





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

*Draft Prospectus
August 24, 2023
Please read Section 26 and Section 28 of Companies Act, 2013
(This Draft Prospectus will be updated
upon filing with the RoC)
100% Fixed Price Issue*



KAHALI CRAFTISTICS LIMITED

Corporate Identification Number: U36900RJ2023PLC085926

REGISTERED OFFICE		CORPORATE OFFICE		CONTACT PERSON		EMAIL	
A-48 A, Marudhar Industrial Area Phase-II, Basni, Jodhpur Rajasthan 342005 India.		NA		Deepak Kumar Kewliya, Company Secretary & Compliance Officer		compliance@kahalcraftistics.com	
TELEPHONE / MOBILE NO.				WEBSITE			
+91 0291 2977099				www.kahalcraftistics.com			
OUR PROMOTERS: SANJEEV KAHALI, LIPIKA KAHALI AND ANIRBAAN KAHALI							
Type	Fresh Issue Size	OFS size (by no. of shares or by amount in Rs)	Total Issue Size	Eligibility			
Fresh Issue	Up to 2,58,000 Equity shares aggregating up to ₹ [●] Lakhs	N.A.	Up to ₹ [●] Lakhs	The Issue is being made pursuant to Regulation 229(1) of SEBI (ICDR) Regulations. As the Company's post issue paid up capital is less than or equal to ₹1000.00 Lakhs.			
DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDER AND THEIR AVERAGE COST OF ACQUISITION: NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES							
RISK IN RELATION TO THE FIRST ISSUE							
This being the first public Issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of Equity Shares is ₹10/- each and the Issue Price is [●] times of the face value of the Equity Shares. The Issue Price determined and justified by our Company in consultation with the Lead Manager on the basis of the assessment of market demand for the Equity Shares by way of the fixed process, in accordance with the SEBI ICDR Regulations, and as stated in chapter titled " Basis for Issue Price " on page 70 of this Draft Prospectus, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.							
GENERAL RISKS							
Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India (" SEBI ") nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the chapter titled " Risk Factors " beginning on page 24 of this Draft Prospectus.							
COMPANY'S ABSOLUTE RESPONSIBILITY							
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.							
LISTING							
The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ('BSE SME'), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received "in-principle" approval from the BSE for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the Issue, the Designated Stock Exchange will be BSE Limited.							
LEAD MANAGERS TO THE ISSUE				REGISTRAR TO THE ISSUE			
 <p>FEDEX SECURITIES PRIVATE LIMITED B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East], Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 E-mail: mb@fedsec.in Website: www.fedsec.in Contact Person: Saipan Sanghvi SEBI Registration Number: INM000010163 Investor Grievance E-Mail: mb@fedsec.in</p>				 <p>BIGSHARE SERVICES PRIVATE LIMITED Office No S-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre Andheri (East) Mumbai – 400 093, Maharashtra, India. Tel No: +91 022 6263 8200 Fax No: +91 22 6263 8299 E-mail Id: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Vinayak Morbale. SEBI Registration No: MB/INR000001385</p>			
ISSUE PROGRAMME							
ISSUE OPENS ON: [●]				ISSUE CLOSES ON: [●]			

**KAHALI CRAFTISTICS LIMITED**

Our Company was originally incorporated as “Kahali Craftistics Limited” a public limited company under the provisions of Companies Act, 2013 with the Registrar of Companies, Central Registration Centre pursuant to a certificate of incorporation dated January 19, 2023 bearing Corporate Identification Number (CIN) U36900RJ2023PLC085926. Subsequently, our Company has acquired the entire running business with the assets and liabilities of “M/s. Sanjeev Kahali”, sole proprietorship concern of our Promoter Sanjeev Kahali vide Business Transfer Agreement dated February 18, 2023. For further details, please refer to the chapter titled “History and Certain Corporate Matters” beginning on page 112 of this Draft Prospectus.

Corporate Identification Number: U36900RJ2023PLC085926

Registered Office: A-48 A, Marudhar Industrial Area Phase-II, Basni, Jodhpur Rajasthan 342005 India.

Tel No.: +91 0291 2977099; **Email:** compliance@kahalicraftistics.com; **Website:** www.kahalicraftistics.com

Contact Person: Deepak Kumar Kewliya, Company Secretary & Compliance Officer

OUR PROMOTERS: SANJEEV KAHALI, LIPIKA KAHALI AND ANIRBAAN KAHALI

THE ISSUE

INITIAL PUBLIC ISSUE* OF UP TO 2,58,000 EQUITY SHARES OF FACE VALUE ₹ 10/- EACH (“EQUITY SHARES”) OF KAHALI CRAFTISTICS LIMITED (“OUR COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE) (“ISSUE PRICE”), AGGREGATING UP TO ₹ [●] LAKHS (THE “ISSUE”). [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 217 OF THIS DRAFT PROSPECTUS

***SUBJECT TO FINALISATION OF BASIS OF ALLOTMENT**

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

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

ELIGIBLE INVESTORS

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details of the irrespective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page 226 of this Draft Prospectus. A copy of the Prospectus will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares by our Company, there has been no formal market for the Equity Shares of our Company. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “Basis for Issue Price” beginning on page 70 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India (“SEBI”) nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the chapter titled “Risk Factors” beginning on page 24 of this Draft Prospectus.

COMPANY’S ABSOLUTE RESPONSIBILITY

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

LISTING

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

LEAD MANAGERS TO THE ISSUE**REGISTRAR TO THE ISSUE****FEDEX SECURITIES PRIVATE LIMITED**

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

BIGSHARE SERVICES PRIVATE LIMITED

Office No S-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura
Centre Andheri (East) Mumbai – 400 093, Maharashtra, India.
Tel No.: +91 022 6263 8200
Fax No.: +91 22 6263 8299
E-mail Id: ipo@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Vinayak Morbale.
SEBI Registration No: MB/INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON:

[●]

ISSUE CLOSES ON:

[●]

CONTENTS

SECTION - I – GENERAL	2
DEFINITION AND ABBREVIATIONS	2
FORWARD-LOOKING STATEMENTS.....	15
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA CERTAIN CONVENTIONS	17
SUMMARY OF OFFER DOCUMENT.....	19
SECTION - II - RISK FACTORS	24
SECTION - III – INTRODUCTION	40
THE ISSUE.....	40
SUMMARY OF FINANCIAL INFORMATION.....	41
GENERAL INFORMATION.....	45
CAPITAL STRUCTURE	53
SECTION - IV - PARTICULARS OF THE ISSUE.....	62
OBJECT OF THE ISSUE	62
BASIS FOR ISSUE PRICE	70
STATEMENT OF TAX BENEFITS	76
SECTION V: ABOUT THE COMPANY	80
INDUSTRY OVERVIEW	80
BUSINESS OVERVIEW.....	87
KEY INDUSTRY REGULATIONS AND POLICIES.....	106
HISTORY AND CERTAIN CORPORATE MATTERS	112
OUR MANAGEMENT	115
OUR PROMOTERS AND PROMOTER GROUP	132
OUR GROUP COMPANIES.....	136
DIVIDEND POLICY	137
SECTION VI - FINANCIAL STATEMENTS.....	138
RESTATED FINANCIAL STATEMENTS.....	138
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.....	187
FINANCIAL INDEBTEDNESS	195
CAPITALISATION STATEMENT	197
SECTION VII – LEGAL AND OTHER INFORMATION.....	198
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPEMENT	198
GOVERNMENT AND OTHER APPROVALS.....	202
OTHER REGULATORY AND STATUTORY DISCLSOURES	206
SECTION VIII – ISSUE INFORMATION	217
TERMS OF ISSUE.....	217
ISSUE STRUCTURE	224
ISSUE PROCEDURE	226
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES.....	253
SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	254
SECTION X - OTHER INFORMATION.....	271
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	271
DECLARATION.....	272

SECTION - I – GENERAL

DEFINITION AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms not defined but used in the sections titled **“Basis for Issue Price”**, **“Statement of Tax Benefits”**, **“Industry Overview”**, **“Key Industry Regulations and Policies”**, **“History and Certain Corporate Matters”**, **“Restated Financial Statement”**, **“Financial Indebtedness”**, **“Outstanding Litigations and Material Developments”**, **“Other Regulatory and Statutory Disclosures”**, **“Issue Procedure”** and section titled **“Main Provision of Articles of Association”** beginning on pages **70, 76, 80, 106, 112, 138, 187, 198, 206, 226** and **254** respectively of this Draft Prospectus, shall have the meanings ascribed to such terms in the respective sections.

CONVENTIONAL OR GENERAL TERMS

Term	Description
“Kahali Craftistics Limited”, “the Company”, “We”, “us”, “Our Company”, “the Issuer” or “KCL”	Unless the context otherwise indicates or implies refers to Kahali Craftistics Limited a public limited company incorporated under the provisions of the Companies Act, 2013, and having its registered office at A-48 A, Marudhar Industrial Area Phase-II, Basni, Jodhpur-342005, Rajasthan, India.
“Promoter(s)” or “Core Promoter(s)”	The promoters of our Company being Sanjeev Kahali, Lipika Kahali and Anirbaan Kahali.
“you”, “your” or “yours”	Prospective Investors in this Issue.

CORPORATE RELATED TERMS

Term	Description
“AOA”, “Articles” or “Articles of Association”	The articles of association of Kahali Craftistics Limited, as amended from time to time.
“Auditors”, “Statutory Auditors” or Peer Review Auditor	The statutory auditor and peer review auditor of our Company, being M/s. Vishal H Shah & Associates, Chartered Accountants (FRN: 116422W) and Peer Review Number: 014036.
Audit Committee	The audit committee of our board, as described in the section titled “Our Management” beginning on page 115 of this Draft Prospectus.
“Board”, “Board of Directors”, or Our Board	The board of directors of our Company, including all duly constituted from time to time including any committees thereof as the context may refer to the section titled “Our Management” beginning on page 115 of this Draft Prospectus.
“Business Transfer Agreement” or “BTA”	The business transfer agreement entered by and between M/s. Sanjeev Kahali, a proprietorship concern of our Promoter, namely Sanjeev Kahali and our Company dated February 18, 2023.
“Chairman” or “Chairperson”	The chairman of our Company being Sanjeev Kahali.
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Deepak Kumar Kewliya.
Corporate Office	As on date of filing of this draft prospectus, our company do not have any corporate office.
“Chief Financial Officer” or “CFO”	The chief financial officer of our Company, being Dasharath Singh.
Corporate Identification Number (CIN)	U36900RJ2023PLC085926.
Director(s)	Director(s) on the board of Kahali Craftistics Limited as appointed from time to time, unless otherwise specified.
“Equity Shares” or “Shares”	The equity shares of our Company having face value of ₹ 10.00/- each, fully paid up, unless otherwise specified in the context thereof.

Term	Description
“Equity Shareholders” or “Shareholders”	Persons /entities holding Equity Shares of our Company
Executive Director	An executive director of our Company, as appointed from time to time
Group Companies	Companies (other than our Promoters) with which there were related party transactions as disclosed in the restated financial statements as covered under the applicable accounting standards and also other companies as considered material by our Company, and as disclosed in the section titled “Our Group Companies” beginning on page 136 of this Draft Prospectus
Independent Director	Independent directors on the board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the independent directors, please refer to the section titled “Our Management” beginning on page 115 of this Draft Prospectus
ISIN	International securities identification number is INE0Q4B01010
“Key Management Personnel” or “KMP”	Key management personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer to the section titled “Our Management” beginning on page 115 of this Draft Prospectus
LLP	Limited liability partnership incorporated under Limited Liability Partnership Act, 2008.
Managing Director	Managing director of our Company, Sanjeev Kahali. For details, please refer to the section titled “Our Management” beginning on page 115 of this Draft Prospectus
Market maker	The market maker of our Company being [●].
Materiality Policy	The policy adopted by our board on April 4, 2023 for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations
“MoA” or “Memorandum of Association”	The memorandum of association of our Company, as amended from time to time
Nomination & Remuneration Committee	The nomination and remuneration committee of our Board described in the section titled “Our Management” beginning on page 115 of this Draft Prospectus
“NRIs” or “Non-Resident Indian”	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
“Person” or “Persons”	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
“Promoters” or “our Promoters”	Promoters of our Company being Sanjeev Kahali, Lipika Kahali and Anirbaan Kahali, for further details, please refer to the section titled “Our Promoters and Promoter Group” beginning on page 132 .
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in “Our Promoters and Promoter Group” on page 132
Proprietorship	The proprietorship mentioned in this Draft Prospectus refers to M/s. Sanjeev Kahali, a Proprietorship concern.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time
Registered Office	A-48 A, Marudhar Industrial Area Phase-II, Basni, Jodhpur-342005, Rajasthan, India.
“Registrar of Companies”, “ROC” or “RoC”	Registrar of Companies, Jaipur - C/6-7, 1st Floor, Residency Area, Civil Lines, Jaipur-302001, Rajasthan, India
Restated Financial Statements	The restated financial statements of our Company for the period ended March 31, 2023 which comprises of the restated balance sheet, restated statement of profit and loss and the restated cash flow statement, together with the annexures and notes thereto disclosed in the section titled “Restated Financial Statements” beginning on page 138 of this Draft Prospectus
“Senior Management Personnel” or “SMP”	Senior Management Personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as described in “Our Management–Senior Management Personnel” beginning on page 115 .
“Shareholders” or “Members”	Holders of equity shares of our Company from time to time
Stock Exchange	Unless the context requires otherwise, refers to BSE Limited
Subscribers to MOA	Initial subscribers to MOA & AOA being Sanjeev Kahali, Lipika Kahali, Anirbaan Kahali, Dasharath Singh, Kiran Kumar Prajapat, Omprakash Suthar and Yashveer Singh Chouhan.

