the date of this Draft Prospectus.

### **Expert Opinion**

Except for the reports in the section “Financial Information of the Company” and “Statement of Tax Benefits” on page 110 and page 67, from the Statutory Auditors, our Company has not obtained any expert opinions.

### **Previous Rights and Public Issues during the Last Five Years**

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is the Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

### **Previous capital issue during the last three years by listed Group Companies and Subsidiary of our Company**

None of the Group Companies of our Company are listed. Further, none of our Group Companies have made any public or rights issue of securities in the preceding three years.

### **Performance vis-à-vis objects**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

None of the Group Entities has made public issue of equity shares during the period of ten years immediately preceding the date of filing draft offer document with the BSE Limited.

### **Details of Fees Payable**

#### **Fees Payable to the Lead Manager**

The total fees payable to the Lead Manager (including underwriting fees) will be as per the Memorandum of Understanding and Underwriting Agreement among our Company and the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

#### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated September 24, 2024 a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

#### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Statutory Auditor and Advertisers, etc. will be as per the terms of their respective engagement letters, if any.



**Statement on Price Information of Past Issues handled by Inventure Merchant Banker Services Private Limited:**

**TABLE 1**

Sl No	Financial Year	Issue Name	Issue Size (₹ in Crores)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % Change in Closing Price, [+/- % Change in Closing Benchmark]- 30 <sup>th</sup> Calendar Days from the Listing Day	+/- % Change in Closing Price, [+/- % Change in Closing Benchmark]- 90 <sup>th</sup> Calendar Days from the Listing Day	+/- % Change in Closing Price, [+/- % Change in Closing Benchmark]- 180 <sup>th</sup> Calendar Days from the Listing Day
<b>SME Board</b>									
1	2021-22	Navoday Enterprises Limited	4.61	20	June 25, 2021	19.50	-21.83% (0.10%)	-33.21% (13.15%)	-43.40% (7.57%)
2		AA Plus Tradelink Limited	6.48	18	July 22, 2021	17.50	-48.57% (4.72%)	-58.57% (15.94%)	-50.57% (14.98%)
3		Omnipotent Industries Limited	18.90	63	November 29, 2021	99.00	-59.01% (0.95%)	-65.98% (-2.45%)	-75.60% (-4.15%)
4		Brandbucket Media & Technology Limited	8.25	55	December 31, 2021	55.25	-35.81%(-1.81%)	-64.57% (0.54%)	-73.14% (-8.97%)
5	2022-23	Silver Pearl Hospitality & Luxury Spaces Limited	9.00	18	June 17, 2022	16.00	-26.05% (4.19%)	-39.87% (16.69%)	-48.03% (22.04%)
6		Maagh Advertising And Marketing Services Limited	9.12	60	October 13, 2022	62.30	-40.21% (7.97%)	-57.11% (5.01%)	-71.31% (3.02%)
7	2023-24	Innovatus Entertainment Networks Limited	7.74	50	August 4, 2023	57.70	-6% (-0.51%)	-51.61% (-2.50%)	-19.07% (9.18%)
8		Vilin Bio Med Limited	12.00	30	June 30, 2023	30.00	-10.53% (2.23%)	-24.39% (1.22%)	-20.35% (11.31%)
9	2024-25	Grill Splendour Services Limited	16.47	120	April 23, 2024	121.30	-36.40% (2.28%)	-43.35% (9.17%)	NA
10		Varyaa Creations Limited	20.10	150	April 30, 2024	285.00	-68.96% (-0.80%)	-71.76% (9.23%)	NA
11		Clinitech Laboratory Limited	5.783	96	August 01, 2024	115.00	-25.40% (-0.33%)	NA	NA
12		Paramatrix Technologies Limited	33.84	110	September 04, 2024	115.05	NA	NA	NA
13		Excellent Wires And Packaging Limited	12.6	90	September 19, 2024	85	NA	NA	NA
<b>Main Board – Nil</b>									

**Note:-**

1. The BSE Sensex and Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case the 30th/90th/180th day is a holiday, closing price on BSE/NSE of the previous trading day has been considered.
4. In case 30th/90th/180th days, scrips are not traded then closing price on BSE/NSE of the previous trading day has been considered.

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

Financial Year	Total no. Of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount-30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium-30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount-180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium-180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
<b>SME BOARD</b>														
2024-25*	5	88.8	1	2	-	-	-	-	-	-	-	-	-	-
2023-24	2	19.74	-	-	2	-	-	-	-	-	2	-	-	-
2022-23	2	18.12	-	2	-	-	-	-	1	1	-	-	-	-
2021-22	4	38.24	-	3	1	-	-	-	3	1	-	-	-	-
<b>MAIN BOARD</b>														
<b>Inventure Merchant Banker Services Private Limited has not done any main board issue in last three financial years as well as in the current financial year till the date this Draft Prospectus.</b>														

\* Upto date of this Draft Prospectus.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds, or redeemable preference shares.

### **Partly Paid-Up Shares**

As on the date of this Draft Prospectus, there are no partly paid-up Equity Shares of our Company.

### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

### **Option to Subscribe**

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

### **Stock Market Data for our Equity Shares**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

### **Investor Grievances and Redressal System**

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

Further, the Applicants shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission, or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in). Our Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

The Board has constituted a Stakeholders Relationship Committee 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 further details, please refer to the “*Our Management*” on page 92.

Our Company has appointed CS Nikita Agarwala as the Company Secretary and Compliance Officer and he may be contacted at the following address:

**Ms. Nikita Agarwal,  
Company Secretary and Compliance Officer**

A5, Calcutta Land Premises No. E3-509/New, Shibrampur Road, PO-Ganipur, PS-Maheshtala, Kolkata - 700141, West Bengal, India.

Tel: +91 7596-894111

E-mail: [info@ddrl.in](mailto:info@ddrl.in)

Website: [www.ddrl.in](http://www.ddrl.in)

Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc.*

As on the date of this Draft Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Prospectus.

Our Company, Lead Manager and the Registrar 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.

The Selling Shareholder, has authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to deal with, on its behalf any investor grievances received in the Offer in relation to its respective portion of the Offered Shares.

Our Group Companies and our Subsidiaries are not listed on any stock exchange.

**Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of nonroutine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

## SECTION VIII – ISSUE RELATED INFORMATION

### TERMS OF THE OFFER

All Applicants should review the General Information Document for Investing in Public Offer prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“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 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the website of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Offer.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

#### **The Offer**

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in “Objects of the Offer”, beginning on page 55.

#### **Ranking of Equity Shares**

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. The Allottees in receipt of Allotment of Equity Shares under this Offer will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer “Main Provisions of Articles of Association” on page 194.

#### **Authority for the Issue**

This Offer has been authorized by a resolution of the Board passed at their meeting held on September 2, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the AGM of the Company held on September 18, 2024.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 1956 and Companies Act, 2013, Article of Association, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 any other rules, regulations or guidelines as may be issued by Government of India in connection to recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, in cash as per the provisions of the Companies Act and our Articles of Association.

#### **Face Value and Offer Price per Share**

The face value of the Equity Shares is ₹10.00 each and the Offer Price is ₹40.00 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under “Basis for Offer Price” on page 61. At any given point of time there shall be only one denomination for the Equity Shares.

### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer “Main Provisions of Articles of Association” on page 194.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Mumbai, India.

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

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

### **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. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories, and the Registrar to the Offer:

- Agreement dated August 30, 2023 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated August 29, 2023 amongst CDSL, our Company and the Registrar to the Offer.

### **Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 3,000 Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large.

### **Nomination Facility to Investor**

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

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

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

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

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

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

Further in accordance with the Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies blocked by the SCSBs and sponsor bank, shall be unblocked within 4 working days of closure of Offer.