Term	Description
Stakeholders' Relationship Committee	The stakeholder's relationship committee of the board of directors constituted as the Company's Stakeholders' Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the section titled " Our Management " beginning on page 115 of this Draft Prospectus.
Whole time director	Whole time director of our Company

ISSUE RELATED TERMS

Term	Description
Abridged Prospectus	Abridged prospectus to be issued under SEBI ICDR Regulations and appended to the application forms
Acknowledgement Slip	The acknowledgement slips or document issued by the designated intermediary to an applicant as proof of having accepted the application form
"Allot", "Allotment", "Allotted", "Allotment of Equity Shares"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the issue of Equity Shares to the successful applicants
Allottee(s)	A successful applicant to whom the Equity Shares are being allotted
Allotment Advice	Note or advice or intimation of allotment sent to each successful applicant who have been or are to be allotted the Equity Shares after approval of the basis of allotment by the designated stock exchange
Allotment Date	Date on which the allotment is made
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus. All the applicants should make application through ASBA only.
Application Lot	[●] Equity Shares and in multiples thereof
Application Amount	The amount at which the applicant makes an application for Equity Shares of our Company in terms of the Prospectus
"Application Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by applicants to make an application and authorize an SCSB to block the application amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by applicant for blocking the application amount mentioned in the ASBA Form
ASBA Applicant(s)	Any prospective investor who makes an application pursuant to the terms of the draft prospectus and the application form including through UPI mode (as applicable).
ASBA Bid	A bid made by an ASBA applicant
ASBA Form	An application form, whether physical or electronic, used by ASBA applicant which will be considered as the application for allotment in terms of the prospectus
Bankers to the Company	Kotak Mahindra Bank
"Banker to the Issue", "Refund Banker" or "Public Issue Bank"	Collectively, Escrow Collection Bank, Public Issue Bank, Sponsor Bank and Refund Bank, as the case may be. In this case, being, [●].
Bankers to the Issue Agreement	Banker to the issue agreement entered on [●] amongst our Company, Lead Managers, the Registrar to the Issue and Banker to the Issue / Sponsor Bank for collection of the application amount on the terms and conditions thereof.
Basis of Allotment	The basis on which the Equity Shares will be allotted to successful applicants under the issue, described in the section titled " Issue Procedure " beginning on page 226 of this Draft Prospectus.
Bidding Centers	The centers at which the designated intermediaries shall accept the ASBA forms to a Registered Broker, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the stock exchanges where ASBA applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com)
"BSE SME", "SME Exchange" or "Stock Exchange"	The BSE SME, approved by SEBI as an SME Exchange for listing of equity shares offered under Section IX of the SEBI (ICDR) Regulations.
Business Day	Any day on which commercial banks are open for the business
"CAN" or "Confirmation of Allocation Note"	A note or advice or intimation sent to investors, who have been allotted the Equity Shares, after approval of basis of allotment by the Designated Stock Exchange

Term	Description
Chartered Engineer	The chartered engineer of our Company being, M/s. Orbit Consultants and Valuers.
“Circular on Streamlining of Public Issues” or “UPI Circular”	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI/HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
Client ID	Client identification number of the beneficiary account
Collection Centers	Broker centers notified by BSE Limited where applicants can submit the application forms to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers, are available on the website of the BSE Limited
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure application forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
“Controlling Branches” or “Controlling Branches of the SCSBs”	Such branches of the SCSBs which co-ordinate application forms by the ASBA Applicants with the Registrar to the Issue and Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Covid-19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organization.
Demographic Details	The demographic details of the applicant such as their address, PAN, occupation, bank account details and UPI ID (as applicable).
Depositories	National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
“Depository Participant” or “DP”	A depository participant registered with SEBI under the Depositories Act.
Designated CDP Locations	Such centre of the CDPs where applicant can submit the ASBA For The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of BSE Limited
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Prospectus, following which the Board may Allot Equity Shares to successful Applicants in the Issue
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect application forms from the applicant, in relation to the Issue.
Designated Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Designated RTA Locations	Such locations of the RTAs where applicant can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the websites of the Stock Exchange
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA forms used by the applicant, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35
Designated Stock Exchange	SME Platform of BSE Limited (“BSE SME”).
Draft Prospectus	The Draft Prospectus issued in accordance with the SEBI ICDR Regulations.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.

Term	Description
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Issue and in relation to whom the application form and the prospectus constitutes an invitation to subscribe to the Equity Shares
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the issue and in relation to whom the ASBA Form and the prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the issue and in relation to whom the prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations.
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the applicant amount.
Escrow Agreement	An agreement to be entered among our Company, the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s) and the Lead Managers for the collection of application amounts and where applicable, for remitting refunds, on the terms and conditions thereof.
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being [●]
“FII” or “Foreign Institutional Investors”	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First Applicant	Applicant whose name appears first in the application form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof
“Foreign Portfolio Investor” or “FPIs”	Foreign Portfolio Investor as defined under SEBI FPI Regulations
“General Information Document” or “GID”	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, notified by SEBI, suitably modified and included in the section titled “ Issue Procedure ” beginning on page 226 of this Draft Prospectus
“Issue”, “Issue Size”, “Public Issue” or “IPO”	Initial Public Issue of 2,58,000 Equity Shares of face value of ₹ 10.00 each of our Company for cash at a price of ₹ [●]/- per Equity Share (including a share premium of ₹ [●]/- per Equity Share) aggregating to ₹ [●] lakhs.
Issue Agreement	The agreement dated August 02, 2023 between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	The date on which the issue closes for subscription.
Issue Opening Date	The date on which the issue opens for subscription.
Issue Period	The period between the issue opening date and the issue closing date (inclusive of such date and the issue opening date) during which prospective applicants can submit their application forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) working days for all categories of applicants. Our Company, in consultation with the Lead Manager, may decide to close applications by QIBs one (1) day prior to the issue closing date which shall also be notified in an advertisement in same newspapers in which the issue opening date was published.
Issue Price	₹ [●]/- per Equity Share (including Premium of ₹ [●]/- per share)
Issue Proceeds	The proceeds from the issue based on the total number of equity shares allotted under the issue.
“Lead Managers” or “LM”	The Lead Managers to the issue namely, Fedex Securities Private Limited.
Listing Agreement	The Listing Agreement to be signed between our Company and SME Platform of BSE Limited (“ BSE SME ”)
Lot Size	The market lot and trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
KPI	Key performance indicator
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.

Term	Description
Market Making Agreement	The Market Making Agreement dated [●] between our Company, the Lead Managers and Market Maker.
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at a price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs for the Market Maker in this Issue
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism
MSME	Micro Small and Medium Enterprises
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value ₹10.00/- each fully paid-up of our Company for cash at a price of ₹ [●]/- per Equity Share aggregating ₹ [●] lakhs
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 62 of this Draft Prospectus.
“Non-Institutional Applicants”, “Non-Institutional Investor”, “NIB” or “NII”	All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
“Overseas Corporate Body” or “OCB”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
“Person” or “Persons”	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and Closing date and other information.
Public Issue Account	The account to be opened with the Banker to the Issue under section 40 of Companies Act, 2013 to receive monies from the ASBA Accounts.
Public Issue Bank	The bank(s) which is a clearing member and registered with SEBI as a banker to an issue with which the Public Issue Account(s) is opened for collection of Application Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●].
“QIBs” or “Qualified Institutional Buyers”	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of SEBI ICDR Regulations.
“Qualified Foreign Investors” or “QFIs”	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet ‘know your client’ requirements prescribed by SEBI.
Refund Account	Account to which Application monies are to be refunded to the Applicants
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
“Refund Bank” or “Refund Banker”	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●].
Registered Brokers	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of BSE having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012
Registrar Agreement	The agreement dated August 07, 2023 entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue
“Registrar and Share Transfer Agents” or “RTAs”	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI

Term	Description
“Registrar to the Issue” or “Registrar”	Registrar to the Issue being Bigshare Services Private Limited.
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Retail Portion	The portion of the Issue being not less than 50 % of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Applicants (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion and remaining Equity Shares to be allotted on a proportionate basis.
Revision Form	The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date.
SME	Small and medium sized enterprises
SEBI SCORES	Securities and Exchange Board of India Complaints Redress System
“Self-Certified Syndicate Bank(s)” or “SCSBs”	The banks registered with SEBI, offering services, in relation to ASBA where the Application Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or such other website as updated from time to time, and in relation to RIIs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
Sponsor Bank	Sponsor Bank being [●] being a Banker to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIIs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
Specified Locations	Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI (https://www.sebi.gov.in/) and updated from time to time.
Stock Exchanges	BSE Limited
Systemically Important Non-Banking Financial Companies	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Syndicate Member	Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter.
“TRS” or “Transaction Registration Slip”	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form.
Underwriter	The Underwriter(s) of our Company being [●]
Underwriting Agreement	The Agreement dated [●] entered between the Underwriter and our Company
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI
UPI Applicant	Collectively, individual investors applying as (i) Retail Individual Applicants, in the Retail Portion, and (ii) Non-Institutional Applicants with an application size of up to ₹500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

Term	Description
	Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, along with 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 Exchange in this regard
UPI ID	ID Created on the UPI for single-window mobile payment system developed by NPCI
UPI PIN	Password to authenticate UPI transaction
UPI Mandate Request	A request (intimating the RIIs by way of a notification on the UPI application and by way of a SMS directing the RIIs to such UPI mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
UPI Mechanism	The bidding mechanism that may be used by RIIs in accordance with the UPI Circulars to make an ASBA Bid in the Issue
UPI PIN	Password to authenticate UPI transaction
U.S Securities Act	U.S Securities Act of 1933, as amended
“Wilful Defaulter” or a “fraudulent borrower”	An entity or a person categorized as a Wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (III) of the SEBI ICDR Regulations.
Working Days	“Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in city as mentioned in this Draft Prospectus are open for business and in case of the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

TECHNICAL /GENERAL AND INDUSTRY RELATED TERMS OR ABBREVIATIONS

Term	Description
B2B Business to Business	B2B Business to Business
B2C Business to Customers	B2C Business to Customers
CAD	Computer-aided design
CBM Cubic Meter	CBM Cubic Meter
CE Marking	Conformité Européene Marking

Term	Description
CHCDS	Comprehensive Handicrafts Cluster Development Scheme
COE	Centres of Excellence
CPI Consumer Price Index	CPI Consumer Price Index
CIF Cost, Insurance and Freight	CIF Cost, Insurance and Freight
EPCH	The Export Promotion Council for Handicrafts
EU	European Union
GW	Giga-Watt
HP	Horse Power
HS Code	Harmonized System
HZ	Hertz
ICD	Inland Contain Depots
KW	Kilo Watt
LAC	Line of Actual Control
MEIS	Merchandise Exports from India Scheme
MIG	Metal Inert Gas
MRP Maximum Retail Price	MRP Maximum Retail Price
NCAER	National Council of Applied Economic Research
NIFTY	National Stock Exchange Sensitive Index
NHDP	National Handicraft Development Programme
NPND	New Product New Destination
NPOD	New Product Old Destination
OPND	Old Product New Destination
OPOD	Old Product Old Destination
QA	Quality Assurance
R&D	Research & Development
Sq.D Square Diameter	Sq.D Square Diameter
SENSEX	BSE Sensitive Index
TEU	Twenty Feet Export Unit
UAE	United Arab Emirates
UK	United Kingdom
USA	United States of America

CONVENTIONAL TERMS & ABBREVIATIONS

Term	Description
₹ or Rs. or Rupees or INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations
“AS” or “Accounting Standards”	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Bn	Billion
BSE	BSE Limited
BSE SME	SME Platform of BSE Limited
CAGR	Compounded Annual Growth Rate

Term	Description
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
CARO	Companies (Auditor’s Report) Order, 2016, as amended
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CGST	Central GST
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
COPRA	The Consumer Protection Act, 1986
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from October 15, 2020 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Contract Act	The Indian Contract Act, 1872
CSR	Corporate Social Responsibility
CY	Calendar Year
Demat	Dematerialised
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant’s Identity Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Electricity Act	The Electricity Act, 2003
EPFO	Employees’ Provident Fund Organization
EPF Act	The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
“EUR” or “€”	Euro
ESI Act	The Employees’ State Insurance Act, 1948
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme

Term	Description
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
“FEMA Act” or “FEMA”	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
“Financial Year”, “Fiscal Year” or “FY”	Unless stated otherwise, the period of twelve (12) months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FY	Financial Year
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
FIPB	The erstwhile Foreign Investment Promotion Board
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
“GoI” or “Government”	Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST Act	The Central Goods and Services Tax Act, 2017
GST	Goods and Services Tax
GSTIN	GST Identification Number
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
HR	Human Resource
I.T. Act	The Income Tax Act, 1961, as amended
IBC	Insolvency and Bankruptcy Code, 2016
IBEF	India Brand Equity Foundation
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IEC	Import Export Code
IEM	Industrial Entrepreneurs Memorandum
IFRS	International Financial Reporting Standards
IGST	Integrated GST
IT Act	Income-tax Act, 1961
“Ind AS” or “Indian Accounting Standards”	The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Ind AS Rules
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
IPR	Intellectual property rights
IRDAI	Insurance Regulatory Development Authority of India
ISIN	International Securities Identification Number

Term	Description
IST	Indian Standard Time
KMP	Key Managerial Personnel
Ltd.	Limited
LMs	Lead Managers
IT Act	Income-tax Act, 1961
IT Rules	Income Tax Rules, 1962
Kms	Kilometres
LC	Letter of Credit
LIBOR	London Interbank Offered Rate
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of funds-based lending rate
Mn	Million
MSME	Micro, Small, and Medium Enterprises
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996
MoU	Memorandum of Understanding
“N.A.” or “NA”	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NPCI	National payments corporation of India
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of India Origin
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
RONW	Return on Net Worth
RoCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SARFAESI Act	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SEZ	Special Economic Zones
SEBI	The Securities and Exchange Board of India constituted under SEBI Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012

Term	Description
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Mutual Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI Takeover Regulations/ SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SMP	Senior Management Personnel
Sq. metres	Square Metres
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
TPA	Tonnes Per Annum
US GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
“USA”, “U.S.” or “US”	The United States of America
“USD” or “US\$”	United States Dollars
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be
w.e.f	With effect from
WCTL	Working Capital Term Loan
WEO	World Economic Outlook
WHO	World Health Organization
YoY	Year on Year

FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

For further discussion of factors that could cause the actual results to differ from the expectations, see the section titled “*Risk Factors*” and sections titled “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 24, 87 and 187 of this Draft Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

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

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

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

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA CERTAIN CONVENTIONS

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

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

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

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

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

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

FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our Restated Financial Statements of our Company for the period ended March 31, 2023 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP and Guidance Note on "Reports in Company Prospectus, as amended issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the section titled "**Restated Financial Statements**" beginning on page 138 of this Draft Prospectus.

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

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

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

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

Any percentage amounts, as set forth in the sections titled "**Risk Factors**", "**Business Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on pages 24, 87 and 187, respectively, of this Draft Prospectus and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our Restated Financial Statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP as stated in the report of our Peer Review Auditor, set out in section titled "**Restated Financial Statements**" beginning on page 138 of this Draft Prospectus.

For additional definitions used in this Draft Prospectus, see the Section titled "**Definitions and Abbreviations**" beginning on page 2 of this Draft Prospectus. In the section titled "**Main Provisions of the Articles of Association**", beginning on page 254 of this Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout this Draft Prospectus has been obtained or derived from industry and government publications, publicly available information and sources.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified by the Lead Manager or any of their affiliates or advisors. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "**Risk Factors**" beginning on pages 24. Accordingly, investment decisions should not be based solely on such information.

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

CURRENCY AND UNITS OF PRESENTATION

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

'Rupees' or '₹' or 'Rs.' or 'INR' or "Rs." are to Indian rupees, the official currency of the Republic of India.

'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency.

Currency	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	82.2169	75.8071	73.5047
1 Euro	89.6076	84.6599	86.0990

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

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

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

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

SUMMARY OF OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Prospectus or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including the sections titled “*Risk Factors*”, “*The Issue*”, “*Capital Structure*”, “*Industry Overview*”, “*Business Overview*”, and “*Outstanding Litigation and Other Material Developments*” beginning on pages 24, 40, 53, 80, 87 and 198 respectively of this Draft Prospectus.

SUMMARY OF INDUSTRY

Handicraft is one of the most important sectors in the Indian economy employing more than seven million people. The country produces woodware, artmetal wares, handprinted textiles, embroidered goods, zari goods, imitation jewellery, sculptures, pottery, glassware, attars, agarbattis, etc. The Handicraft industry in India is dominated by female artisans with over 56% of the total artisan. The country has 744 handicraft clusters employing nearly 212,000 artisans and offering over 35,000 products. Surat, Bareilly, Varanasi, Agra, Hyderabad, Lucknow, Chennai, and Mumbai are among the major clusters. Most of the manufacturing units are in rural and small towns, and there is enormous market potential in all Indian cities and abroad.

For more details, please refer section titled “*Industry Overview*” on page 80 of this Draft Prospectus.

SUMMARY OF BUSINESS

We are primarily a design studio with a proprietary catalogue of handicraft products, and we also manufacture for our clients as per their design and architectural inputs and requirements. We believe that our ability to study, visualize, design and manufacture creative artifacts have helped our business to build strong and long-standing relationship with our domestic and international buyer. Our product includes decorative (table and wall), lighting, mirror, furniture and items of regular utility with a design element to it. Our Company has acquired the running business of “M/s. Sanjeev Kahali”, sole proprietorship concern of our Promoter Sanjeev Kahali.

For more details, please refer section titled “*Business Overview*” on page 87 of this Draft Prospectus.

PROMOTERS

As on date of this Draft Prospectus, Sanjeev Kahali, Lipika Kahali and Anirbaan Kahali are the Promoters of our Company. For further details, please refer to the section titled “*Our Promoters and Promoter Group*” beginning on page 132 of this Draft Prospectus.

ISSUE SIZE

The Issue size comprises of issuance of 2,58,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [●]/ per Equity Share (including premium of ₹ [●]/- per Equity Share) aggregating to ₹ [●] lakhs. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 06, 2023 and approved by the shareholders of our Company vide a special resolution at the Extraordinary General Meeting held on July 28, 2023 pursuant to section 62(1)(c) of the Companies Act, 2013.

OBJECTS OF THE ISSUE

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

(₹ in lakhs)

Particulars	Amount (₹ in lakhs) *
Repayment/Prepayment of certain secured borrowings availed by our Company	Upto ₹ 100.00
To meet the working capital requirements	Upto ₹ 600.00
General Corporate Expenses*	[●]
Total	[●]

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

PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Particulars	Pre-Issue	
	Number of Shares	Percentage (%) holding
Promoters (A)		
Sanjeev Kahali	3,38,138	73.51%
Lipika Kahali	78,852	17.14%
Anirbaan Kahali	11,500	2.50%

Total (A)	4,28,490	93.15%
Promoter Group (B)		
Kamala Kahali	5,555	1.21%
Total (B)	5,555	1.21%
Total (A+B)	4,34,045	94.36%

SUMMARY OF FINANCIAL INFORMATION

(₹ in lakhs)

Particulars	Kahali Craftistics Limited	M/s. Sanjeev Kahali*		
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	March 31, 2022	March 31, 2021
Share Capital	45.90	278.88	223.57	564.11
Net worth	375.27	278.88	223.57	564.11
Revenue from Operation	115.31	393.17	798.26	705.27
Profit after Tax	27.10	80.59	(325.60)	(99.04)
Earnings per share (Basic & diluted) (₹)	47.61	NA	NA	NA
Net Asset Value per Equity Share (Basic & diluted) (₹)	81.76	NA	NA	NA
Total borrowing	318.36	409.83	404.45	756.45

*Our Company has acquired the running business of "M/s. Sanjeev Kahali", sole proprietorship concern of our Promoter Sanjeev Kahali

QUALIFICATIONS OF AUDITORS

Except as disclosed below, there are no qualifications by the Statutory Auditors, which have not been given effect to in the Restated Financial Statements:

Period	Particulars
For the period from January 19, 2023 to March 31, 2023, for the period from April 01, 2022 to February 18, 2023, Fiscal 2022 and Fiscal 2021	<p>a) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, except for charging depreciation pursuant to the notification of Schedule II to the Companies Act, 2013, on Property, Plant and Equipment under the Straight Line Method over the useful lives of assets as prescribed under Part C of Schedule II to the Companies Act, 2013 pertaining to Proprietary concern for the period February 18, 2023, March 31, 2022 and March 31, 2021 if any;</p> <p>b) Referring to Note No 4(B)(c) and 4 (B)(e) of Summary of significant accounting policies forming part of Annexure -4 of Statement of Notes to Restated Financial Information: Gross Block as 18-02-2023, Accumulated Depreciation as on 18-02-2023 and consequential WDV as on 18-02-2023 is computed in a manner that value of all the assets will be exhausted depending on the useful life of the assets from the date of Acquisition. Charging of Depreciation is not in accordance with AS-10 "Property Plant and equipment".</p>
No adjustments are made for the above qualifications in this Restated Financial Statements of the Company.	

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

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

Name of Entity	Litigation involving Criminal Laws	Litigation Involving Actions by Statutory/Regulatory Authorities	Disciplinary Actions by Authorities	Litigation involving Tax Liability	Other Pending Litigation based on Materiality Policy of our Company	Aggregate amount involved (Rs in lakhs)
Company						
Against our Company	Nil	Nil	Nil	Nil	Nil	Nil
By our Company	Nil	Nil	Nil	Nil	Nil	Nil
Directors & Promoters						
Against our Directors & Promoters	Nil	Nil	Nil	Nil	Nil	Nil
By our Directors & Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Group Companies						
Against our Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
By our Group Companies	Nil	Nil	Nil	Nil	Nil	Nil

For further details, please refer section titled “*Outstanding Litigations & Material Developments*” beginning on page 198 of this Draft Prospectus.

RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page 24 of this Draft Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

For details of our contingent liabilities, please refer section titled “*Restated Financial Statement*” beginning on page 138 of this Draft Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS

(a) Name of related parties and description of relationship:

Nature of related parties	Description of relationship
Director and Key Management Personnel	
Sanjeev Kahali	Managing Director and CMD
Lipika Kahali	Whole Time Director
Anirbaan Kahali	Whole Time Director
Dasharath Singh	Chief Financial Officer
Relative of Key Managerial Personnel	
Kamala Kahali	Relative of KMP/ Director
Entities in which Director, KMP or their relatives having significant influence	
Inner Eye (Partnership Firm)	-
The Inner Eye (Sole Proprietorship Firm)	-

(₹. in Lakhs)

Particulars	Kahali Craftistics Limited	M/s. Sanjeev Kahali*		
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	March 31, 2022	March 31, 2021
Share Capital Issued				

Sanjeev Kahali	283.92	-	-	-
Lipika Kahali	60.97	-	-	-
Anirban Kahali	1.15	-	-	-
Dasharath Singh	0.01	-	-	-
Kamala Kahali	5.00	-	-	-
Loan taken				
Kamla Kahali	-	5.00	5.00	-
Lipika Kahali	-	34.85	33.50	-
The Inner eye	-	24.87	33.87	33.87
Remuneration Given				
Sanjeev Kahali	6.40	-	-	-
Lipika Kahali	1.30	-	-	-
Anirbaan Kahali	1.90	-	-	-
Dasharath Singh	0.32	-	-	-
Trade Payables				
The Inner Eye	(21.53)	(21.53)	(21.13)	(21.84)
Trade Receivables				
Inner Eye	10.18	10.18	10.18	10.35
Sales				
Inner Eye	-	-	(0.17)	95.57

*Our Company has acquired the running business of "M/s. Sanjeev Kahali", sole proprietorship concern of our Promoter Sanjeev Kahali

FINANCING ARRANGEMENTS

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

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

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

Name	Number of Shares	Weighted Average Cost of Acquisition per Equity Share (in ₹)
Sanjeev Kahali	3,38,138	83.97
Lipika Kahali	78,852	77.32
Anirbaan Kahali	11,500	10.00

*As certified by M/s. Vishal H Shah & Associates, Chartered Accountants, pursuant to their certificate dated August 24, 2023.

AVERAGE COST OF ACQUISITION

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

Name	Number of Shares	Average Cost of Acquisition per Equity Share (in ₹)
Sanjeev Kahali	3,38,138	83.97
Lipika Kahali	78,852	77.32
Anirbaan Kahali	11,500	10.00

*As certified by M/s. Vishal H Shah & Associates, Chartered Accountants, pursuant to their certificate dated August 24, 2023.

DETAILS OF PRE-ISSUE PLACEMENT

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

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

Date of Issue/ Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Name of Allottees	Benefits Accrued
February 18, 2023	3,12,638	10	90	Preferential Allotment	Sanjeev Kahali	acquisition of M/s. Sanjeev Kahali, Proprietary Concern
February 18, 2023	96,351	10	90	Conversion of Loans	<i>Note 1</i>	Conversion of Unsecured Loan

Note 1: Allotment of 66,352 equity shares to Lipika Kahali, 5,555 equity shares to Kamala Kahali, 22,222 equity shares to Shrenik Daga and 2,222 equity shares to Nirmala Burad

For details, please refer to section titled “*Capital Structure*” beginning on page 53 of this Draft Prospectus.

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

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

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

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

SECTION - II - RISK FACTORS

An investment in our Equity Shares involves a certain degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Prospective investors should read this section in conjunction with “*Business Overview*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 87, 80, and 187 respectively of this Draft Prospectus, as well as the financial and other information contained in this Draft Prospectus.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Draft Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. For further details, please see the section titled “*Forward-Looking Statements*” beginning on page 15 of this Draft Prospectus.

Unless otherwise indicated or context requires otherwise, the financial statement included herein is derived from our Restated Financial Statement for period ended on March 31, 2023 included in this Draft Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

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 found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

INTERNAL RISK FACTORS

1. ***Our Company has been recently incorporated and post incorporation has taken-over the running business of M/s. Sanjeev Kahali (Proprietorship firm of our Promoter) thus we have limited operating history as a Company which may make it difficult for investors to evaluate our historical performance or future prospects.***

Our Company was originally incorporated as a public limited company under the Companies Act, 2013 with Registrar of Companies, Central Registration Centre through a certificate of incorporation dated January 19, 2023. After incorporation, our Company has taken-over the running business of proprietorship firm of the Promoter i.e., M/s. Sanjeev Kahali for the expansion of the business of our Company. Our Company has very limited operating history from which one can evaluate our business, future prospects and viability. The future revenues and profitability of our Company are difficult to estimate and could fluctuate significantly and as a result the price of the Equity Shares our Company may remain volatile. Further the business prospects of our Company must be considered in light of the risks and uncertainties in respect of manufacturing and export of handcrafted articles of décor, utility & furniture. Although the proprietorship concern has retained the growth path in past years, and our Company will continue to undertake all possible steps towards the growth path, but there is no assurance that this growth will be met successfully in future. In case we are unable to meet the desired growth in revenues and profitability, the results of operations and financial condition of our Company will be adversely affected.

Further, the growth exposes us to a wide range of increased risks. It will also place significant demands on our management, financial and other resources and will require us to continuously develop and improve the operational, financial and internal controls. There can be no assurance that we will be able to successfully pursue the growth strategies of our Company, or that pursuing these strategies will provide us the anticipated benefits. Any inability to pursue the growth strategies successfully or at all, or an inability to manage the growth, may adversely affect the prospects of our Company.

For further details, see the section titled “*History and Corporate Structure*” and “*Restated Financial Statements*” on page 112 and 138 respectively of this Draft Prospectus.

2. ***Our manufacturing activities are dependent upon availability of skilled and unskilled labours.***

Our manufacturing activities are dependent on availability of skilled and unskilled labours. Non-availability of labours at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers. Further, we spend significant time and resources in training the manpower we hire. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. High attrition and competition for manpower may limit our ability to attract and retain the skilled manpower necessary for our future growth requirements. We cannot assure you that skilled manpower will continue to be available in sufficient numbers suitable to our requirements or that we will be able to grow our workforce in a manner consistent with our growth objectives, which may affect our business, financial condition, results of operations and prospects.

3. ***Our Company do not own the premises at which the registered office and factory is located and the same is taken on rent. Any termination of such rent agreement and/or non-renewal could adversely affect the operations of our Company.***

The registered office and factory premise of our Company is currently held on a rental basis and the said premise is used by our Company as its registered office and factory, for a term of 11 months, which can be further extended with the mutual consents of the parties with annual 10% increment with the mutual consents of the parties and on such terms and conditions that may be mutually settled. Further, the landlord can evict the premise by giving a two month notice to our Company. Our Company may not be able to renew or extend the rent agreement at commercially acceptable terms on expiry of the agreement or at all. Our Company may not be able to obtain alternate location, in a short span of time and it may create disruption in the operations, which may adversely affect the financial conditions of our Company. Any disputes arising in future may also affect our business relations and the results of operations of our Company.

For further details regarding our properties, please refer to the Section titled “***Business Overview***” on page 87 of this Draft Prospectus.

4. ***We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.***

We operate in manufacturing, sale and export of handcrafted articles of décor, utility and furniture. While we deal with art and creativity of the products which are very subjective but there are no entry barriers in our industry, which puts us to the threat of competition from new entrants. There are numerous organized and unorganized players operating in the industry. We face competition in our business from a large number of unorganized and a few organized players. We may have to confront pressures in respect of pricing, product quality, design variation, etc. from the clients and such pressures may put strain on our profit margins which may consequently affect our financial position. Our inability to compete with this intense competition, local, national and international, will have material adverse impact on our financial position.

For further details of our business, please refer section titled “***Business Overview***” beginning on page 87 of this Draft Prospectus.


5. ***Our business is capital intensive. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, there may be an adverse effect on our operations.***


Our business requires a significant amount of working capital which is based on certain assumptions, and therefore, any change of such assumptions would result in changes to our working capital requirements. In many contracts, significant amounts of working capital are required to finance the purchase or manufacturing of materials, mobilization of resources and other work on projects before payment is received from clients. Our working capital requirements may increase due to an increase in the size of our operations and the number and size of projects that are required to be executed within a similar timeframe. Our outstanding receivables for the period ended March 31, 2023 ₹ 275.33 lakhs and our inventories for the same period is ₹ 487.35 lakhs which represents 139.42% and 323.78% of our revenue from operations. Our capital expenditure requirements and growth strategy thus require continued access to significant amounts of capital on acceptable terms. We cannot assure you that market conditions and other factors will permit future project and acquisition financings, debt or equity, on terms acceptable to us. Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, the continued success of current projects and laws that are conducive to our raising capital in this manner.

6. ***Our inability to accurately forecast demand for our products or manages our inventory may have an adverse effect on our business, results of operations and financial condition.***

The primary raw materials used for our manufacturing process are wood, metal components, stone, paints, etc. All the raw materials are purchased from third parties. We typically do not enter into long-term supply contracts with any of our suppliers with respect to our raw material requirements and typically place orders with them in advance of our anticipated requirements or as per purchase order. We believe that efficient inventory management is a key component of the success of our business, results of operations and profitability and to that end we maintain a reasonable level of inventory of raw materials, work in progress and finished goods at our manufacturing facility. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast due to inter alia the domestic and international scale of

our operations and demand for our products, could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner or at all.

7. ***Our trademark or logo  is not registered under Trademarks Act, 1999. If we are unable to protect our trademarks and trade-names, others may be able to use our trademarks and trade-names to compete more effectively***

We have filed an application vide no. 5964500 for registration of our Logo  under the Trademarks Act, 1999. In case of no registration, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks. We cannot assure you that we will be able to obtain such registration in a timely manner. As a result, we may be unable to prevent use of these names or variations thereof by any other party or ensure that we will continue to have a right to use it. We further cannot assure you that any third party will not infringe upon our trademark, logo and/or trade name in a manner that may have a material adverse effect on our business prospects, reputation and goodwill.

8. ***Our insurance coverage may not adequately protect us, which may adversely affect our business, results of operations and financial condition.***

We believe that the insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, however, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time. In the event, we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected. While there has been no instance of fire in the Company, except one such incidence in the erstwhile proprietorship concern where the stock was duly insured.

Further, our Company is required to renew these insurance policies on monthly basis and in the event, we fail to renew the insurance policies within the time period prescribed in the respective insurance policies or not obtain at all, our Company may face significant uninsured losses. If our Company suffers a large uninsured loss or if any loss suffered, significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

For further details of our insurance policies, please refer section titled “***Business Overview***” beginning on page 87 of this Draft Prospectus.