#### **Period of the Subscription list of the Public Issue**

<b>Event</b>	<b>Indicative Date</b>
Offer Opening Date	[●]
Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to Demat Accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

**The above timetable is indicative and does not constitute any obligation on our Company and the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within three Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.**

#### **Minimum Subscription**

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Offer through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer and Selling shareholder shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and the Selling Shareholders, to the extent applicable, shall pay interest prescribed under the applicable law.

No liability to make any payment of interest shall accrue to any Selling Shareholder unless any delay in making any of the payments hereunder or any delay in obtaining listing and/or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of its portion of the Offered Shares.

In terms of Regulation 260 of the SEBI ICDR Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “*General Information*” on page 38.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

#### **Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 3,000 Equity Shares. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

#### **Option to receive Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchange.

#### **Migration to Main Board**

In accordance with the National Stock Exchange of India Limited Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of BSE Limited as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations. Our Company may migrate to the main board of BSE from the SME Platform on a later date subject to the following:

- a) If the Paid up Capital of the company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

#### **Market Making**

The shares issued and transferred through this Offer are proposed to be listed on the BSE Emerge with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the SME Platform of BSE Limited. For further details of the market making arrangement please refer to chapter titled “*General Information*” beginning on page 38 of this Draft Prospectus.

#### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Offer.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be



subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Offer.

#### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "*Capital Structure*" on page 45, and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "*Main Provisions of Articles of Association*" on page 194.

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed more than ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE Limited). For further details regarding the salient features and terms of such an issue please refer "*Terms of the Issue*" and "*Issue Procedure*" on page 161 and 170, respectively.

### Following is the Issue structure:

Initial Public Offering of up to 30,00,000 Equity Shares of ₹10 EACH ("Equity Shares") of Durgadevi Raiment Limited ("DDRL" or the "Company") For cash at a price of ₹ 40.00 per Equity Share (The "Offer Price"), aggregating to ₹ 1,200.00 Lakhs ("The Offer"), comprising a Fresh Issue of up to 15,00,000 Equity Shares aggregating to ₹ 600.00 Lakhs by our Company ("Fresh Issue") and an Offer For Sale of up to 15,00,000 Equity Shares by Selling Shareholders Ajay Kumar Saraogi And Sarad Kumar Jajodia ( "The Selling Shareholders") Aggregating to ₹ 600.00 Lakhs ("Offer for Sale"). Of the Offer, 1,50,000 Equity Shares Aggregating to ₹60.00 Lakhs will be Reserved for Subscription by Market Maker ("Market Maker Reservation Portion"). The Offer Less the Market Maker Reservation Portion i.e. Offer of 28,50,000 Equity Shares of Face Value of ₹ 10.00 each at an Offer Price of ₹40.00 per Equity Share aggregating to ₹1,140.00 Lakhs is hereinafter referred to as the "Net Offer". The Offer and the Net Offer will constitute 38.76% and 36.82%, respectively of the Post Offer Paid Up Equity Share Capital of our Company. For further details, see "Terms of the Offer" on page 161 of the Draft Prospectus.

Particulars	Net Issue to Public <sup>^</sup>	Market Maker reservation portion
<b>Number of Equity Shares</b>	28,50,000 Equity Shares	1,50,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	95.00% of the Issue Size  (50% for the Retail Individual Investors and the balance 50% for Other than Retail Individual Investors).	5.00% of the Issue Size
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of 3,000 Equity Shares and Further allotment in multiples of 3,000 Equity Shares each.  For further details please refer to the section titled " <i>Offer Procedure</i> " on page 170.	Firm Allotment
<b>Mode of Application*</b>	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for UPI Applicants using Syndicate ASBA).	
<b>Minimum Application Size</b>	<b><u>For QIB and NII:</u></b> Such number of Equity Shares in multiples of 3,000 Equity Shares at an Issue price of ₹40 each such that the Application Value exceeds ₹2,00,000  <b><u>For Retail Individuals:</u></b> 3,000 Equity Shares at an Issue price of ₹40 each.	1,50,000 Equity Shares at an Issue price of ₹40 each.
<b>Maximum Application</b>	<b><u>For QIB and NII:</u></b> The maximum application size is the Net Issue to public i.e. 28,50,000 Equity Shares, subject to limits the investor has	1,50,000 Equity Shares at an Issue price of ₹40 each.

Particulars	Net Issue to Public <sup>^</sup>	Market Maker reservation portion
	to adhere under the relevant laws and regulations as applicable.  <b><u>For Retail Individuals:</u></b> 3,000 Equity Shares at an Issue price of ₹40 each.	
<b>Mode of Allotment</b>	Dematerialized Form	Dematerialized Form
<b>Trading Lot</b>	3,000 Equity Shares	3,000 Equity Shares. However, the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations.
<b>Terms of payment</b>	The entire Application Amount will be payable at the time of submission of the Application Form.	

*This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer 'Terms of the Offer' on page 161.*

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

- d) Minimum fifty percent to retail individual investors; and
- e) Remaining to:
  - i. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- f) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

*\* In case of joint Application, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.*

### **Withdrawal of the Issue**

The Company and the selling shareholder in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Offer Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this Offer on its SME Platform, which the Company shall apply for after Allotment and,
2. The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Offer Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

**Offer Programme**

<b>Offer Opening Date</b>	[●], 2024
<b>Issue Closing Date</b>	[●], 2024

**Submission of Applications:**

<b>Offer Period (except the Bid/Offer Closing Date)</b>	
Submission and Revision in Applications	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time (“IST”)
<b>Offer Closing Date (T day)</b>	
Submission of Applications	<p><b>Electronic Applications</b></p> <p>i. Online ASBA through 3-in-1 accounts – Upto 5.00 p.m. IST on T day.</p> <p>ii. Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA etc – Upto 4.00 p.m. IST on T day.</p> <p>iii. Syndicate Non-Retail, Non-Individual Applications – Upto 3.00 p.m. IST on T day.</p> <p><b>Physical Applications</b></p> <p>i. Bank ASBA – Upto 1.00 p.m. IST on T day.</p> <p>ii. Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIs – Upto 9.00 p.m IST on T day and Syndicate members shall transfer such applications to banks before 1 p.m. IST on T day.</p>
Revision in Applications	Only between 10.00 a.m. and 5.00 p.m. IST

**On the Offer Closing Date, the Applications shall be uploaded until:**

- (i) 4:00 p.m. IST for Applications by QIBs and Non-Institutional Investors; and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail and reserved category.

Above timelines will be applicable during the Issue Period at the Application Centres mentioned in the Application Form. Applications will be accepted only on Working days i.e. all days excluding Saturdays, Sundays, and public holidays, on which the commercial banks in the city as notified in the offer document are open for business.

On the Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Applications received from Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion 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 LM 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 LM and the RTA on a daily basis, as per the format prescribed in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

**It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Applications not uploaded on the electronic bidding system or in respect of which the full Application 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.**

Due to limitation of time available for uploading the Applications on the Bid/Offer Closing Date, Applicants are advised to submit their Applications one day prior to the Offer Closing Date, and are advised to submit their Applications no later than prescribed time on the Offer Closing Date. Any time mentioned in this Prospectus is IST. Bidders are cautioned that, in the event a large number of Applications are received on the Offer Closing Date, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Offer. Applications will be accepted only during Working Days, during the Offer Period. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 issued by BSE respectively, Applications and any revision in Applications shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Applications by ASBA Applicants shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. The Designated Intermediaries shall modify select fields uploaded in the Stock

Exchange Platform during the Offer Period till 5.00 pm on the Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Applicant, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment. Our Company, in consultation with the Book Running Lead Managers, reserve the right to extend the Bid/Offer Period in accordance with the SEBI ICDR Regulations.