9. ***Our Company’s failure to maintain the quality standards of the products or keep pace with the technological developments could adversely impact our business, results of operations and financial condition.***

Our products depend on customer’s expectations and choice of the customer and recent trends in the domestic and export market which could be significantly different on various aspects. While there are no specific quality standards to maintain, we follow strict quality check for our Products and also the raw material that we use. Although we have put in place strict quality control procedures, which are subject to inspection by our buyers/ agents, we cannot assure that our products will always be able to satisfy our buyers/ agents quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation and our results from operations. Also, rapid change in our customers’ expectation on account of changes in design trend, technology or introduction of new products or for any other reason and failure on our part to meet their expectation could adversely affect our business, result of operations and financial condition. While, we believe that we have always introduced new products and upgraded our product catalogue on regular basis based on our understanding of the market trend and customers need to cater to the growing demand, our failure to anticipate or to respond adequately to changing design trend, market demands and/or client requirements could adversely affect our business and financial results.

10. ***We generally do business with our customers on purchase basis and do not enter into long-term contracts with them.***

Our business is dependent on our continuing relationships with our customers. Our Company do not enter into any long-term contract with our customers and have not entered into any marketing tie up for our products. Our relationship with our customers is generally on a non-exclusive basis and accordingly, our customers may choose to cease sourcing our products and choose to source alternative options. Therefore, we cannot assure that we will receive repeat orders from our customers in the future. Additionally, our customers have high and stringent standards for product quality as well as delivery schedules. Any failure to meet our customers’ expectations and specifications could result in the cancellation or non-renewal of contracts. For instance, our top ten customers contributed to 100.00%, 47.20%, 28.52% and 33.44% of our revenue from operations for the period from January 19, 2023 to March 31, 2023, for the period from April 01, 2022 to February 18, 2023, Fiscal 2022 and Fiscal 2021, respectively. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

11. ***Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us.***

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoters have been actively involved in the day-to-day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoters is unable or unwilling to continue in his present position, we may not be able to replace them easily or at all. Further, we rely on the continued services and performance of our key executives and senior management for continued success and smooth functioning of the operations of the Company. If we lose the services of any of our key managerial personnel, we may be unable to locate suitable or qualified replacement and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Our Promoters have over the years-built relations with various customers and other persons who are form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

12. 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.

Post this Issue, our Promoters and Promoter Group will collectively own majority of our equity share capital. As a result, our Promoters, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company. In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

13. There have been some instances of delayed filing of records and returns required to be filed by the Company with various regulatory authorities.

There have been some instances of delayed filing by the Company in respect of the filings required to be made with regulatory authorities, including filings under Companies Act. For instance, Company has paid additional fees for delay in filing of ADT-1, PAS-3 and MGT-14. In the past, sole proprietorship firm of our Promoter Sanjeev Kahali, M/s. Sanjeev Kahali before business transfer has at several instances, delayed in filing our GST returns, EPF returns, TDS returns, ESI Return and deposit of statutory dues thereto, as a result of which, we have been required to pay the late filing fees along with interest on delayed deposit of due taxes and statutory dues as mentioned below in table. Although the late filing fees levied are small but if we continue this practice, the accumulated amounts of each delay may adversely affect our cash flows. Till date, the Company has not received any notices from any authorities, however, there can be no assurance that the regulator may not initiate proceedings against us or that we will be able to sufficiently defend against any action initiated by regulators in relation to regulatory compliances for all instances and periods. Any adverse order passed or penalty imposed by regulators on us may adversely affect our business and results of operations.

Financial Year	State	Return Type	Total Number of Establishments	Establishment with Delayed Filing
GST Return				
2018-19	Rajasthan	GSTR3B	1	1
2019-20	Rajasthan	GSTR3B	1	1
2019-20	Rajasthan	GSTR3B	1	1
2019-20	Rajasthan	GSTR3B	1	1
2020-21	Rajasthan	GSTR3B	1	1
2020-21	Rajasthan	GSTR3B	1	1
2021-22	Rajasthan	GSTR3B	1	1
2022-23	Rajasthan	GSTR3B	1	1
2022-23	Rajasthan	GSTR3B	1	1
2022-23	Rajasthan	GSTR3B	1	1
2022-23	Rajasthan	GSTR3B	1	1
TDS Return				
2018-19	Rajasthan	TDS	1	1
2019-20	Rajasthan	TDS	1	1
2020-21	Rajasthan	TDS	1	1
2021-22	Rajasthan	TDS	1	1
2022-23	Rajasthan	TDS	1	1
ESI Return				
2017-20	Rajasthan	ESI	1	1

2017-20	Rajasthan	ESI	1	1
EPF Return				
2018-19	Rajasthan	EPF	1	1
2020-22	Rajasthan	EPF	1	1

In past, there have been instances where erstwhile proprietorship namely M/s. Sanjeev Kahali and Promoter of our Company Sanjeev Kahali has made certain delayed payment of borrowing. While all these delayed amounts were paid with interest and penalties, as applicable and no such dues were in arrears as on March 31, 2023, however we cannot assure you that there will not be any instances of delays in repayment of borrowings or interest thereon in the future.

14. *There may be instances of design copying or imitation of our products.*

Our business success is closely tied to the uniqueness and appeal of our product designs, which give us a competitive edge in the market. However, the risk of unauthorized copying or imitation of our designs by competitors or other entities exists. The unauthorized replication of our designs could adversely impact our business, brand, reputation, and financial performance.

Further, the design landscape is complex and rapidly evolving, and there is a risk that our products or designs could unintentionally infringe upon the design rights of third parties. While there has been no such instance of infringement by our Company, in the event that our products or designs are found to infringe upon the design rights of others, we could face legal claims, injunctions, and monetary damages, which could have a material adverse effect on our business, financial condition, and results of operations.

15. *Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.*

We believe that the industry in which we operate faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its business operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions to our business operations due to disputes or other problems with our work force in the past; there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislate on that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

16. *Our Company has no formal supply agreement or contract with our vendors/suppliers for the uninterrupted supply of major raw materials. Our business may be adversely affected if there is any disruption in the raw material supply.*

We do not have any formal agreements with our vendors/suppliers as we operate on a purchase order system. Due to the absence of any formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all and delayed supplies which would materially affect our results of operations. Our top ten suppliers contribute 86.37%, 22.88%, 16.75% and 13.47% of our revenue from operations for the period from January 19, 2023 to March 31, 2023, for the period from April 01, 2022 to February 18, 2023, Fiscal 2022 and Fiscal 2021, respectively. In the event of any disruption in the raw materials supply or the non-availability of raw materials, the production and dispatch schedule may be adversely affected impacting the sales and profitability of the Company. In the event the prices of such raw materials were to rise substantially, we may find it difficult to make alternative arrangements for supplies of our raw materials, on the terms acceptable to us, which could materially affect our business, results of operations and financial condition. Our management believes that we maintain good relations with our suppliers and we shall also not face any challenge in finding new suppliers if required.

17. *In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and Key Managerial Personnel are interested in our Company to the extent of their shareholding, dividend entitlement, if any, loan availed by our Company, etc.*

Our Directors and Key Managerial Personnel, namely Sanjeev Kahali, Lipika Kahali and Anirbaan Kahali, being our Promoters are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding, dividend entitlement, if any; loan availed from them by our Company, etc.

For further information, see “*Capital Structure*” and “*Our Management*” and “*Annexure 27 Related Party Transactions*” in Section “*Financial Statements as restated*” beginning on pages 53, 115 and 138, respectively, of this Draft Prospectus.

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

After incorporation, our Company has entered into transactions with certain of our related parties. While we confirm that all such transactions have been conducted on an arm’s length basis as per the applicable provisions of Companies Act or any other applicable laws, however, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to “*Annexure 27 Related Party Transactions*” in Section “*Financial Statements as restated*” beginning on page 138 of this Draft Prospectus.

19. *Our Company maintain monthly insurance of stocked inventory.*

Our Company maintains monthly insurance coverage for our stocked inventory to mitigate potential losses due to unforeseen events. While insurance provides a level of protection, it is important to recognize that there are inherent risks associated with this practice that could impact our financial position and operations. Factors that may increase the risk related to monthly insurance of stocked inventory include claim processing delays, business interruption, premium cost, etc.

Investors should be aware that while we take measures to protect our inventory through insurance, certain risks remain that could impact our financial position and operations. The adequacy of insurance coverage and the ability to recover losses are subject to various factors that could affect the outcome of potential claims. Unforeseen events leading to inventory losses could materially and adversely affect our business, financial condition, and results of operations.

20. *We had incurred loss, and we may not achieve profitability in the future.*

We incurred a loss after tax of (₹ 325.61 lakhs) in Fiscal 2022 and (₹ 99.04 lakhs) in Fiscal 2021. We will continue to make significant effort to further develop and expand our business. In particular, we intend to continue to expand our export business and also by increasing our B-2-C market presence. We will continue to optimize customer experience, improve our manufacturing facility and boost operating leverage through continued investments in technology. Despite these investments, we may not succeed in increasing our revenue on the timeline that we expect or in an amount sufficient to achieve profitability. Additionally, as a listed company in India, we expect to incur significant legal, accounting and other expenses that we did not incur as an unlisted company. Moreover, if our revenue declines, we may not be able to reduce costs in a timely manner because many of our costs are fixed at least in the short term. In addition, if we reduce variable costs to respond to losses, this may limit our ability to reach to larger customer base and grow our revenues.

The impact of historical losses on our financial statements and the perception of our financial health may impact investor confidence and the market value of our securities. Our ability to generate profits and achieve sustained growth remains subject to various internal and external factors, and past performance may not necessarily be indicative of future results.

21. *Our Statutory Auditors have included certain matters of qualification in our Restated Financial Statements. In addition, the annexure to our Statutory Auditors’ report issued under the Companies Act on our Restated financial statements.*

Our Statutory Auditors have provided qualification in relation to our Company in our Restated Financial Statements. Details of the same are as follows:

- a) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, except for charging depreciation pursuant to the notification of Schedule II to the Companies Act, 2013, on Property, Plant and Equipment under the Straight Line Method over the useful lives of assets as prescribed under Part C of Schedule II to the Companies Act, 2013 pertaining to Proprietary concern for the period February 18, 2023, March 31, 2022 and March 31, 2021 if any;
- b) Referring to Note No 4(B)(c) and 4 (B)(e) of Summary of significant accounting policies forming part of Annexure -4 of Statement of Notes to Restated Financial Information: Gross Block as 18-02-2023, Accumulated Depreciation as on 18-02-2023 and consequential WDV as on 18-02-2023 is computed in a manner that value of all the assets will be exhausted depending on the useful life of the assets from the date of Acquisition. Charging of Depreciation is not in accordance with AS-10” Property Plant and equipment”.

No adjustments are made for the above qualifications in this Restated Financial Statements of the Company

There can be no assurance that any similar matters of emphasis or remarks will not form part of our financial statements for the future fiscal periods, or that such remarks will not affect our financial results in future fiscal periods. Investors should consider the remarks and observations in evaluating our financial condition, results of operations and cash flows. Any such

remarks or matters of emphasis in the auditors' report and other observations on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

22. We have issued Equity Shares during the preceding twelve months at a price which may be below the Issue Price.

We have issued Equity Shares in the last 12 months at a price which may be lower than the Issue Price, as set out in the table below:

Date of Allotment/ Issue	Number of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment
January 19, 2023	50,000	10	10	Cash	Subscription to MOA ⁽ⁱ⁾
February 18, 2023	3,12,638	10	90	Other than Cash	Preferential Allotment
February 18, 2023	96,351	10	90	Other than Cash	Conversion of Loans
July 19, 2023	1,000	10	482	Cash	Private Placement

The price at which Equity Shares have been issued by our Company in the last 12 months is not indicative of the price at which they will be issued or traded. For further details, please see section titled "Capital Structure" on page 53.

23. Substantial portion of our revenues has been dependent upon our few customers. The loss of any one or more of our major clients would have a material adverse effect on our business operations and profitability.

We are primarily engaged in manufacturing and exporting of Handicraft Products. The business activities of our Company comprises of studying, visualizing, designing, manufacturing and selling the end product domestically as well as Internationally. Our product includes decorative (table and wall), lighting, mirror, furniture and items of regular utility with a design element to it. The business was primarily focused on exports to various countries like the USA, Europe, Middle East, Japan and Australia. For the period ended March 31, 2023 and for the Fiscal ended March 31, 2022 and for the Fiscal ended March 31, 2021, our top ten customers contributed to 100.00%, 47.20%, 28.52% and 33.44% of our revenue from operations for the period from January 19, 2023 to March 31, 2023, for the period from April 01, 2022 to February 18, 2023, Fiscal 2022 and Fiscal 2021, respectively. The loss of a significant customer would have a material adverse effect on our financial results. Also, any attempt to lower our dependence on our top customers, might expose us to credit risks and also affect our logistical set-up that we have with the existing customers. Furthermore, major events affecting our customers, such as bankruptcy, change of management and business framework, mergers and acquisitions, etc. could adversely impact our business. If any of our major customers becomes bankrupt or insolvent, we may lose some or all of our business from that customer and our receivable from that customer would increase and may have to be written off, adversely impacting our income and financial condition.

24. Our Company, Promoter and Directors may be involved in certain litigation which is currently pending at various stages. Any adverse decisions in these cases against the Company, Promoter and Director. may impact business and operations of the Company.

The summary of outstanding litigation in relation to our Company Promoter and Directors as on the date of this Draft Prospectus have been provided below in accordance with the materiality policy adopted by our Board and are as follows:

Name of Entity	Litigation involving Criminal Laws	Litigation Involving Actions by Statutory/ Regulatory Authorities	Disciplinary Actions by Authorities	Litigation involving Tax Liability	Other Pending Litigation based on Materiality Policy of our Company	Aggregate amount involved (Rs in lakhs)
Company						
Against our Company	Nil	Nil	Nil	Nil	Nil	Nil
By our Company	Nil	Nil	Nil	Nil	Nil	Nil
Directors & Promoters						
Against our Directors & Promoters	Nil	Nil	Nil	Nil	Nil	Nil
By our Directors & Promoters	Nil	Nil	Nil	Nil	Nil	Nil

Name of Entity	Litigation involving Criminal Laws	Litigation Involving Actions by Statutory/Regulatory Authorities	Disciplinary Actions by Authorities	Litigation involving Tax Liability	Other Pending Litigation based on Materiality Policy of our Company	Aggregate amount involved (Rs in lakhs)
Group Companies						
Against our Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
By our Group Companies	Nil	Nil	Nil	Nil	Nil	Nil

If any new developments arise which results in any litigation, whether or not due to change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our Restated Financial Statements that could increase our expenses and current liabilities. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may have an adverse effect on our results of operations and financial condition. Further, there is no assurance that legal proceedings will not be initiated against our Company, its directors, Promoters in future.

For details kindly refer the chapter titled **“Outstanding Litigation and Material Developments”** beginning on page 198 of this Draft Prospectus.

25. Our Company has reported certain negative cash flows from its operating activity, investing activity and financing activity, details of which are given below.

Sustained negative cash flow could impact our growth and business. Our Company had reported certain negative cash flows from our operating activities, investing activities and financing activities in the previous three (3) years as per the restated financial statements and the same are summarised as under:

(₹ in lakhs)

Particulars	Kahali Craftistics Limited	M/s. Sanjeev Kahali*		
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	March 31, 2022	March 31, 2021
Cash flow generated from/ (utilised in) operating activities.	(608.77)	1.93	(136.06)	(107.60)
Cash flow from investing activities	(133.85)	(20.03)	540.76	36.49
Cash flow from financing activities	748.59	13.29	(400.26)	51.40

*Our Company has acquired the running business of “M/s. Sanjeev Kahali”, sole proprietorship concern of our Promoter Sanjeev Kahali

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

26. 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 the 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 utilization 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 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. For further details of the proposed objects of the Offer, refer chapter titled “*Objects of the Offer*” on page 62 of this Draft Prospectus

27. *We may be subject to financial and reputational risks due to product quality and liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.*

Our products may contain quality issues or undetected errors or defects, especially when first introduced, resulting from the design or manufacture of the product or raw materials used in the product. While we test for quality on a sample basis at our in-house quality labs at our manufacturing facility, we cannot assure you that all products would meet our quality standards. Such quality issues can expose us to product liability claims or require us to replace such products, in the event that our products fail to meet the required quality standards, or are alleged to cause harm to customers. Further, if any of the products sold by us fail to comply with our quality standards, it may result in customer dissatisfaction, which may have an adverse effect on our business, sales and results of operations.

28. *The objects of the Offer include funding working capital requirements of our Company, which are based on certain assumptions and estimates*

The objects of the Offer include funding working capital requirements of our Company, which are based on management estimates and certain assumptions in relation to inter alia, the cost and holding periods of inventories of raw materials and finished goods, trade receivables and trade payables. For details, see “*Objects of the Issue*” on page 62. Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers, availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

29. *If we are subject to any frauds, theft, or embezzlement by our employees, suppliers, contractors, it could adversely affect our reputation, results of operations, financial condition and cash flows.*

Our operations may be subject to incidents of theft. We may also encounter some inventory loss on account of employee/contractor/ distributor/ vendor fraud, theft, or embezzlement. Although we have set up various security measures in our manufacturing unit such as deployment of security guards and operational processes such as periodic stock taking, there can be no assurance that we will not experience any fraud, theft, employee negligence, loss in transit or similar incidents in the future, which could adversely affect our reputation, results of operations, financial condition, and cash flows

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

Information relating to our installed capacities and the capacity utilization of our Manufacturing Unit included in this Draft Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials, actual product mix vis-à-vis the products mix envisaged for computation of our installed capacity and assumptions relating to potential utilization levels and operational efficiencies. While we have obtained a certificate dated August 02, 2023, from Orbit Consultants and Valuers, Independent Chartered Engineer, actual capacities and utilization rates may differ significantly from the estimated installed capacities or estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our installed capacity or estimated capacity utilization information for our existing facility included in this Draft Prospectus

31. *We are susceptible to exchange rate fluctuations*

We have exported our products in the past and we would continue to export in the future. While we have not undertaken any import of goods, we procure imported materials from local vendors only. Our Company has export revenue for the period from January 19, 2023 to March 31, 2023, for the period from April 01, 2022 to February 18, 2023, Fiscal 2022 and Fiscal 2021 was Nil, ₹ 213.33 lakhs, ₹ 602.48 lakhs and ₹ 390.05 lakhs representing Nil%, 54.26%, 75.47% and 55.31% of our revenue from operations, respectively. We are, therefore, exposed to risks relating to exchange rate fluctuations. In addition, because our financial statements are presented in Indian Rupees, we are subject to translation risk, which is the risk that our financial statements for a particular period or as of a certain date depend on the prevailing exchange rates of other currencies, against the Indian Rupee. The exchange rate between the Indian Rupee and other foreign currencies has changed considerably in recent years and may further fluctuate in the future. Such fluctuations in currency exchange rates may impact our results of operations. Based on our overseas business operations, we primarily deal in USD. Our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the USD, may have a material impact on our results of operations, cash flows and financial condition. Our Company has not created any hedge against our foreign currency exposure. In the event, we do not continue to hedge our risks, we may, be exposed to risks arising from exchange rate fluctuations and may not be able to pass on all losses on account of foreign currency fluctuations to our customers

32. *Our future funds requirements, in the form of issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.*

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, please refer to the Chapter titled ***“Dividend Policy”*** beginning on page **137** of this Draft Prospectus.

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

We have not commissioned an industry report for the disclosures made in the chapter titled ***‘Industry Overview’*** beginning of page **80** and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Prospectus. Further, the industry data mentioned in this Draft Prospectus or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Prospectus in this context.

35. *Certain data mentioned in this Draft Prospectus has not been independently verified.*

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

36. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds.*

We intend to utilize the Net Proceeds of the Offer as set forth in ***“Objects of the Offer”*** beginning on page **62** of this Draft Prospectus. The funding requirements mentioned as a part of the objects of the Offer are based on internal management estimates in view of past expenditures and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies and since we have not presently entered into any definitive agreements for the use of Net Proceeds. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, we may also use funds for future businesses and products which may have risks significantly different from what we currently face or may expect. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment. For further details, please see ***“Objects of the Offer”*** beginning on page **62** of this Draft Prospectus

37. *Delays or defaults in client payments could affect our operations.*

We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations

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

While we possess technical knowledge about our products and design our products in-house, our know-how may not be adequately protected by intellectual property rights. While we generally take precautions to protect our trade secrets and

confidential information against breach of trust by our employees, consultants, job workers, customers and suppliers, it is possible that unauthorized disclosure of our trade secrets or confidential information may occur. We cannot assure you that we will be successful in the protection of our trade secrets and confidential information. Our manufacturing processes may not be eligible for intellectual property protection and others may be able to use the same or similar production processes, thereby undermining any competitive advantage we may have derived from such processes and adversely affecting our financial condition, cash flows and results of operations.

39. *Our Manufacturing Unit is located at Jodhpur in Rajasthan exposing us to regulatory and other geography specific risks such as weather and natural occurrences as well as regulatory, economic, demographic and other changes in Rajasthan.*

Our Manufacturing Unit is located at Jodhpur, Rajasthan, within the same premise. Accordingly, our current manufacturing operations is concentrated in one geographic area.

The concentration of our operations at one location in Rajasthan heightens our exposure to adverse developments related to weather and natural occurrences, any workforce disruptions, as well as regulatory, economic, demographic and other changes in Rajasthan, which may adversely affect business, financial condition and results of operations.

Further, our manufacturing operations require significant labour and are also reliant on government policies in terms of taxes, duties and incentives made applicable by the Rajasthan state government. As a result, any unfavourable policies in Rajasthan, could adversely affect our business, financial condition and results of operations. Furthermore, Rajasthan has experienced social and civil unrest in the past within the state and such tensions could lead to political or economic instability in Rajasthan and a possible adverse effect on our business, financial condition and results of operations. There can be no assurance that such situations will not recur or be more intense than in the past

40. *We have availed unsecured loans in past which were repayable on demand. In case, if our Company avails further unsecured loan in future then any demand for repayment of such unsecured loans, may adversely affect our cash flows.*

We have availed unsecured loan in the past, which were repayable on demand to the relevant lender. Further, these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, see “*Restated Financial Statements*” on page 138 of this Draft Prospectus.

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

After the issue our Promoters along with the Promoter group will continue to hold collectively 93.15% of the pre Equity share capital of the Company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder’s vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our Company. In addition to the above, our Promoter will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

42. *Some of our Promoters and Directors, operate or control entities engaged in a similar line of business as our Company, which may lead to competition with these entities and could potentially result in a loss of business opportunity for our Company.*

Some of our Promoters and Promoter Group entities, namely M/s. Inner Eye, a sole proprietorship firm of one of our Promoter, Lipika Kahali and M/s. Inner Eye, partnership firm, in which our Promoters namely, Sanjeev Kahali and Lipika Kahali along with unrelated individuals are partners which is engaged in similar line of business as our Company. Any of the above may impact the trading price of our Equity Shares, our business, financial condition and results of operations. While there is presently no conflict, there is no assurance that our Promoter, Directors, their family members and the entities with which they are associated will not provide competitive products or otherwise compete in business lines in which we are already present or will enter into in the future. Such factors may have an adverse effect on the results of our operations and financial condition.

43. *Our success depends largely upon the services of our Directors, Promoter and other Key Managerial Personnel and Senior Management Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel & Senior Management Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel & Senior Management Personnel may affect the operations of our Company.*

Our success is substantially dependent on the expertise and services of our Directors, Promoter and our Key Managerial Personnel and Senior Management Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these

persons. Demand for Key Managerial Personnel and Senior Management Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

44. *There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.*

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹ 10,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

45. *Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.*

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition

EXTERNAL RISK FACTORS

46. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.*

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, financial condition, results of operations, cash flows and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For instance, the Companies Act 2013, several provisions of which (including rules issued thereunder) contain significant changes to Indian company law, including in relation to the issue of capital by companies, related party transactions, corporate governance, audit matters, shareholder class actions, restrictions on the number of layers of subsidiaries and corporate social responsibility. Compliance with such requirements may require significant financial and administrative resources, and any failure to comply may adversely affect our business and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. If a determination is made that we were in violation of such laws, rules or regulations, including conditions in the permits required for our operations, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or make capital expenditures and our business, financial positions, results of operations or cash flows could be adversely affected. For details on the laws currently applicable to the Company kindly refer the section titled “**Key Industry Regulations and Policies**” beginning on page 106 of this Draft Prospectus.

48. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.*

Taxes and other levies imposed by the Central or State Governments in India affect the cost and prices of the products we trade in and therefore demand for such product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

49. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and exhibitions, conferences and events industry contained in this Draft Prospectus.*

While facts and other statistics in this Draft Prospectus relating to India, the Indian economy and the exhibitions, conferences and events industry has been based on various government publications and reports from government agencies that we believe

are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the section titled **“Industry Overview”** beginning on page **80** of this Draft Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

50. *The extent and reliability of Indian infrastructure could adversely affect our Company’s results of operations and financial condition.*

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

51. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.*

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

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

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

53. *Any downgrading of India’s sovereign rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

54. *A slowdown in economic growth in India and globally could cause our business to suffer.*

We are highly dependent on prevailing economic conditions in India and globally and our results of operations are significantly affected by factors influencing the Indian and global economy. A slowdown in the economy and per capita income could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy. Factors that may adversely affect the Indian and global economy and per capita income, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing;
- prevailing income conditions among Indian and global consumers and corporations;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- variations in exchange rates;
- changes in India’s tax, trade, fiscal or monetary policies;

- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India and other countries.

Any slowdown in the Indian or global economy and per capita income or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

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

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

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

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

57. *Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.*

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time-to-time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

ISSUE RELATED

58. *An investment in the Equity Shares is subject to general risk related to investments in Indian Companies.*

Our Company is incorporated in India and all of our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

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

We propose to utilize the Net Proceeds for funding working capital requirements and general corporate purposes. For further details of the proposed objects of the Issue, please see section titled "**Objects of the Issue**" beginning on page 62 of this Draft Prospectus. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds from the Issue 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 Issue as prescribed in the SEBI ICDR Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

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

The Issue Price of the Equity Shares will be determined by our Company in consultation with the and the Lead Manager, and through Fixed Price Process. This price will be based on numerous factors, as described under “**Basis for Issue Price**” beginning on page 70 of this Draft Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

61. *Our Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.*

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a fixed price process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

62. *Any future issuance of Equity Shares may dilute your shareholding and sale of our Equity Shares by our Promoters or other shareholders may adversely affect the trading price of the Equity Shares.*

Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors’ shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares

63. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE Limited in a timely manner, or at all.*

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted unless the post issue formalities are completed after the Equity Shares have been issued. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE Limited. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

64. *There are restrictions on daily weekly monthly movement in the price of the equity shares, which may adversely affect the shareholder’s ability to sell for the price at which it can sell, equity shares at a particular point in time.*

Once listed, we would be subject to circuit breakers imposed by the stock exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI. The percentage limit on circuit breakers is said by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchange does not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of the circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

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

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gain exceeding ₹100,000, realized on the sale of equity shares held for more than 12 months immediately preceding the date of transfer, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, among others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and

that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

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. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly 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. Historically, 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.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows. The Government of India had announced the union budget for financial year 2023 and the Finance Act, 2022 received assent from the President of India on March 30, 2022. There is no certainty on the impact that the Finance Act, 2022 may have on our business and operations or in the industry we operate in.

66. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.*

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

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

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

SECTION - III – INTRODUCTION

THE ISSUE

The following table the Issue details:

PARTICULARS	DETAILS OF EQUITY SHARES
Issue of Equity Shares by our Company⁽¹⁾	2,58,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to maximum ₹ [●] lakhs.
<i>Consisting of</i>	
Market Maker Reservation Portion	[●] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs.
Net Issue to The Public*	[●] Equity Shares of face value of ₹ [●]/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs.
<i>of which</i>	
Retail Portion	[●] Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs i.e., 50% of the Net Issue shall be available for allocation to the Retail Individual Investors.
Non – Institutional Portion	[●] Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs i.e., 50% of the Net Issue shall be available for allocation for Investors other than the Retail Individual Investors.
Pre- and Post-Issue Equity Shares	
Equity Shares outstanding prior to the issue	4,59,989 Equity Shares of face value of ₹ 10.00/- each.
Equity Shares outstanding after the issue	[●] Equity Shares of face value of ₹10.00/- each.
Use of Issue Proceeds	For details, please refer section titled “ <i>Objects of the Issue</i> ” beginning on page 62 of this Draft Prospectus.

⁽¹⁾This Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, 2018, as amended from time to time. For further details, please refer to section titled “*Issue Structure*” beginning on page 224 of this Draft Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 06, 2023 and approved by the shareholders of our Company vide a special resolution at the Extraordinary General Meeting held on July 28, 2023 pursuant to section 62(1)(c) of the Companies Act.

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

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

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

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) above may be allocated to applicants in the other category.

If the Retail Individual Investor category is entitled to more than allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage. For further details, please refer to section titled “*Issue Structure*” beginning on page 224 of this Draft Prospectus.

SUMMARY OF FINANCIAL INFORMATION

The following table set forth summary financial information derived from the Restated Financial Statements. The summary financial information presented below should be read in conjunction with “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 138 and 187 respectively of this Draft Prospectus.

[The Remainder of this Page has intentionally been left blank]

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 1: Restated Summary Statement of Assets and Liabilities

(INR in Lakhs)

Particulars	Annexure	Sanjeev Kahali (Proprietorship)			
		As at March 31, 2023	As at Feb 18, 2023	As at March 31,	
				2022	2021
Equity and liabilities					
Shareholders' funds					
Share capital	5	45.90	278.88	223.57	564.11
Reserves and surplus	6	329.37	-	-	-
		375.27	278.88	223.57	564.11
Non-current liabilities					
Long-term borrowings	7	149.18	255.16	395.73	371.67
Deferred tax liabilities (net)	8	1.88	-	-	-
Long-term provisions	11	30.37	-	-	-
		181.43	255.16	395.73	371.67
Current liabilities					
Short-term borrowings	7	169.18	154.67	8.72	384.78
Trade payables	9	144.27	168.63	261.10	339.97
Other current liabilities	10	37.33	42.33	65.01	53.48
Short-term provisions	11	56.60	42.00	-	-
		407.38	407.63	334.82	778.23
Total		964.07	941.66	954.12	1,714.01
Assets					
Non-current assets					
Property, plant and equipment	12	128.26	133.53	156.43	733.22
Non-current investments	13	0.34	0.34	0.35	0.35
		128.60	133.88	156.78	733.57
Current assets					
Trade receivables	15	275.33	225.99	186.12	287.97
Inventories	16	487.35	512.10	443.28	466.51
Cash and bank balances	17	5.97	8.06	12.87	8.42
Short-term loans and advances / other current assets	14	66.82	61.63	155.08	217.54
		835.47	807.78	797.34	980.43
Total		964.07	941.66	954.13	1,714.01

Note:

The above statement should be read with the Statement of Notes to the Restated Financial Information in Annexure 4.