In case of any extension, the Offer Period will be extended by at least three additional Working Days, subject to the Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, in consultation with the Lead Manager, for reasons to be recorded in writing, extend the Offer Period for a minimum of three Working Days, subject to the Offer Period not exceeding 10 Working Days. Any extension of Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice and at the terminals of the Syndicate Member(s) and by intimation to Self-Certified Syndicate Banks (“SCSBs”), other Designated Intermediaries and the Sponsor Bank(s), as applicable.

## OFFER PROCEDURE

*All Applicants should review the General Information Document for Investing in Public Issues which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.*

*Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/Prospectus before investing in the Issue.*

*Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with 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 the Prospectus.*

*Further, our Company and the Lead Manager do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI mechanism for application in this Offer.*

*The lists of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbroker, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that has been notified by BSE Limited to act as intermediaries for submitting Application Forms are provided on <https://www.bseindia.com>.*

SEBI through 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 and circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (—UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (—UPI Phase II). The UPI Phase I was effective till June 30, 2019.

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 Applications by RIIs through Designated Intermediaries (other than SCSBs), issued by SEBI, the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public 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, has 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 RIIs (“UPI Phase III”) and modalities of the implementation of UPI Phase III maybe notified and made effective subsequently, as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by 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 has introduced certain additional measures for

streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Draft Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI applicants in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹5.00 lakhs shall use the UPI Mechanism.

*Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with 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 the Draft Prospectus.*

*Further, our Company and the Lead Manager are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.*

### ***Phased implementation of Unified Payments Interface***

SEBI has issued a **UPI Circulars** in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase commenced on completion of Phase I i.e. with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue 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 the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding

through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process. As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation in the net offer to the public category shall be made as follows:

- g) Minimum fifty percent to retail individual investors; and
- h) Remaining to:
  - i. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- i) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spillover from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN, UPI ID (in case of RIBs using the UPI mechanism) and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange.**

### **APPLICATION FORM**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Offer Opening Date.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. Retail Individual Investors using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Applicants are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount which can be blocked by the SCSB.

Category	Colour <sup>(1)</sup>
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FII's, FVCI's, etc. applying on a repatriation basis (ASBA)	Blue



*(1) Excluding electronic Application Form.*

RIIs and other Individual investors using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Applicants are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount which can be blocked by the SCSB.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. An Investor, intending to subscribe to this Offer, shall submit a completed application form to any of the following Intermediaries (Collectively called “Designated Intermediaries”)

<b>Sr. No.</b>	<b>Designated Intermediaries</b>
1.	An SCSB, with whom the bank account to be blocked, is maintained.
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the Stock Exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors and other Individual Inventors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as ‘Intermediaries’), and intending to use UPI, shall also enter their UPI ID in the application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical form or electronic mode respectively.

The upload of the details in the electronic bidding system of the stock exchange will be done by:

<b>For the applications submitted by the investors to SCSB</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the Bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of the Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment	<p>After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).</p> <p>Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds.</p> <p>Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.</p>

Stock exchange(s) shall validate the electronic details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID, Bank code and Location code, in the application details already uploaded.

For ASBA Applicants using UPI mechanism, the Stock Exchange shall share the application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to ASBA applicants for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, 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 ASBA applicants (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Bankers to the Issue) 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 Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI *circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M* dated March 16, 2021.

### **Who Can Apply?**

1. Indian nationals' resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Applications portion;
9. Venture Capital Funds registered with SEBI;
10. Foreign Venture Capital Investors registered with SEBI;
11. Eligible Qualified Foreign Investors;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions);
13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;

15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the Government of India, published in the Gazette of India;
22. Nominated Investor and Market Maker;
23. Insurance funds set up and managed by the army, navy, or air force of the Union of India and by the Department of Posts, India;
24. Any other person eligible to Apply in this Offer, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian laws.
25. As per the existing policy of the Government of India, OCBs cannot participate in this Offer. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.
26. Applications not to be made by:
  1. Minors (except through their Guardians)
  2. Partnership firms or their nominations
  3. Overseas Corporate Bodies

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

#### **Maximum and Minimum Application Size**

##### **a) For Retail Individual Applicants:**

The Application must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹2,00,000.

##### **b) For Other Applicants [Non-Institutional Applicants and Qualified Institutional Buyer(s) (QIB)]:**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹2,00,000 and in multiples of 3,000 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.** Under the existing SEBI regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

The above Information is given for the benefits of the Applicants. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section. Applicants are advised to make their independent investigations and ensure that their applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

### **Basis Of Allotment**

Allotment will be made in consultation with the Stock Exchange. In the event of over subscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 3000 Equity Shares the allotment will be made as follows:
  - a. Each successful applicant shall be allotted 3000 Equity Shares; and
  - b. The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 3000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 3000 Equity Shares subject to a minimum allotment of 3000 Equity Shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 3000 Equity Shares, results in the actual allotment being higher than the shares issue, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Prospectus.
6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a. A minimum of 50% of the net Issue of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b. The balance net Issue of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

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

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2 lakhs Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. No Retail Individual applicant will be allotted less than the minimum application Lot subject to availability of Equity Shares in Retail Individual Investor Category and the remaining available Equity Shares, if any will be allotted on a proportionate basis. The Company is required to receive a minimum subscription of 90% of the Issue.

**Flow of Events from the closure of bidding period (T DAY) Till Allotment:**

- On T Day, Registrar to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- Registrar identifies cases with mismatch of account number as per bid file / Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- Registrar prepares the list of final rejections and circulate the rejections list with LM / Company for their review/ comments.
- Post rejection, the Registrar submits the basis of allotment with the Stock Exchange.
- The Stock Exchange, post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The Registrar uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

**Process for generating list of Allottees:**

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

**BASIS OF ALLOTMENT**

Allotment will be made in consultation with the SME Platform of BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- 1) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).
- 2) The number of Shares to be allocated to the successful Applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
- 3) For applications where the proportionate allotment works out to less than 3000 equity shares the allotment will be made as follows:
  - i. Each successful Applicant shall be allotted 3000 equity shares; and
  - ii. The successful Applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

4) If the proportionate allotment to an Applicant works out to a number that is not a multiple of 3000 equity shares, the Applicant would be allotted Shares by rounding off to the nearest multiple of 3000 equity shares subject to a minimum allotment of 3000 equity shares.

5) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 3000 Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.

6) Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum fifty percent (50%) To Retail Individual Investors; and
- b) Remaining to: Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for

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

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

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- . Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

#### **Participation by associates and affiliates of the Lead Manager and the Syndicate Members**

The Lead Manager shall not be allowed to subscribe to this Offer in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis and such subscription may be on their own account or on the behalf of their clients.

#### **Option to subscribe in the Issue**

- a) As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable laws.

#### **Applications by Mutual Funds**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value 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.

### **Applications by Eligible NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (NRE) accounts, or Foreign Currency Non-Resident (FCNR) Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (NRO) accounts for the full application amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

### **Application by FPIs (including FIIs)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Issue 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 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, 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 that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

### **Applications by SEBI registered Venture Capital Funds, Alternative Investment Fund (AIF) and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends, and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability Partnerships can participate in the Issue only through the ASBA Process.

#### **Applications by Insurance Companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (“**IRDA Investment Regulations**”), as amended, as amended, are broadly set forth below:

- 1) Equity shares of a company: the least of 10.00% of the investee company’s subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) The industry sector in which the investee company belongs to not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores a certified copy of the power of attorney or the relevant resolution



or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason, therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a). With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c). With respect to applications made by provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

***Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.***

***The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.***

#### **Applications by Provident Funds / Pension Funds**

In case of Applications made by provident funds with minimum corpus of ₹25 crores (subject to applicable law) and pension funds with minimum corpus of ₹ 25 crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **Applications by Banking companies**

In case of Applications made by banking companies registered with RBI, certified copies of:

- (i) The certificate of registration issued by RBI, and
- (ii) The approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason, therefore.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies

are permitted to engage under the Banking Regulation Act.

### **Applications by Self Certified Syndicate Banks (SCSBs)**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. 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 ASBA applications.

### **Information for the Applicants**

1. Our Company and the Lead Manager shall declare the Offer Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Offer Opening Date.
3. Copies of the Application Form along with Abridged Prospectus and copies of the Prospectus will be available with the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected.
7. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs) , the relevant SCSB , shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
8. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
9. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange. Designated Intermediaries do not match with PAN, the DP ID, and Client ID available in the Depository database, the Application Form is liable to be rejected.

### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) APPLICANTS**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

**Method and Process of Applications**

1. Applicants are required to submit their applications during the Issue Period only through the Designated Intermediaries.
2. The Issue Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten (10) Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Offer.
5. The Designated Intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below:

For the applications submitted by the investors to SCSB	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the Bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of the Issue.

6. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
7. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
8. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
9. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate

request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **Terms of payment**

The entire Issue price of ₹ 40 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs or Sponsor Bank to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Issue or the Registrar or Sponsor Bank is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Payment mechanism for Applicants**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, may use UPI.

### **Electronic Registration of Applications**

The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities on a regular basis before the closure of the issue.

On the Issue Closing Date, the Designated Intermediaries may upload the applications till such time as may be permitted by the Stock Exchange.

c) Only Applications that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. In the Phase 1, the Designated Intermediaries are given till 1:00 pm on the day following the Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Issue Period after which the Stock Exchange send the application information to the Registrar to the Issue for further processing.

### **Other Instructions**

#### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **Multiple Applications**

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature, and father/ husband's name to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

### **Allocation of Equity shares**

1) The Offer is being made through the Fixed Price Process wherein 1,50,000 Equity Shares shall be reserved for Market Maker. 14,25,000 Equity Shares having face value of ₹10.00 each at a price of ₹40 per Equity Share aggregating ₹570.00 lakhs will be available for allocation to Retail Individual Investors. 14,25,000 Equity Shares having face value of ₹10.00 each at a price of ₹40 per Equity Share aggregating ₹570.00 lakhs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.

2) Under-subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines, and approvals.

4) In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.

5) Allotment status details shall be available on the website of the Registrar to the Issue.

### **Signing of Underwriting Agreement**

Vide an Underwriting Agreement dated September 24, 2024 this Offer is 100% Underwritten.

### **Filing of the Prospectus with the ROC**

The Company will file a copy of the Prospectus with the ROC in terms of 26 of the Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding, and irrevocable contract for the Allotment to such Applicant.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

### **Designated Date**

On the Designated Date, the Registrar to the Offer shall instruct the SCSBs or Sponsor Bank to unblock funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

## **GENERAL INSTRUCTIONS**

### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;

- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

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 the Company Secretary and Compliance Officer.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Further, helpline details of the Lead Manager pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 are set forth in the table below:

<b>Name of the Lead Manager</b>	<b>Helpline (email)</b>	<b>Telephone</b>
Inventure Merchant Banker Services Private Limited	redressal@inventuremerchantbanker.com	+91 22 4075 1500

**Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchange, along with the Lead Managers 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 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 the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the

Designated Stock Exchange. The allotment of Equity Shares to applicants other than to the Retail Individual 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.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com). With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com)

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID.

### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN Nos, UPI ID (if applicable), Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.



### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment shall be made within one day of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than two working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Impersonation**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

*"Any person who –*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of Companies Act, 2013 and shall be treated as Fraud."*

### **Mode of Refunds**

a) **In case of ASBA Applicants:** Within 3 (three) Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer

b) In the case of Applications from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

c) In case of Other Investors: Within three Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

### **Mode of making refunds for Applicants other than ASBA Applicants**

The payment of refund, if any, may be done through various modes as mentioned below:

(i) NECS - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;

(ii) NEFT - Payment of refund may be undertaken through NEFT wherever the branch of the Bidders' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(iii) Direct Credit – Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(iv) RTGS – Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the Lead Manager or the Registrar to the Issue or the Escrow Collection Bank nor the Company shall have any responsibility and undertake any liability for the same;

(v) Please note that refunds, on account of our Company not receiving the minimum subscription, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank. For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders may refer to Prospectus.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer shall make the Allotment within the period prescribed by SEBI. 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/ Issue Closing Date, the applicant shall be compensated in accordance with applicable law, i.e. the applicant shall be compensated at a uniform rate of Rs. 100.00 per day for the entire duration of delay exceeding three working days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

#### **Undertakings by our Company**

We undertake as follows:

- i. That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- ii. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within the period prescribed by the Board;
- iii. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;

- iv. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- v. That no further Issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
- vi. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- vii. That if our Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- viii. If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer;

#### **Undertaking by the Selling Shareholder**

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Selling Shareholder in this Draft Prospectus shall be deemed to be “statements and undertakings made by the Selling Shareholder”. All other statements and/ or undertakings in this Draft Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholder. The Selling Shareholder severally and not jointly, specifically confirms and undertakes the following in respect of himself and the Equity Shares being offered by it pursuant to the Offer for Sale:

1. The portion of the offered Shares shall be transferred in the offer free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrance or transfer restrictions, both present and future, in a manner prescribed under Applicable Law in relation to the Issue, and without any objection by it and in accordance with the instructions of the Registrar to the Issue.
2. The portion of the offered Shares have been held by such Selling Shareholder for a minimum period of one year prior to the date of filing this Draft Prospectus, such period determined in accordance with Regulation 26 (6) of the SEBI ICDR Regulations.
3. He is the legal and beneficial owner and has full title of its respective portion of the offered Shares.
4. That he shall provide all reasonable co-operation as requested by our Company and the LM in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of its respective portion of the offered Shares.
5. He will not have recourse to the proceeds of the Offer for Sale, until approval for final listing and trading of the Equity Shares is received from the Stock Exchanges.
6. He will deposit its respective portion of the offered Shares in an escrow account opened with the Share Escrow Agent prior to filing of the Prospectus with the RoC.
7. He shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Application in the Issue, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes a Application in the Issue.
8. That he will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the LM in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Issue, except as permitted under applicable law;
9. The Selling Shareholder has authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Issue to redress any complaints received from Applicants in respect of the Offer for Sale.

## **UTILIZATION OF THE FRESH ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

## 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. Under the Industrial Policy, 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.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) (“**DPIIT**”), issued the FDI Policy, which is effect from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

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 FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, 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 of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments 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. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. 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 Issue Period.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

1.	The regulations contained in Table ‘F’ in Schedule I to the Companies Act, 2013 (“Table ‘F’”), as are applicable to a public company limited by shares, shall apply to the Company so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof and only to the extent that there is no specific provision in these Articles. In case of any conflict between the provisions of these Articles and Table ‘F’, the provisions of these Articles shall prevail.	Table “F” to apply save as varied
<b>Interpretation</b>		
2.	In the interpretation of these Articles, unless repugnant to the subject or context :-	Interpretation Clause
	“Act” means the Companies Act, 2013 and rules made there under or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.	“Act”
	“Articles” means these articles of association of the Company or as altered from time to time.	“Articles”
	“Company” means <b>DURGADEVI RAIMENT LIMITED*</b> .	“Company”
	“Directors” means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a meeting of the Board.	“Directors”
	“Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.	“Rules”
<b>Share capital and variation of rights</b>		
3.	The Authorized Share Capital of the Company shall be as stated in Clause V of the Memorandum of Association, with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.	Capital

4.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.	Shares under control of Board
5.	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, if the price of such shares is determined by the valuation report of a registered valuer and such issuance and allotment is approved by a special resolution	Shares for consideration other than cash

	of the shareholders of the Company.	
6.	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: <ul style="list-style-type: none"> <li>i. Equity share capital: <ul style="list-style-type: none"> <li>a. with voting rights; and / or</li> <li>b. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and</li> </ul> </li> <li>ii. Preference share capital</li> </ul>	Kinds of share capital
7.	i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue provide: <ul style="list-style-type: none"> <li>a. One certificate for all his shares without payment of any charges; or</li> <li>b. Several certificates, each for one or more of his shares, upon payment of twenty rupees, or such other fees as may be fixed by the Board, for each certificate after the first.</li> </ul>	Issue of certificate
	ii. Every certificate shall be under the Seal and shall specify the shares to which it relates and the amount paid-up thereon.	Certificate to bear seal
	iii. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.	One certificate for Shares held jointly
8.	i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without any fee or on payment of such other fees as may be fixed by the Board from time to time in accordance with the Act, for each certificate.	Issue of new share certificate in place of one defaced, lost or destroyed
	ii. The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc.
9.	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 the Articles 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.	