For CA Vishal H Shah & Associates
Chartered Accountants
Firm Registration No:0116422W

For and on behalf of the Board of Directors
Kahali Craftistics Limited

SD/-
Vishal H. Shah
Proprietor
M. No: 101231
UDIN:23101231BGWVJQ7494

SD/-
Sanjeev Kahali
Chairman Managing Director
DIN: 09863344

SD/-
Lipika Kahali
Whole-Time Director
DIN: 09863345

SD/-
Dashrath Singh
Chief Financial Officer

SD/-
Deepak Kewalia
Company Secretary

Place : Mumbai
Date : 14-08-2023

Place : JODHPUR
Date : 14-08-2023

Place : JODHPUR
Date : 14-08-2023

KAHALI CRAFTISTICS LIMITED

Sanjeev Kahali (Proprietorship)

45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011

CIN: U36900RJ2023PLC085926

Annexure 2: Restated Summary Statement of Profit and Loss

(INR in Lakhs)

Particulars	Annexure	Sanjeev Kahali (Proprietorship)			
		For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	For the year ended March 31,	
				2022	2021
Revenue					
Revenue from operations	18	115.31	393.17	798.26	705.27
Other income	19	8.49	72.18	27.82	14.99
Total revenue		123.80	465.35	826.08	720.26
Expenses					
Cost of Raw Materials consumed	20	18.83	271.19	611.94	513.26
Changes in Inventory	20	13.75	(58.44)	11.61	80.52
Employee benefits expense	21	18.13	39.04	54.42	48.58
Finance costs	22	4.91	34.09	48.26	60.66
Depreciation and amortisation expense	23	5.25	17.66	21.09	47.73
Other expenses	24	19.96	39.22	404.37	68.54
Total expenses		80.82	342.76	1,151.68	819.30
Profit before tax		42.98	122.59	(325.60)	(99.04)
Tax expense		42.99	156.68	(277.35)	(38.37)
Current tax		14.00	42.00	-	-
Deferred tax (credit)/charge		1.88	-	-	-
Profit for the period / year		27.10	80.59	(325.60)	(99.04)

Note:

The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company in

For CA Vishal H Shah & Associates
Chartered Accountants
Firm Registration No:0116422W

For and on behalf of the Board of Directors
Kahali Craftistics Limited

SD/-
Vishal H. Shah
Proprietor
M. No: 101231
UDIN:23101231BGWVJQ7494

SD/-
Sanjeev Kahali
Chairman
DIN: 09863344

SD/-
Lipika Kahali
Whole-Time Director
DIN: 09863345

SD/-
Dashrath Singh
Chief Financial Officer

SD/-
Deepak Kewalia
Company Secretary

Place : Mumbai
Date : 14-08-2023

Place : JODHPUR
Date : 14-08-2023

Place : JODHPUR
Date : 14-08-2023

Annexure 3: Restated Summary Statement of Cash Flows

(INR in Lakhs)

Particulars	Sanjeev Kahali (Proprietorship)			
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	For the year ended March 31,	
			2022	2021
A. Cash flow from operating activities				
Profit before tax, as restated	42.98	122.59	(325.60)	(99.04)
Adjustments for :				
Depreciation and amortisation expense	5.25	17.66	21.09	47.73
Finance costs	4.91	34.09	48.26	60.66
Provision for income Tax written off	-	-	-	-
Dividend income	-	-	-	-
Interest income on deposits	-	-	-	-
Operating profit before working capital changes	53.14	174.33	(256.26)	9.36
Changes in working capital:				
(Increase) / decrease in Inventories	(487.35)	(68.82)	23.22	(466.51)
(Increase) / decrease in trade receivables	(275.33)	(39.87)	101.85	(217.79)
(Increase) / decrease in loans and advances and other assets	-	-	-	-
(Increase) / decrease in other current assets	(66.82)	93.44	62.46	576.19
Increase / (decrease) in trade payables, liabilities and provisions	181.60	(115.14)	(67.35)	(8.85)
Cash generated from / (utilised in) operations	(594.77)	43.94	(136.07)	(107.60)
Less : Income tax paid	(14.00)	(42.00)	-	-
Net cash flow generated from/ (utilised in) operating activities (A)	(608.77)	1.94	(136.07)	(107.60)
B. Cash flow from investing activities				
Purchase/Sale of property, plant and equipment (including intangible assets and intangible assets under development)	(133.51)	-	-	(40.69)
Sale/Deletion of Fixed Assets	-	5.24	555.70	-
Investment in securities	(0.34)	0.01	-	-
Increase / Decrease in Share Capital	-	-	-	-
Net cash flow utilised in investing activities (B)	(133.85)	5.25	555.70	(40.69)
C. Cash flow from financing activities				
Proceeds from issue of share capital	348.17	(25.28)	(14.94)	77.17
Repayment and Proceeds of long-term borrowings	149.18	(140.57)	24.05	(255.22)
Dividend paid	-	-	-	-
Proceeds from / (repayment of) short-term borrowings (net)	169.18	145.95	(376.06)	384.78
Interest paid	(4.91)	(34.09)	(48.26)	(60.66)
Short Term Provisions	56.60	42.00	-	(17.50)
Long Term Provisions	30.37	-	-	-
Net cash flow generated from/ (utilised in) financing activities (C)	748.59	(11.99)	(415.20)	128.57
Net (decrease)/ increase in cash & cash equivalents (A+B+C)	5.97	(4.79)	4.44	(19.72)
Cash and cash equivalents at the beginning of the period/ year	-	12.87	8.42	28.14
Cash and cash equivalents at the end of the period/ year	5.97	8.07	12.86	8.42
Cash and cash equivalents comprise:				
Cash on hand	3.53	3.17	4.25	0.91
Balances with banks in current accounts	2.44	4.89	8.62	7.50
Total	5.97	8.06	12.87	8.42

Note:

- The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company in Annexure 4.
- The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013.
- Figure mentioned in respect of period commencing from 19th Jan 2023 to 31st March 2023 is of the newly incorporated company viz. Kahali Craftstics Limited. Figures reported in the Cash Flow of the company represents takeover of existing business of proprietary concern on " As is where is basis".

For CA Vishal H Shah & Associates
Chartered Accountants
Firm Registration No:0116422W

SD/-
Vishal H. Shah
Proprietor
M. No: 101231
UDIN:23101231BGWVJQ7494

For and on behalf of the Board of Directors
Kahali Craftistics Limited

SD/-
Sanjeev Kahali
Chairman Managing Director
DIN: 09863344

SD/-
Lipika Kahali
Whole-Time Director
DIN: 09863345

SD/-
Dashrath Singh
Chief Financial Officer

SD/-
Deepak Kewalia
Company Secretary

Place : Mumbai
Date : 14-08-2023

Place:JODHPUR
Date : 14-08-2023

Place:JODHPUR
Date : 14-08-2023

GENERAL INFORMATION

Our Company was originally incorporated as “Kahali Craftistics Limited” a public limited company under the provisions of Companies Act, 2013 with the Registrar of Companies, Central Registration Centre pursuant to a certificate of incorporation dated January 19, 2023 bearing Corporate Identification Number (CIN) U36900RJ2023PLC085926. Subsequently, our Company has acquired the entire running business with the assets and liabilities of “M/s. Sanjeev Kahali”, sole proprietorship concern of our Promoter Sanjeev Kahali vide Business Transfer Agreement dated February 18, 2023.

For further details, please refer to the section titled “*History and Certain Corporate Matters*” beginning on page no. 112 of this Draft Prospectus.

REGISTERED OFFICE OF OUR COMPANY

KAHALI CRAFTISTICS LIMITED

A-48 A, Marudhar Industrial Area Phase-II,

Basni, Jodhpur Rajasthan 342005 India

Tel No: +91 0291 2977099

Email: compliance@kahalcraftistics.com

Website: www.kahalcraftistics.com

CORPORATE IDENTITY NUMBER AND REGISTRATION NUMBER

Company Registration Number: 085926

Corporate Identity Number: U36900RJ2023PLC085926

ADDRESS OF THE REGISTRAR OF COMPANIES

Our Company is registered with the Registrar of Companies, Jaipur located at the following address: C/6-7, 1st Floor, Residency Area, Civil Lines, Jaipur-302001, Rajasthan, India.

BOARD OF DIRECTORS OF OUR COMPANY

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

Name	DIN	Designation	Residential Address
Sanjeev Kahali	09863344	Chairman & Managing Director	45, Golf Course, Ratanada, Jodhpur, Rajasthan – 342011
Lipika Kahali	09863345	Whole-Time Director	45, Golf Course, Ratanada, Jodhpur, Rajasthan – 342011
Anirbaan Kahali	09863346	Whole-Time Director	45, Golf Course, Ratanada, Jodhpur, Rajasthan – 342011
Avijit Vasu	09209383	Non-Executive Independent Director	394, Jai Narayan Vyas Colony, Jaisalmer, Rajasthan – 345001
Chetan Chhangani	03381299	Non-Executive Independent Director	78, Chhangani Pada, Jaisalmer, Rajasthan 345001.
Vikas Paliwal	06654299	Non-Executive Independent Director	Acharya Para, Jaisalmer, Rajasthan 345001

For detailed profile of our Board of Directors, please refer to the section titled “*Our Management*” beginning on page 115 of this Draft Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Deepak Kumar Kewliya

A-48 A, Marudhar Industrial Area Phase-II,

Basni, Jodhpur Rajasthan 342005 India

Tel No: +91 0291 2977099

Email: compliance@kahalcraftistics.com

Website: www.kahalcraftistics.com

CHIEF FINANCIAL OFFICER

Dasharath Singh

A-48 A, Marudhar Industrial Area Phase-II,

Basni, Jodhpur Rajasthan 342005 India

Tel No: 0291 2977099

Email: compliance@kahalcraftistics.com

Website: www.kahalicraftistics.com

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

INVESTOR GRIEVANCES

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

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

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

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

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
FEDEX SECURITIES PRIVATE LIMITED B 7, 3 rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India Tel No: +91 8104985149 Email Id: mb@fedsec.in Website: www.fedsec.in Contact Person: Saipan Sanghvi Investor Grievance Email: mb@fedsec.in SEBI Registration Number: INM000010163	BIGSHARE SERVICES PRIVATE LIMITED Office No S-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre Andheri (East) Mumbai – 400 093, Maharashtra, India. Tel No: 022 – 6263 8200 Fax No: +91-022-62638299 E-mail Id: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Vinayak Morbale Investor Grievance Email: investor@bigshareonline.com SEBI Registration No: INR000001385
LEGAL ADVISOR TO THE ISSUE	BANKERS TO THE ISSUE / REFUND BANK / SPONSOR BANK
ASHA AGARWAL & ASSOCIATES 118, Shila Vihar, Gokulpura, Kalwar Road, Jhotwara, Jaipur-302012 Tel No: +91 9950933137 E-mail Id: ashaagarwalassociates@gmail.com Contact Person: Ms. Nisha Agarwal License No.: 75654/R/38/2016	[●] Telephone: [●] Fax number: [●] E-mail: [●] Contact person: [●] Website: [●] SEBI Registration No: [●]
BANKERS TO THE COMPANY	STATUTORY AUDITOR/PEER REVIEW AUDITOR
Kotak Mahindra Bank Office 27, BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051 Tel No: +91 74120 86825 E-mail Id: Yashpal.agarwal@kotak.com Website: www.kotak.com Contact Person: Yashpal Agarwal	M/s. Vishal H Shah & Associates A-302, Kailas Esplanade, Opp. Shreya Cinema, LBS Marg, Ghatkopar (W), Mumbai-400 086 Tel No: 022-35680006/ 9322239992 E-mail Id: vishalhs@yahoo.com Contact Person: Vishal H. Shah Membership No: 101231 Firm Registration No. 116422W Peer Reviewed No.: 014036

CHARTERED ENGINEER

Orbit Consultants and Valuers

C-203, Jay Malhar A B C Wing CHS, near Ashok Vatika,
Sunil Nagar, Dombivli (E), Taluka – Kalyan, Thane – 421 201

Tel No: +91 99691 53224

Email ID: valuerorbit@gmail.com

Contact Person: Avinash Gangadhar Pandey

Membership No.: Chartered Engineer-M-1704847

** M/s. Vishal H Shah & Associates, Chartered Accountants holds a valid peer review certificate number - 014036 issued by the "Peer Review Board" of the Institute of Chartered Accounts of India, New Delhi. and valid till February 28, 2025.*

SYNDICATE MEMBER

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

DESIGNATED INTERMEDIARIES

SELF-CERTIFIED SYNDICATE BANKS ("SCSBs")

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

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

Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

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

INVESTORS BANKS OR ISSUER BANK FOR UPI

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

Syndicate SCSB Branches

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

REGISTERED BROKERS

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

REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS ("RTA")

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)

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

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

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

IPO GRADING

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

CREDIT RATING

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

DEBENTURE TRUSTEES

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

GREEN SHOE OPTION

No Green Shoe Option is applicable for this Issue.

BROKERS TO THE ISSUE

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

MONITORING AGENCY

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

APPRAISING ENTITY

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

EXPERT OPINION

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

Our Company has received written consent dated June 12, 2023 from the Statutory Auditor, namely, M/s. Vishal H Shah & Associates, Chartered Accountant to include their name as required under section 26 of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Prospectus/Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor and such consent has not been withdrawn as on the date of this Draft Prospectus/Prospectus. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Additionally, our Company has also received a letter dated August 02, 2023 from Orbit Consultants and Valuers, Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Such consents each from the Statutory Auditor chartered and the chartered engineer have not been withdrawn as on the date of this Draft Prospectus.

FILING THE DRAFT PROSPECTUS / PROSPECTUS

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

A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 shall be filed to the Registrar of Companies situated at C/6-7, 1st Floor, Residency Area, Civil Lines, Jaipur-302001, Rajasthan, India.

UNDERWRITERS

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

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

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

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

CHANGE IN THE STATUTORY AUDITOR DURING LAST 3 YEARS

There has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Prospectus.

WITHDRAWAL OF THE ISSUE

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

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

TYPE OF ISSUE

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

MIGRATION TO MAIN BOARD

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

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

OR

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

DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker to

fulfill the obligations of Market Making for this Issue:

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

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

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

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

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

1. The Market Maker(s) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of BSE SME and SEBI from time to time
3. The minimum depth of the quote shall be ₹ 1.00 Lakh. However, the investors with holdings of value less than 1.00 Lakh shall be allowed to offer their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●]/- per share the minimum bid lot size is [●] Equity Shares thus minimum depth of the quote shall be ₹ [●] until the same, would be revised by [●].
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
5. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size and as follows:

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

1. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
2. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
3. There would not be more than five Market Makers for a script at any point of time. These would be selected on the basis of objective criteria to be evolved by the Exchange which would include capital adequacy, net worth, infrastructure, minimum volume of business etc. The Market Makers may compete with other Market Maker for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.

4. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
5. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
6. The shares of our Company will be traded in continuous trading session from the time and day our company gets listed on SME Platform of BSE and the Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problem. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
8. Once registered as a Market Maker, he has to act in that capacity for a period as mutually decided between the Lead Manager and Market Maker. Once registered as a Market Maker, he has to start providing quotes from the day of the listing/the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the Stock Exchange.
9. The Market Maker shall have the right to terminate said arrangement by giving a three month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.
10. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Maker does not exceed five (5) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
11. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see “**General Information**” on page 45 of this Draft Prospectus.
12. **Punitive Action in case of default by Market Makers:** [●] will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
13. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
 - In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
14. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME.