10.	i. The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.	Power to pay commission in connection with securities issued
	ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act and the Rules.	Rate of commission in accordance with the Rules
	iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	Mode of payment of commission
11.	i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, as prescribed under the Act.	Variation of the members right
	ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall <i>mutatis mutandis</i> apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.	Provisions as to general meetings to apply <i>mutatis mutandis</i> to each meeting
12.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	Issue of further shares Not to affect rights of existing members
13.	Subject to the provisions of the Act, any preference shares may, with the sanction of a special resolution, be issued or re issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by such special resolution, determine.	Power to issue redeemable preference shares
14.	i. The Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to: <ul style="list-style-type: none"> <li>a. persons who, at the date of offer, are holders of equity shares of the</li> </ul>	Further issue of share capital
	<ul style="list-style-type: none"> <li>b. employees under any scheme of employees' stock option, subject to approval by the shareholders of the Company by way of a special resolution; or</li> <li>c. any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above, subject to approval by the shareholders of the Company by way of a special resolution.</li> </ul>	



	ii. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.	Mode of further issue of shares
15.	Subject to the provisions of the Act and other applicable provisions of law, the Company may with the approval of the shareholders by a special resolution in general meeting issue sweat equity shares in accordance with such rules and guidelines issued by the Securities and Exchange Board of India and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.	Sweat equity shares
16.	Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any special privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise. Debentures or other securities with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the general meeting by way of a special resolution.	Terms of issue of debentures
	<b>Lien</b>	
17.	<p>i. The Company shall have a first and paramount lien—</p> <p>a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:</p> <p>Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p>	Company's lien on shares
	ii. The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares.	Lien to extend to dividends, etc.
18.	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made:</p> <p>a. unless a sum in respect of which the lien exists is presently payable;</p>	As to enforcing Lien by sale
	<p>or</p> <p>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.</p>	
19.	i. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.	Validity of sale
	ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.	Purchaser to be Registered holder

	iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.	Purchaser not affected
20.	The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.	Validity of Company's receipt
21.	i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.	Application of proceeds of sale
	ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.	Payment of residual money
22.	In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.	Outsider's lien not to effect Company's lien
23.	The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provisions as to lien to apply <i>mutatis mutandis</i> to debentures, etc.
<b>Share Certificates</b>		
24.	Notwithstanding anything contained elsewhere in these Articles, the Board may in their absolute discretion refuse sub-division of share certificates or debenture certificates into denominations of less than the marketable lots except where such sub-division is required to be made to comply with a statutory provision or an order of a competent court of law.	Right of Directors to refuse sub-division
25.	Notwithstanding anything contained elsewhere in these Articles, a certificate, if required, for a dematerialized share, debenture and other security shall be issued in the name of the Depository and all the provisions contained in these Articles in respect of the rights of a member/debenture holder of the	Issue of certificates, if required, in the case of
	Company shall <i>mutatis mutandis</i> apply to the Depository as if it were a member / debenture holder / security holder excepting that and notwithstanding that the Depository shall have been registered as the holder of a dematerialized share, debenture and other security, the person who is the beneficial owner of such shares, debentures and other securities shall be entitled to all other rights available to the registered holders of the shares, debentures and other securities in the Company as set out in the other provisions of these Articles.	dematerialized shares/debentures /other securities and rights of Beneficial owner of such shares/ debentures/ other securities.
<b>Dematerialisation of Securities</b>		

26.	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialized form and on the same being done, the Company shall further be entitled to maintain a register of members/ debenture-holders/ other security-holders with the details of members/ debenture-holders/ other security-holders holding shares, debentures or other securities both in materialized and dematerialized form in any media as permitted by the Act.	Company entitled to dematerialise its shares, debentures and other securities
27.	Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the beneficial owner of the security.	Option to hold shares in electronic or physical form
28.	Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by a court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.	Beneficial owner deemed as absolute owner
29.	In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.  Provided that in respect of the shares and securities held by the Depository on behalf of a beneficial owner, provisions of Section 9 of the Depositories Act, 1996, shall apply so far as applicable.	Shares, debentures And other securities held in electronic form
30.	Every Depository shall furnish to the Company, information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.	Information about Transfer of securities
31.	Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act, 2018 as amended.	Provisions to apply to shares in electronic form
<b>Calls on shares</b>		

32.	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days’ notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.</p> <p>iv. A call may be revoked or postponed at the discretion of the Board.</p>	<p>Board may make calls</p> <p>Notice of call</p> <p>Board may extend time for Payment</p> <p>Revocation or postponement of call</p>
33.	<p>A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.</p>	<p>Call to take effect From date of resolution</p>
34.	<p>The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</p>	<p>Liability of joint holders of shares</p>
35.	<p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>	<p>When interest on call Payable</p> <p>Board may waive interest</p>
36.	<p>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these 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.</p>	<p>Sums deemed to be calls</p> <p>Effect of non-payment of sums</p>
37.	<p>The Board:</p> <p>i. May, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>ii. Upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys</p>	<p>Payment in anticipation Of calls may carry interest</p>

	so paid by him until the same would, but for such payment, become presently payable by him.	
38.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.	Installments on shares to be duly paid
39.	All calls shall be made on a uniform basis on all shares falling under the same class.	Calls on shares of same class to be on uniform basis
40.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided	Partial payment not to preclude forfeiture
41.	The provisions of these Articles relating to calls on shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provisions as to calls to apply <i>mutatis mutandis</i> to debentures etc.
<b>Transfer of shares</b>		
42.	<p>i. The instrument of transfer of any share in the Company which is in physical form shall be executed by or on behalf of both the transferor and transferee.</p> <p>ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p>	Instrument of transfer to be executed by transferor and transferee
43.	<p>The Company shall not register a transfer of shares in, or debentures of the Company held in physical form unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificates relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures:</p> <p>Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is</p>	Transfer not to be registered except on production of instrument of transfer
	<p>proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit:</p> <p>Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right to any shares in, or debentures of, the Company has been transmitted by operation of law.</p>	
44.	In case of shares held in physical form, the Board may, subject to the right of appeal conferred by the Act decline to register any transfer of shares on which the Company has a lien.	Board may refuse to register transfer

45.	A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representatives shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.	Transfer by legal representative
46.	Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice.  For the purpose of above clause notice to the transferee shall be deemed to have been duly given if it is dispatched by pre-paid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been duly delivered upon the expiry of seven days from the date of dispatch.	Transfer of partly paid shares
47.	In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless:  i. The instrument of transfer is in the form as prescribed in the Rules or under the Act,  ii. The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and  iii. The instrument of transfer is in respect of only one class of shares.	Board may decline To recognize instrument of transfer
48.	If the Company refuses to register the transfer of any share pursuant to these Articles, it shall within thirty days from the date on which the instrument of transfer was delivered to the Company send notice of refusal to the transferee and transferor.	Notice of refusal to be given to transferor and transferee
49.	No transfer shall be made to a person of unsound mind. However, transfer of fully paid up shares can be made in the name of a minor if he is represented by his lawful guardian.	No transfer to minor
50.	All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same.	When transfers to be Retained
51.	The Board may, in their discretion, waive the payment of any transfer or transmission fee either generally or in any particular case or cases.	Fee on transfer
52.	The Company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situate, close the register of members or the register of debenture-holders or other security holders for any period or periods not exceeding in the whole forty-five days in each year, but not exceeding thirty days at any one time.	Power to close Register Of Members or other security holders
53.	The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provisions as to transfer of shares to apply <i>Mutatis mutandis</i> to debentures, etc.

<b>Transmission of shares</b>		
54.	<p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<p>Title to shares on death of a Member</p> <p>Estate of deceased Member liable</p>
55.	<p>i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p style="margin-left: 40px;">a. To be registered himself as holder of the share; or</p> <p style="margin-left: 40px;">b. To make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>	<p>Transmission Clause</p> <p>Board's right unaffected</p>
56.	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.	Indemnity to the Company
57.	<p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>	<p>Right to election of holder of share</p> <p>Manner of testifying Election</p> <p>Limitations applicable To notice</p>
58.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>	Claimant to be entitled to same advantage

59.	The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc.
<b>Forfeiture of shares</b>		
60.	If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.	If call or installment Not paid notice must be given
61.	The notice aforesaid shall: i. Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and  ii. State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	Form of notice
62.	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	In default of payment of shares to be forfeiture
63.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	Entry of forfeiture in register of members
64.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	Effect of forfeiture
65.	i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.  ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Forfeited shares May be sold, etc.  Cancellation of forfeiture
66.	i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.  ii. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	Member still liable to pay money owing at time of forfeiture  Member still liable to pay money owing at time of forfeiture and interest  Cesser of liability



	iii. 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.	
67.	<p>i. A duly verified declaration in writing that the declarant is a Director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p>iii. The transferee shall thereupon be registered as the holder of the share; and</p> <p>iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p>	<p>Certificate of forfeiture</p> <p>Title of purchaser And transferee of Forfeited shares</p> <p>Transferee to be Registered as holder</p> <p>Transferee not affected</p>
68.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	Validity of the sales
69.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	Cancellation of share certificate in respect of forfeited shares
70.	The Board may, subject to the provisions of the Act, accept a surrender of the share certificate for any forfeited share from or by any member desirous of surrendering those on such terms as they think fit.	Surrender of share certificates
71.	The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	Sums deemed to be calls
72.	The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.	Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc.
<b>Alteration of capital</b>		

73.	The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.	
74.	<p>Subject to the provisions of the Act, the company may, by ordinary resolution:</p> <ul style="list-style-type: none"> <li>i. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>ii. Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>iii. Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</li> </ul>	Power to alter Share capital
75.	<p>Where shares are converted into stock—</p> <ul style="list-style-type: none"> <li>i. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</li> </ul> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <ul style="list-style-type: none"> <li>ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</li> </ul>	<p>Shares may be converted into stock</p> <p>Right of stockholders</p>
	<ul style="list-style-type: none"> <li>iii. Such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</li> </ul>	
76.	<p>The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law:</p> <ul style="list-style-type: none"> <li>i. Its share capital;</li> <li>ii. Any capital redemption reserve account; or</li> <li>iii. Any share premium account</li> </ul>	Reduction of capital
	<b>Joint Holders</b>	

77.	<p>Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship, subject to the following and other provisions contained in these Articles:</p> <p>i. The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.</p> <p>ii. On the death of any one or more of such joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.</p> <p>iii. Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.</p> <p>iv. Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.</p> <p>v.</p> <p>a. Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.</p> <p>b. Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.</p>	<p>Joint-holders</p> <p>Liability of joint-holders</p> <p>Death of one or more joint holders</p> <p>Receipt of one sufficient</p> <p>Delivery of certificate and giving of notice to first named holder</p> <p>Vote of joint-holders</p> <p>Executors or administrator as joint holders</p> <p>Provisions as to jointholders as to shares to apply <i>mutatis mutandis</i> to debentures, etc.</p>
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	vi. The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names.	
78.	<b>Capitalization of profits</b>	

	<p>i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <p>a. 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, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>b. That such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <p>a. Paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>b. Paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>c. Partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</p> <p>d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</p> <p>e. The Board shall give effect to the resolution passed by the Company in pursuance of this Article.</p>	<p>Capitalization</p> <p>Sum how applied</p>
<p>79.</p>	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall:</p> <p>a. Make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and</p> <p>b. Generally do all acts and things required to give effect thereto.</p> <p>ii. The Board shall have power:</p> <p>a. To make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>b. To authorize any person to enter, on behalf of all the members entitled</p>	<p>Powers of the Board for Capitalization</p> <p>Board’s power to issue fractional Certificate/ coupon etc.</p>

	<p>thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>	Agreement binding on members
	<b>Buy-back of shares</b>	
80.	Notwithstanding anything contained in these Articles but subject to the provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	Buy-back of shares
81.	The Company shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding company, save as provided by the Act.	Restrictions on purchase by Company of its own shares
	<b>General meetings</b>	
82.	All General Meetings other than Annual General Meeting shall be called extraordinary general meeting.	Extraordinary General Meeting
83.	<p>i. The Board may, whenever it thinks fit, call an Extraordinary General Meeting.</p> <p>ii. If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p> <p>iii. A General Meeting may be called at shorter notice on same day.</p>	Powers of Board to call extraordinary general meeting
	<b>Proceedings at general meetings</b>	
84.	<p>i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act.</p>	<p>Presence of Quorum</p> <p>Quorum for General Meeting</p>
85.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	Chairperson of the meetings
86.	No business shall be discussed or transacted at any general meeting whilst the chair is vacant, except election of Chairperson.	Business confined to election of Chairperson whilst chair vacant

87.	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 Co-Chairman, or in the absence of the Co- Chairman, the Vice Chairman, of the Board shall preside as Chairman of such meeting and in such event the Co-Chairman or Vice Chairman (as applicable) shall assume all the powers, authorities and responsibilities of the Chairman as set out in these Articles. In the absence of Chairman, Co-Chairman or Vice Chairman, the Directors present shall elect one of their members to be Chairperson of the meeting.	
88.	If at any meeting, pursuant to Article 89 above, 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, by poll or electronically choose one of their members to be Chairperson of the meeting.	Members to elect Chairperson
89.	The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairperson present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	Power of Chairperson
90.	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	Casting vote of Chairperson at General Meeting
91.	<p>i. The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <p>ii. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting:</p> <p style="margin-left: 40px;">a. Is, or could reasonably be regarded, as defamatory of any person; or</p> <p style="margin-left: 40px;">b. Is irrelevant or immaterial to the proceedings; or</p> <p style="margin-left: 40px;">c. Is detrimental to the interests of the Company.</p> <p>iii. 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 the aforesaid clause.</p> <p>iv. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.</p>	<p>Minutes of proceedings of meetings and resolutions passed by postal ballot</p> <p>Certain matters not to include in the minutes books</p> <p>Discretion of the chairperson in relation to Minutes</p> <p>Minutes to be evidence</p>
92.	<p>i. The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:</p> <p style="margin-left: 40px;">a. Be kept at the registered office of the Company; and</p> <p style="margin-left: 40px;">b. Be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.</p> <p>ii. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to above.</p>	<p>Inspection of minute books of general meeting</p> <p>Members may obtain copy of the minutes</p>