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

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

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

CAPITAL STRUCTURE

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

(Amount ₹ in lakhs except share data)

Sr. No.	Particulars	Aggregate Nominal Value	Aggregate value at Issue Price
A.	AUTHORISED EQUITY SHARE CAPITAL		
	50,00,000 Equity Shares of face value of ₹10.00/- each	500.00	-
B.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	4,59,989 Equity Shares of face value of ₹10.00/- each	45.99	-
C.	PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS *		
	Upto 2,58,000 Equity Shares of ₹10.00/- each for cash at price of ₹ [●]/- per share	25.80	[●]
	Which comprises:		
	Market Maker Reservation portion: Reservation for Market Maker [●] Equity Shares of ₹ 10.00/- each for cash at price of ₹ [●]/- will be available for allocation to Market Maker	[●]	[●]
	Net Issue to the Public: Net Issue to the Public [●] Equity Shares of ₹10.00/- each for cash at price of ₹ [●]/- per share	[●]	[●]
	Of which: ***		
	Allocation to Retail Individual Investor: [●] Equity Shares of face value of ₹ 10.00/- each fully paid up for a cash price of ₹ [●]/- per Equity Share i.e., 50% of the Net Issue shall be available for allocation Retail Individual Investors	[●]	[●]
	Allocation to Other than Retail Individual Investors: [●] Equity Shares of face value of ₹ 10.00/- each fully paid up for a cash price of ₹ [●]/- per Equity Share i.e., 50% of the Net Issue shall be available for allocation to other than Retail Individual Investors	[●]	[●]
D.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE		
	[●] Equity Shares of face value of ₹ 10.00 each		[●]
E.	SECURITIES PREMIUM ACCOUNT		
	Before the Issue (as on date of this Draft Prospectus) **		331.91
	After the Issue**		[●]

*The present Issue has been authorized pursuant to a resolution of our Board of Directors dated July 06, 2023 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extraordinary General Meeting of the members held on July 28, 2023.

**As certified by the statutory auditor M/s. Vishal H Shah & Associates, Chartered Accountants vide its certificate dated August 24, 2023.

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

Class of Shares

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

NOTES TO THE CAPITAL STRUCTURE

1. Changes in authorized share capital of our Company:

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

Particulars of change	Date of shareholders' meeting	AGM/EOGM
The authorised share capital of our Company is ₹ 5,00,000 consisting of 50,000 Equity Share of face value of ₹ 10.00/- each	On Incorporation	NA
Increase in authorised share capital from ₹ 5,00,000 to ₹ 5,00,00,000 consisting of 50,00,000 Equity Share of face value of ₹ 10.00/- each	February 18, 2023	EOGM

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

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

Date of Allotment/ Issue	Number of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative Paid-Up Equity Shares Capital (₹)
January 19, 2023	50,000	10	10	Cash	Subscription to MOA ⁽ⁱ⁾	50,000	5,00,000
February 18, 2023	3,12,638	10	90	Other than Cash	Preferential Allotment	3,62,638	36,26,380
February 18, 2023	96,351	10	90	Other than Cash	Conversion of Loans	4,58,989	45,89,890
July 19, 2023	1,000	10	482	Cash	Private Placement	4,59,989	45,99,890

i. Initial Subscribers to the MOA subscribed to 50,000 Equity Shares of face value of ₹10.00/- each as per the details given below:

Sr. No.	Name	No. of Equity Shares
1.	Sanjeev Kahali	25,500
2.	Lipika Kahali	12,500
3.	Anirbaan Kahali	11,500
4.	Dashrath Singh	125
5.	Kiran Kumar Prajapat	125
6.	Om Prakash	125
7.	Yashveer Singh Chouhan	125
Total		50,000

ii. Preferential Allotment of shares as on February 18, 2023 of 3,12,638 equity shares of face value of Rs 10/- each fully paid-up share, the details are given below

Sr. No.	Name	No. of Equity Shares
1.	Sanjeev Kahali	3,12,638
Total		3,12,638

iii. Preferential Allotment of shares as on February 18, 2023 of 96,351 equity shares of face value of Rs 10/- each fully paid-up share, the details are given below

Sr. No.	Name	No. of Equity Shares
1.	Lipika Kahali	66,352*
2.	Kamala Kahali	5,555
3.	Shrenik Daga	22,222
4.	Nirmala Burad	2,222
Total		96,351

*Includes The Inner Eye, a sole proprietorship of Lipika Kahali.

iv. Private Placement of shares as on July 19, 2023 of 1,000 equity shares of face value of Rs 10/- each fully paid-up share, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Debanshu Banerjee	250
2.	Dhritiman Banerjee	250
3.	Dipankar Banerjee	250
4.	Kalyani Banerjee	250
Total		1,000

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

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

Date of Issue/ Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Name of Allottees	Benefits Accrued
February 18, 2023	3,12,638	10	90	Preferential Allotment	Sanjeev Kahali	Acquisition of M/s. Sanjeev Kahali, Proprietary Concern
February 18, 2023	96,351	10	90	Conversion of Loans	<i>Note 1</i>	Conversion of Unsecured Loan

Note 1: Allotment of 66,352 equity shares to Lipika Kahali, 5,555 equity shares to Kamala Kahali, 22,222 equity shares to Shrenik Daga and 2,222 equity shares to Nirmala Burad.

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

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

Date of Allotment	No. Of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Allottees	No. of Shares Allotted
February 18, 2023	3,12,638	10	90	Preferential Allotment	Sanjeev Kahali	3,12,638
February 18, 2023	96,351	10	90	Conversion of Loans	Lipika Kahali	66,352
					Kamala Kahali	5,555
					Shrenik Daga	22,222
					Nirmala Burad	2,222

5. Issue of equity shares pursuant to schemes of arrangement

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

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

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

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

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No of fully paid-up equity shares held (IV)	No of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957 (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI) =VII +X)	Number of Locked in shares (XII)		No. of shares Pledged or Otherwise Encumbered (XIII)		No. of Equity shares held in Demat Form (XIV)
								No of voting Right	Total as % of (A+B+C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
A	Promoters and Promoter Group*	4	4,34,045	-	-	4,34,045	94.36%	4,34,045	94.36%	-	-	-	-	-	-	4,34,045
B	Public	10	25,944	-	-	25,944	5.64%	25,944	5.64%	-	-	-	-	-	-	25,944
C	Non-Promoter Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	14	4,59,989	-	-	4,59,989	100.00%	4,59,989	100.00%	-	-	-	-	-	-	4,59,989

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

Note:

- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Shares on the Stock Exchange.
- Our Company will file shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of BSE SME before commencement of trading of such equity shares.

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

Particulars	Pre-Issue		Post-Issue*	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Promoters (A)				
Sanjeev Kahali	3,38,138	73.51%	[•]	[•]
Lipika Kahali	78,852	17.14%	[•]	[•]
Anirbaan Kahali	11,500	2.50%	[•]	[•]
Total (A)	4,28,490	87.15%	[•]	[•]
Promoter Group (B)				
Kamala Kahali	5,555	1.21%	[•]	[•]
Total (B)	5,555	1.21%	[•]	[•]
Public (C)				
Shrenik Daga	22,222	4.83%	[•]	[•]
Nirmala Burad	2,222	0.48%	[•]	[•]
Debanshu Banerjee	250	0.05%	[•]	[•]
Dhritiman Banerjee	250	0.05%	[•]	[•]
Dipankar Banerjee	250	0.05%	[•]	[•]
Kalyani Banerjee	250	0.05%	[•]	[•]
Dasharath Singh	125	0.03%	[•]	[•]
Kiran Kumar Prajapat	125	0.03%	[•]	[•]
Om Prakash	125	0.03%	[•]	[•]
Yashveer Singh Chouhan	125	0.03%	[•]	[•]
Total (C)	25,944	5.64%	[•]	[•]
Total (A+B+C)	4,59,989	100.00%	[•]	[•]

*Subject to Basis of Allotment

9. Details regarding major shareholders:

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

Particulars	Number of Shares	Percentage (%) holding
Sanjeev Kahali	3,38,138	73.51%
Lipika Kahali	78,852	17.14%
Anirbaan Kahali	11,500	2.50%
Kamala Kahali	5,555	1.21%
Shrenik Daga	22,222	4.83%
Total	4,56,267	99.19%

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

Particulars	Number of Shares	Percentage (%) holding
NA	NA	NA
Total	NA	NA

Our Company incorporated on January 19, 2023 viz. less than two year prior to the date of filing of the Draft Prospectus. Hence, requirement of disclosing the list of shareholders prior to two year from the date of filing of the Draft Prospectus, is not applicable on

us.

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

Particulars	Number of Shares	Percentage (%) holding
NA	NA	NA
Total	NA	NA

Our Company incorporated on January 19, 2023 viz. less than one year prior to the date of filing of the Draft Prospectus. Hence, requirement of disclosing the list of shareholders prior to one year from the date of filing of the Draft Prospectus, is not applicable on us.

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

Particulars	Number of Shares	Percentage (%) holding
Sanjeev Kahali	3,38,138	73.51%
Lipika Kahali	78,852	17.14%
Anirbaan Kahali	11,500	2.50%
Kamala Kahali	5,555	1.21%
Shrenik Daga	22,222	4.83%
Total	4,56,267	99.19%

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

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

12. Details of our Promoters' Shareholding

As on the date of this Draft Prospectus, our Promoters Sanjeev Kahali, Lipika Kahali and Anirbaan Kahali holds 4,28,490 Equity Shares, constituting 93.15% of the pre-issued, subscribed and paid-up Equity Share capital of our Company.

Build-up of our Promoters' shareholding in our Company

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of Allotment	% of pre issue equity share capital	% of post issue equity share capital*
Name of Promoter: Sanjeev Kahali							
January 19, 2023	25,500	10	10	Cash	Subscription to MOA	5.56%	[●]
February 18, 2023	3,12,638	10	90	Other than Cash	Preferential Allotment	68.11%	[●]
Total	3,38,138	--	--	--	--	73.51%	[●]
Name of Promoter: Lipika Kahali							
January 19, 2023	12,500	10	10	Cash	Subscription to MOA	2.72%	[●]
February 18, 2023	66,352	10	90	Other than Cash	Conversion of Loan	14.42%	[●]
Total	78,852	--	--	--	--	17.14%	[●]

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of Allotment	% of pre issue equity share capital	% of post issue equity share capital*
Name of Promoter: Anirbaan Kahali							
January 19, 2023	11,500	10	10	Cash	Subscription to MOA	2.50%	[●]
Total	11,500	--	--	--	--	2.50%	[●]

*Subject to finalization of Basis of Allotment

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

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

Name of the Promoters	No. of Equity Shares held	Average cost of Acquisition (in ₹) *
Sanjeev Kahali	3,38,138	83.97
Lipika Kahali	78,852	77.32
Anirbaan Kahali	11,500	10.00

* As certified by M/s. Vishal H Shah & Associates, Chartered Accountants through their report dated August 24, 2023.

15. As on date of filing Draft Prospectus, we have 14 (Fourteen) shareholders.

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

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

Date of Allotment	Name of Shareholder	No. of Equity Shares	% of Pre-issue Capital	Subscribed/ Acquire/ Transfer	Category of Allottees (Promoters/ Promoters Group)
January 19, 2023	Sanjeev Kahali	25,500	5.54%	Subscribed to MOA	Promoter
	Lipika Kahali	12,500	2.72%		Promoter
	Anirbaan Kahali	11,500	2.50%		Promoter
February 18, 2023	Sanjeev Kahali	3,12,638	67.97%	Acquired pursuant to Business Transfer Agreement	Promoter
February 18, 2023	Lipika Kahali	66,532	14.42%	Acquired pursuant to Conversion of Loan	Promoter
	Kamala Kahali	5,555	1.21%		Promoter Group

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

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

Pursuant to the Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of Allotment in this Issue. As on date of this Draft Prospectus, our Promoters holds 4,28,490 Equity Shares constituting 93.15% of the pre Issue Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoters' Contribution.

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

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

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

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

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

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

20. Inscription or recording of non-transferability

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

21. Pledge of Locked in Equity Shares

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

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

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

22. Transferability of Locked in Equity Shares

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

- a) The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be

transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

- b) The equity shares held by persons other than Promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoters and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
23. Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.
24. As on date of this Draft Prospectus, there are no partly paid-up equity shares and all the Equity Shares of our Company are fully paid up.
25. Except as disclosed under the section titled "**Capital Structure**" beginning on page no. 53 of this Draft Prospectus, our Company has not undertaken any public issue of securities of any kind or class of securities.
26. As per RBI regulations, OCBs are not allowed to participate in this Issue.
27. Our Company has not raised any bridge loans.
28. There are no Equity Shares against which depository receipts have been issued.
29. The Issue Price shall be determined by our Company and the Promoters, in consultation with the Lead Manager.
30. Our Promoters and the members of our Promoter Group will not participate in this Issue.
31. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
32. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares in our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
33. Our Company will ensure that any transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Draft Prospectus and Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
34. 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.
35. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
36. For the details of transactions by our Company with our Promoter Group, Group Companies during the last financial year i.e., 2023 please refer to paragraph titled details of Related Parties Transactions as restated in the section titled "**Restated Financial Statement**" beginning on page no. 138 of this Draft Prospectus.
37. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the section titled "**Our Management**" beginning on page no. 115 of this Draft Prospectus.

SECTION - IV - PARTICULARS OF THE ISSUE

OBJECT OF THE ISSUE

The Issue comprises of a Fresh Issue of up to 2,58,000 Equity Shares of our Company at an Issue Price of ₹ [●] per Equity Shares. Our Company proposes to utilize the Net Proceeds from the Issue towards the following objects and achieve the benefits of listing on SME platform of BSE Limited (BSE SME):

1. Repayment/Prepayment of certain secured borrowings availed by our Company;
2. To meet the working capital requirements; and
3. General corporate purposes;

(Collectively referred to as “Objects”)

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

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

NET PROCEEDS

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

Particulars	Estimated Amount (₹ in lakhs)
Gross Proceeds of the Fresh Issue	[●]
Less: Issue related expenses in relation to Issue	[●]
Net Proceeds from the Issue	[●]

REQUIREMENT OF FUNDS AND UTILIZATION OF NET PROCEEDS

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

(₹ in lakhs)

Particulars	Amount to be funded from Net Proceeds	Estimated utilisation of Net Proceeds	
		Financial Year 2023-24	Financial Year 2024-25
Repayment/Prepayment of certain secured borrowings availed by our Company	Upto ₹ 100.00	Upto ₹ 100.00	-
To meet the working Capital requirements	Upto ₹ 600.00	Upto ₹ 345.00	Upto ₹ 255.00
General Corporate Purposes*	[●]	[●]	[●]
Total	[●]	[●]	[●]

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

We propose to deploy the Net Proceeds towards the Objects of the Issue by the end of the Financial Year 2024 and Financial 2025 and in the manner as specified in the table above. However, if the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to factors such as (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws

The fund deployment indicated above is based on management estimates, current circumstances of our business and we may have to revise our estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our

management, subject to compliance with applicable laws. For further details of factors that may affect these estimates, please refer to chapter titled “**Risk Factors**” on beginning on page 24 of this Draft Prospectus.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flows from our operations and debt. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for towards the objects set out herein above, if required including general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Issue in accordance with Regulation of the SEBI (ICDR).

DETAILS OF OBJECTS OF THE FRESH ISSUE

1. Repayment/Prepayment of certain secured borrowings availed by our Company

Our Company has entered into various borrowing arrangements with banks including borrowings in the form of terms loans, and fund based and non-fund based working capital facilities. For details of these financing arrangements including indicative terms and conditions, see “**Financial Indebtedness**” on page 187 of Draft Prospectus.