<b>Adjournment of meeting</b>		
93.	<p>i. The Chairperson may with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>iv. Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>	<p>Chairperson may adjourn the meeting</p> <p>Business at adjourned Meeting</p> <p>Notice of adjourned Meeting</p> <p>Notice of adjourned meeting not required</p>
<b>Voting rights</b>		
94.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <p>i. On a show of hands, every member present in person shall have one vote; and</p> <p>ii. On a poll, the voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company.</p>	<p>Entitlement to vote on show of hands and on poll</p>
95.	<p>Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary to scrutinize the poll process and votes given on the poll and to report thereon to him;</p>	<p>Scrutinizer at poll</p>
96.	<p>The Chairman shall have power, at any time before the result of the poll is declared to remove a scrutinizer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.</p>	
97.	<p>A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.</p>	<p>Voting through Electronic means</p>
98.	<p>i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	<p>Vote of joint-holders</p> <p>Seniority of names</p>
99.	<p>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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.</p>	<p>How members <i>non composmentis</i> and minor may vote</p>
100.	<p>Subject to the provisions of the Act and other provisions of these Articles, any person entitled to any shares, pursuant to the provisions related to Transmission in these Articles, may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before</p>	<p>Votes in respect of shares of deceased or insolvent members, etc.</p>

	the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	
101.	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	Business may proceed pending poll
102.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.	Restriction on voting rights
103.	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.	Restriction on exercise of voting rights in other cases to be void
104.	<p>i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</p>	Validity of the Vote
105.	Any member shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	Equal rights of members
	<b>Proxy</b>	
106.	Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.	Member may vote in person or otherwise
107.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Proxies when to be deposited
108.	An instrument appointing a proxy shall be in the form as prescribed in the Rules and under the Act.	Form of proxy
109.	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:	Proxies to be valid notwithstanding death of the principal
	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.	



<b>Board of Directors</b>		
110.	Unless otherwise determined by the Company in General Meeting, the Number of Directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen).	Board of Directors
111.	Notwithstanding anything contrary contained in the Articles, if the Company has availed any loan(s) from, or issued any debentures or other instruments/securities to, any bank(s), financial institution(s), non-banking financial companies, asset reconstruction companies or any other body corporate (“Lender(s)”) and so long as any monies with respect to such loan(s) granted by such Lender(s) to the Company remain outstanding by the Company to any Lender(s) or so long as the Lender(s) continue to hold debentures in the Company by direct subscription or private placement, or so long as the Lender(s) hold equity shares in the Company as a result of conversion of such loans/debentures, or if the agreement with the respective Lender(s) provide for appointment of any person or persons as a Director or Directors, or if the Company is required to appoint any person as a director pursuant to any agreement,(which Director or Directors is / are herein after referred to as “Nominee Director(s) / Observer(s)”) on the Board, the Company may appoint such person nominated by such Lender(s) as Nominee Director / Observer, in accordance with the terms and conditions specified in the agreement executed with such Lender.	Nominee Directors
112.	The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company, subject to section 203 of the Act.	Same individual may be Chairperson and Managing Director / Chief Executive Officer
113.	The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	Remuneration of directors
114.	<p>i. The remuneration payable to the Directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.</p> <p>ii. In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>a. In attending and returning from meetings of the Board of Directors or</p> <p>b. Any committee thereof or general meetings of the company; or</p> <p>c. In connection with the business of the company.</p>	<p>Remuneration to require members’ consent</p> <p>Travelling and other expenses</p>
115.	The fees payable to the Director for attending the meeting of the Board or committee thereof shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the Act or the Rules.	
116.	The Company may exercise the powers conferred on it by section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.	

117.	All cheques, promissory notes, drafts, <i>hundis</i> , 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 or a committee thereof shall from time to time by resolution, determine.	Execution of negotiable instruments
118.	Every Director present at any meeting of the Board or of a committee thereof shall sign his name in the attendance book or attendance sheet kept for that purpose or submit a duly signed attendance slip which shall be maintained as part of the book to be kept for that purpose.	
119.	<p>i. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the Directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>ii. Such person shall hold office only up to the date of the next 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.</p>	<p>Appointment of Additional Director</p> <p>Duration of the office of the additional director</p>
120.	The Board may appoint an alternate director to act for a Director (hereinafter in this Article 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 for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.	Appointment of alternate director
121.	An alternate director 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.	Duration of office of alternate director
122.	<p>i. Subject to the provisions of Section 152 of the Act at every Annual General Meeting, One-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.</p> <p>ii. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall be eligible for reelection.</p> <p>iii. A Managing or Whole Time Director shall be liable to retirement by rotation. He/she shall, however, be subject to the same provisions as to resignation and removal as are applicable to the other Directors. He shall not cease to be a Managing or Whole Time Director if he/she retires rotation under the provisions of the Companies Act 2013 at any Annual General Meeting and shall be reappointed as a Director at the same meeting.</p>	Rotation and Retirement of Directors

	<p>iv. At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.</p> <p>v. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a National Holiday, till the next succeeding day which is not a holiday, at the same time and place. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless :-</p> <p>a) At the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;</p> <p>b) The retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;</p> <p>c) He is not qualified or is disqualified for appointment;</p> <p>A resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the said Act;</p>	
123.	If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate director.	Re-appointment provisions applicable to Original Director
124.	<p>i. If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.</p> <p>ii. The Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.</p>	<p>Appointment of director to fill casual vacancies</p> <p>Duration of office of Director appointed to fill casual vacancies</p>
<b>Power of Board</b>		
125.	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.	General powers of the Company vested in Board

<b>Borrowing Powers</b>		
126.	The Directors may, from time to time, at their discretion, raise or borrow, or secure the payment of, any sum or sums of money for the purposes of the Company; Provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time except with the consent of the Company by way of special resolution in general meeting exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.	Power to borrow
127.	The Directors, with shareholders' consent where required by the Act and Rules, may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and, in particular, by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.	Conditions on which money may be borrowed
<b>Proceedings of the Board</b>		
128.	<p>i. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>ii. The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time summon a meeting of the Board.</p>	<p>When meeting to be Convened</p> <p>Who may summon Board meeting</p>
129.	A meeting of the Board of Directors shall be held at least four times every year and not more than 120 days shall lapse between two Board meetings.	
130.	Notice of every meeting of the Board of Directors of the Company shall be given 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 means.	Notice of Meetings
131.	The quorum for a Board meeting shall be as provided in the Act.	Quorum for Board meetings
132.	The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	Participation at Board meetings
133.	<p>i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>ii. In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.</p>	<p>Questions at Board Meeting how decided</p> <p>Casting vote of chairperson at Board Meeting</p>
134.	The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	Directors not to act When number falls Below minimum

135.	<p>i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>ii. The Board may elect one of their members as Co-Chairperson to preside over their meetings in the absence of the Chairperson and determine the period for which he is to hold office. The Co-Chairperson shall in the absence of the Chairperson, have all the powers conferred on the Chairperson by these Articles.</p> <p>iii. The Board may elect one of their members as Vice Chairman to preside over their meetings in the absence of the Chairperson and Co- Chairperson and determine the period for which he is to hold office. The Vice Chairman shall in the absence of the Chairperson and Co-Chairperson, have all the powers conferred on the Chairperson by these Articles.</p> <p>iv. If no such Chairperson, Co-Chairperson or Vice Chairman is elected, or if at any meeting the Chairperson, Co-Chairperson and Vice Chairman are not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their numbers to be Chairperson of the meeting.</p>	<p>Who to preside at Meetings of the Board</p> <p>Directors to elect a Co – Chairperson</p> <p>Directors to elect a Vice Chairman</p> <p>Absence of Chairperson</p>
136.	<p>i. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p>	<p>Delegation of powers</p> <p>Committee to conform to Board regulations</p>
137.	The participation of Directors in a meeting of the committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	Participation at Committee meetings
138.	<p>i. A committee may elect a Chairperson of its meetings.</p> <p>ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>	<p>Chairperson of Committee</p> <p>Who to preside at Meetings of Committee</p>
139.	<p>i. A committee may meet and adjourn as it thinks fit.</p> <p>ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p>	<p>Committee to meet</p> <p>Questions at Committee meeting how decided</p>
140.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.	Acts of Board or Committee valid notwithstanding defect of appointment

141.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.	Passing of resolution By circulation
	<b>Chief Executive Officer, Manager, Company Secretary, Whole Time Director, Chief Financial Officer</b>	
142.	Subject to the provisions of the Act,—  i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;  ii. A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.	Chief Executive Officer, Etc  Director may be chief executive officer, etc.
143.	A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.	Same person not Authorized to act in different capacity
	<b>Managing Director</b>	
144.	i. Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be the Managing Director of the Company, in accordance with the provisions of the Act and the Rule.  ii. A Managing Director so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a resolution of the Board and be subject to the obligations and restrictions imposed upon him thereby or by the Act.	Managing Director
	<b>Registers</b>	
145.	The Company shall keep and maintain at its registered office all statutory registers including, register of charges, register of annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.	Statutory registers

	<p>i. The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.</p> <p>ii. The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, <i>mutatis mutandis</i>, as is applicable to the register of members.</p>	Foreign register
	<b>The Seal</b>	
146.	<p>The Company shall have a common Seal and the Directors shall provide for the safe custody thereof. The Seal shall not be affixed to any instrument except:</p> <p>i. By the authority of a resolution of the Board of Directors or a committee of the Board authorized in that behalf, and</p> <p>ii. In the presence of at least two Directors or one Director and the secretary of the Company or such other person as the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed. Such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.</p>	Seal
	<b>Dividends and Reserve</b>	
147.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	Company in general meeting may declare dividends
148.	Subject to the provisions of the Act, 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.	Interim dividends
149.	<p>i. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.</p> <p>ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<p>Dividends only to be paid out of profits</p> <p>Carry forward of profits</p>
150.	i. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the	Division of profits

	<p>shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>ii. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.</p> <p>iii. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	<p>Payments in advance</p> <p>Dividends to be apportioned</p>
151.	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.	No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom
152.	The Board may retain dividends payable upon shares in respect of which any person is, under the <i>Transmission</i> clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	
153.	<p>i. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or cheque or warrant sent through post or courier directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>ii. Every such cheque or warrant or electronic payment mode shall be made payable to the order of the person to whom it is sent.</p>	Instrument of payment
154.	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.	Receipt of one holder sufficient
155.	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.	Notice of Dividend
156.	The waiver in whole or in part of any dividend on any share by any document (whether or not under Seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	Waiver of dividend
157.	No dividend shall bear interest against the Company.	No Interest on Dividend
	<b>Accounts</b>	
158.	The books of account and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions	Inspection by Directors



	of the Act and the Rules.	
159.	<p>i. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.</p> <p>ii. No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in general meeting.</p>	Restriction on inspection by members
	<b>Winding up</b>	
160.	<p>Subject to the provisions of Chapter XX of the Act and Rules thereunder:</p> <p>i. If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.</p> <p>ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	Winding up of Company
	<b>Indemnity and Insurance</b>	
161.	Subject to the provisions of the Act, every Director, managing director, whole time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.	Directors and officers right to indemnity
162.	Subject as aforesaid, every Director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by a court or such authority.	

163.	The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.	Insurance
<b>General Power</b>		
164.	Wherever in the Act or the Rules, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.	General Power
<b>Secrecy Clause</b>		
165.	Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any detail of the Company’s trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors it may be inexpedient in the interest of the Company to communicate to the public.	Secrecy clause

**SECTION X – OTHER INFORMATION**  
**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at A5, Calcutta Land Premises No. E3-509/New, Shibrampur Road, PO-Ganipur, PS-Maheshtala, Kolkata - 700141, West Bengal, India., from 10.00 a.m. to 5.00 p.m. on working days from the date of the Draft Prospectus until the Issue Closing Date.

**Material Contracts**

1. Memorandum of Understanding dated September 24, 2024 between our Company and the Lead Manager.
2. Agreement between Purva Sharegistry (India) Private Limited and our Company dated September 24, 2024 appointing them as the Registrar to the Issue.
3. Underwriting Agreement dated September 24, 2024 between our Company and Underwriter.
4. Market Making Agreement dated September 24, 2024 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated August 30, 2023.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated August 29, 2023.
7. Banker to the Issue and Sponsor Bank Agreement dated [●], 2024 between our Company, the Lead Manager, Banker to the Issue and Registrar to the Issue.

**Material Documents**

1. Certificate of Incorporation of our Company in the name of “*Durgadevi Raiment Private Limited*” dated December 29, 2016 issued by the Registrar of Companies, Mumbai.
2. Fresh Certificate of Incorporation consequent upon conversion in the name of ‘*Durgadevi Raiment Limited*’ dated April 28, 2022 issued by the Registrar of Companies, Mumbai.
3. Certified true copy of the Memorandum and Articles of Association of our Company, as amended.
4. Certified true copy of the resolution passed at the meeting of the Board of Directors dated September 2, 2024 authorizing the Issue.
5. Certified true copy of the special resolution of the Shareholders passed at the Annual General Meeting dated September 18, 2024 authorizing the Issue.
6. Statement of Tax Benefits dated September 23, 2024 issued by our Statutory Auditor, M/s. Maheshwari and Co., Chartered Accountants.
7. Report of our Statutory Auditor, M/s. Maheshwari and Co., Chartered Accountants dated September 6, 2024, on the Restated Financial Statements included in this Draft Prospectus.
8. Copies of audited financial statements of our Company for Fiscal 2024, 2023, 2022.
9. Certified true copy of the resolution dated August 27, 2022 passed at the EGM, appointing Vivek Kajalia as the Chairman and Managing Director of our Company.
10. Consents of Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Statutory Auditor, Legal Advisor to the Issue, Banker to the Company, the Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Issue, to act in their respective capacities.

11. Due Diligence Certificate dated September [●], 2024 from the Lead Manager to SEBI.
12. Copy of in-principle approval from BSE *vide* letter dated September [●], 2024 to use the name of BSE in this document for listing of Equity Shares on SME Platform of BSE.

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, hereby declare that all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

### Signed by all the Directors of Durgadevi Raiment Limited

<b>Name and designation</b>	<b>Signature</b>
<b>Vivek Kumar Kajalia</b> <i>Chairman &amp; Managing Director</i>	
<b>Neha Kajalia</b> <i>Executive Director</i>	
<b>Priti Kajalia</b> <i>Executive Director</i>	
<b>Suresh Singh Balwant Singh Rao</b> <i>Independent Director</i>	
<b>Jagannath Jadhav</b> <i>Independent Director</i>	
<b>Debjyoti Ghosh</b> <i>Independent Director</i>	

### Signed by the – Chief Financial Officer

**Loknath Chakrabortty**

Place: Kolkata

Date: September 27, 2024

## **DECLARATION**

The undersigned Selling Shareholder hereby confirms that all statements and undertakings specifically made or confirmed by it in this Draft Prospectus in relation to itself, as Selling Shareholder and its respective portion of the Offered Shares, are true and correct. The undersigned assumes no responsibility, for any other statements, disclosures and undertakings, including any and all statements made or confirmed by, about or relating to, the Company, its business, or any other person(s) in this Draft Prospectus.

**Sarad Kumar Jajodia**

**Place: Kolkata**

**Date: September 27, 2024**

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**Ajay Kumar Saraogi**

**Place: Kolkata**

**Date: September 27, 2024**