Our Company intends to utilize upto Rs 100.00 lakhs of the Net Proceeds towards repayment or prepayment of all or a portion of the principal amount and the accrued interest thereon in case of certain loans availed by our Company. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to allotment. Also, our Company may avail additional loan facilities or draw down on in its working capital facilities from time to time to meet its business requirements. Accordingly, our Company may utilise the Net Proceeds for repayment/prepayment of any such refinanced facilities (including any prepayment fees or penalties thereon) or any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, will not exceed Rs 100.00 lakhs. We believe that such repayment or prepayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment towards business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities. The details of the outstanding loans proposed for repayment or prepayment, in full or in part from the Net Proceeds are set forth below:

(₹ in lakhs except otherwise stated)

Sr. No.	Name of Lender	Date of Sanction Letter	Nature of Loan	Current Rate of Interest (%)	Sanctioned Amount	Amount Outstanding as on March 31, 2023 (including Interest)	Tenure	Purpose for which the Loan was sanctioned	Amount proposed to be repaid from the net proceeds
1	Kotak Mahindra Bank	June 25, 2022	Bank Overdraft	8.10%	150.00	149.94	12 months	Working Capital	Upto ₹ 100.00

2. To meet the working capital requirements

Our Company proposes to utilize upto ₹ 600.00 lakhs towards funding its working capital requirements in the ordinary course of business. We have significant working capital requirements, and in the ordinary course of business we fund our working capital needs through internal accruals and availing financing facilities. Our Company, in order to support its incremental business requirements, funding growth opportunities and for other strategic, business, and corporate purposes requires additional working capital and such funding is expected to lead to a consequent increase in our revenues and profitability.

Basis of estimation of working capital requirement

The details of our Company's working capital for the period ended as at March 31, 2023 and the source of funding, on the basis of restated financial statements of our Company, as certified by our Statutory Auditor, through their certificate dated August 24, 2023, are provided in the table below:

(₹ in lakhs)

Particular	Kahali Craftistics Limited	M/s. Sanjeev Kahali*		
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	As at March 31, 2022	As at March 31, 2021
I. Current Assets				
Trade receivables	275.33	225.99	186.12	287.97
Inventories	487.35	512.10	443.27	466.51
Short Term Loans and Advances/ Other current assets	66.82	61.63	155.08	217.54
Total current assets (A)	829.50	799.72	784.47	972.02
II. Current liabilities				
Trade payables	144.27	168.63	261.10	339.97
Other current liabilities	37.33	42.33	65.01	53.48
Short-term provisions	56.60	42.00	-	-
Total current liabilities (B)	238.20	252.96	326.11	393.45
III. Net working capital (A-B)	591.30	546.76	458.36	578.57
IV. Sources of funds				
Total Borrowings	216.03	267.88	234.79	384.78
Internal Accruals / Equity	375.27	278.88	223.57	193.79
Total Means of Finance	591.30	546.76	458.36	578.57

*Our Company has acquired the running business of "M/s. Sanjeev Kahali", sole proprietorship concern of our Promoter Sanjeev Kahali

For further details, please see the chapter titled "Restated Financials Statements" on page 138 of this Draft Prospectus.

Expected working capital requirements

Details of the Company's projected working capital requirements for Financial Year ended March 31, 2024 and March 31, 2025 with the assumptions and justifications, and the proposed funding of such working capital requirements, are as set forth below:

(₹ in lakhs)

Particular	As at	
	March 31, 2024	March 31, 2025
I. Current assets		
Trade receivables	182.00	237.00
Inventories	323.00	420.00
Short Term Loans and Advances/ Other current assets	100.00	132.00
Total current assets (A)	605.00	789.00
II. Current liabilities		
Trade payables	121.00	158.00
Other current liabilities	30.00	40.00
Short-term provisions	60.00	78.00

Total current liabilities (B)	211.00	276.00
III. Net working capital (A-B)	394.00	513.00
IV. Sources of funds		
Borrowings	Upto 50.00	Upto 50.00
Internal accruals / Equity	-	Upto 207.00
Amount proposed to be utilized from Net Proceeds	Upto 344.00	Upto 256.00
Total Means of Finance	394.00	513.00

*Pursuant to certificate issued by our Auditor M/s. Vishal H Shah & Associates, Chartered Accountants dated August 24, 2023.

Assumptions for our estimated working capital requirements

(in days)

Particulars	Kahali Craftistics Limited			M/s. Sanjeev Kahali*		
	As at March 31, 2025	As at March 31, 2024	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	As at March 31, 2022	As at March 31, 2021
Current assets						
Trade receivables	90	90	98	186	85	149
Inventories	160	160	173	422	203	241
Short Term Loans and Advances/ Other current assets	50	50	24	51	71	113
Total	300	300	295	659	359	503
Current liabilities						
Trade payables	60	60	51	139	119	176
Other Current liabilities	15	15	13	35	30	28
Short term provision	30	30	20	35	0	0
Total	105	104	85	208	149	204
Net Working Capital cycle	195	195	210	451	210	299

*Our Company has acquired the running business of "M/s. Sanjeev Kahali", sole proprietorship concern of our Promoter Sanjeev Kahali

Justifications

Trade receivables days	Holding levels of trade receivables for our Company were 149 days and 85 days for Fiscal 2021 and Fiscal 2022 respectively. The holding level was high in March 31, 2021 primarily due to COVID-19. For April 01, 2022 to February 18, 2023 and for January 19, 2023 to March 31, 2023 (calculated as closing trade receivable divided by the revenue from operations for the remaining days of year-end) the holding levels are 139 days and 51 days based on the scale of operations. Further going forward the Company expects the trade receivables days to stay in the 90 days for both Fiscal 2024 and Fiscal 2025 considering the scale of operations and in line with the industry practice
Inventories	Our Company had maintained inventory holding period of 241 days in Fiscal 2021, 203 days in Fiscal 2022. For April 01, 2022 to February 18, 2023 and for January 19, 2023 to March 31, 2023 (calculated as closing trade receivable divided by the revenue from operations for the remaining days of year-end) the holding levels days are 422 days and 173 days respectively. We expect holding level of inventory 160 days for Fiscal 2024

	and Fiscal 2025. It seems to be reasonable looking into nature and volume of business activity.
Trade payables days	The holding level of trade payables for Fiscal 2021 was 176 days and 119 days for Fiscal 2022 on account of business operations being impacted by COVID-19. For April 01, 2022 to February 18, 2023 and for January 19, 2023 to March 31, 2023 (calculated as closing trade receivable divided by the revenue from operations for the remaining days of year-end) the holding levels are 186 days and 98 days based on the scale of operations. We assume going forward, the payables to be in the range of 60 days for Fiscal 2024 and Fiscal 2025 considering the expected collections from customer will improve and have a corresponding impact on the trade payables as per the industry practice in which the Company operate.

3. General corporate purposes

Our Company proposes to deploy the balance gross proceeds, aggregating to ₹ [●] lakhs, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the gross proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise net proceeds include, business development initiatives, meeting any expense including salaries, rent, administration costs, insurance premiums, repairs and maintenance, payment of taxes and duties, and similar other expenses incurred in the ordinary course of our business or towards any exigencies. The quantum of utilisation of funds towards each of the above purposes will be determined by our board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the net proceeds towards other purposes considered expedient and as approved periodically by our board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of net proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of net proceeds in a financial year, we will utilize such unutilized amount in the subsequent financial years.

4. Issue Expense

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

(₹ in lakhs)

Activity	Estimated Expenses (₹ in lakhs)*	As a % of total estimated issue related expenses	As a % of the total issue size
Lead Manager Fees	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Advertising and marketing Expenses	[●]	[●]	[●]
Regulators including Stock Exchange	[●]	[●]	[●]
Printing and Distribution of issue stationery	[●]	[●]	[●]
Others fees payable to Marketing & Distribution expenses, Selling Commission, Brokerage, Underwriter, Market Maker, Processing fees, etc and other miscellaneous expenses	[●]	[●]	[●]
Total estimated issue related expenses**	[●]	[●]	[●]

*As on date of this Draft Prospectus, the fund deployed out of internal accruals is ₹ [●] lakhs towards issue expenses including applicable taxes vide certificate dated [●] received from M/s. Vishal H Shah & Associates, Chartered Accountants and the same will be recouped out of issue expenses.

**Amounts will be finalised and incorporated in the Prospectus on determination of Issue Price. Issue expenses include applicable taxes, where applicable. Issue expenses are estimates and are subject to change.

Notes:

1. The fund deployed out of internal accruals up to ₹ [●] lakhs towards issue expenses received from M/s. Vishal H Shah & Associates, Chartered Accountants and the same will be recouped out of issue expenses.
2. Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows

Portion for Retail Individual Applicants*	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Applicants*	0.10% of the Amount Allotted* (plus applicable taxes)

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

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

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

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹1 lakh (plus applicable taxes) and in case if the total processing fees exceeds ₹ 1 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis

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

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

*For each valid application by respective Sponsor Bank

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

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

Portion for Retail Individual Applicants*	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Applicants*	0.10% of the Amount Allotted* (plus applicable taxes)

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

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

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

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

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

* Based on valid applications

Notwithstanding anything contained above the total uploading/ bidding charges payable under this clause will not exceed Rs.1 lakh (plus applicable taxes) and incase if the total uploading/ bidding charges exceeds Rs 1 lakh (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

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

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

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

Means of finance

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

In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Subject to applicable law, if the actual utilisation towards any of the Objects, including utilization towards Issue expense, is lower than the proposed deployment, such balance will be used for towards the objects setout herein above, including general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Issue in accordance with the SEBI (ICDR) Regulations.

Interim use of Net Proceeds

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

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

Bridge Financing Facilities

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

Appraisal Entity

The Objects for which the Net Proceeds will be utilised have not been appraised by any bank or financial institution or other independent agency

Monitoring Utilization of Funds

As the size of the Issue 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 Issue 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 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 Sections 13(8) and 27 of the Companies Act, 2013 and the applicable rules, and the SEBI ICDR Regulations, our Company shall not vary the Objects without our Company being authorised 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 (“Notice”) shall specify the prescribed details as required under the Companies Act. The Notice shall simultaneously be published in the newspapers, one in English language and one in Hindi language where our Registered office is situated. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal, at a price and in such manner and subject to such conditions as prescribed by SEBI, in this regard.

Other Confirmation

No part of the Net Proceeds will be utilised by our Company as consideration to our Promoters, members of the Promoter Group, Directors, or Key Management Personnel or Senior Management. Our Company has not entered into nor is planning to enter into any arrangement / agreements with Promoters, members of the Promoter Group, Directors or Key Management Personnel or Senior Management in relation to the utilisation of the Net Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects, as set out above.

BASIS FOR ISSUE PRICE

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

Investors should refer to the sections titled “*Risk Factors*”, “*Business Overview*”, “*Restated Financial Statements*” and “*Management Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 24, 87, 138 and 187 respectively of this Draft Prospectus to get an informed view before making an investment decision.

Qualitative Factors

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

- Improve and increase operational efficiencies
- Optimal Utilization of Resources
- Enhance customer base by entering new geographies
- Focus on quality
- Leveraging our market skills and relationship

For further details, under section titled “*Business Overview*” beginning on page 87 of this Draft Prospectus.

Quantitative Factors

Information presented below relating to the Company is based on the Restated Financial Statements. For details, please refer section titled “*Restated Financial Statements*” beginning on page 138 of this Draft Prospectus.

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

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

As per Restated Financial Statements:

Period	Basic and Diluted EPS (In ₹)
For the period from January 19, 2023 to March 31, 2023	47.61

Note:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹ 10.00.
- iii. The above statement should be read with significant accounting policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- iv. Basic Earnings per share = Profit for the period / Weighted average number of equities shares outstanding during the three months/year.
- v. Diluted Earnings per share = Profit for the period / Weighted average number of potential equities shares outstanding during the three months/year.

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

Particulars	P/E Ratio*
P/E ratio based on Basic and diluted EPS for the period from January 19, 2023 to March 31, 2023	[●]
Industry Peer Group P/E ratio	
Highest	26.92
Lowest	26.90

Average	26.91
----------------	-------

Notes:

(1)The industry high and low has been considered from the industry peers set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peers set disclosed in this section. For further details, see“–Comparison with listed industry peers” mentioned below.

(2)The industry P/E ratio mentioned above is computed based on the closing market price of equity shares on NSE and BSE on August 21, 2023 divided by the Diluted EPS as on for the financial year ended March 31, 2023

3) Return on Net worth (RoNW)

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

Period	RONW
For the period from January 19, 2023 to March 31, 2023	7.22%

Note:

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

- Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X100

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

Period	Net Asset Value Per Share (In ₹)
For the period from January 19, 2023 to March 31, 2023	81.76
Net Asset Value per Equity Share after Issue	[●]
Issue Price	[●]

Restated Net Worth as at the end of the period / with outstanding number of equity shares at the end of the year/period.

5) Comparison with industry peers

Name of the Company	Face Value (₹)	Revenue from Operations (₹ in lakhs)	EPS (Basic) (₹)	EPS (Diluted) (₹)	P/E [x]	Return on Net Worth (%)	Net Worth (₹ in lakhs)	Net Asset Value Per Equity Share (₹)
Kahali Craftistics Limited	10.00	115.31	47.61	47.1	[●]	14.44%	375.27	81.76
<i>Listed Peers</i>								
Priti International Limited	10.00	8,285.48	6.50	6.43	174.85 ⁽³⁾	15.63%	4,552.51	39.18
Shashwat Furnishing Solutions Limited	10.00	456.80	1.04	1.04	28.00 ⁽⁴⁾	5.11%	413.78	19.82

Notes:

1. Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of Fiscal period/year divided by the outstanding number of Equity Shares used in calculating basic earnings per share.
2. All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports / annual results as available of the respective company for the year ended March 31, 2023 submitted to Stock Exchanges and our Company's financial information mentioned above is from period January 19, 2023 to March 31, 2023.
3. P/E Ratio has been computed based on the closing market price of equity shares on NSE on August 21, 2023 divided by the Diluted EPS provided.
4. P/E Ratio has been computed based on the closing market price of equity shares on BSE on August 21, 2023, being the last trading price available divided by the Diluted EPS provided.
5. Return on Net Worth is computed as restated net profit/(loss) after tax attributable to equity holders of our Company divided by restated average Net Worth for Equity Shareholders of our Company.

6) Key financial and operational performance indicators (“KPIs”)

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. The key financial and operational metrics set forth above, have been approved and verified by the Audit Committee pursuant to its resolution dated August 18, 2023. Further, the Audit Committee has on August 18, 2023 taken on record that other than the key financial and operational metrics set out below, our Company has not disclosed any other key performance indicators during the three years preceding this Draft Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company’s listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Issue Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate dated August 24, 2023 issued by Vishal H. Shah & Associates, Chartered Accountants, who hold a valid certificate issued by the Peer Review Board of the Institute of Cost Accountants of India. The certificate dated August 24, 2023 issued by Vishal H. Shah & Associates, Chartered Accountants, has been included in the chapter titled **“Material Contracts and Documents for Inspection – Material Documents”** on page 271 of this Draft Prospectus.

The KPIs herein have been certified by Statutory Auditor, Vishal H. Shah & Associates, Chartered Accountants, by their certificate dated August 24, 2023.

The KPIs of our Company have been disclosed in the chapters titled **“Business Overview”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators”** on pages 87 and 187, respectively. We have described and defined the KPIs, as applicable, in **“Definitions and Abbreviations”** on page 2.

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

Key Performance Indicators of our Company

(₹ In lakhs except percentages and ratios)

Key Performance Indicator	Kahali Craftistics Limited	M/s. Sanjeev Kahali*		
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	March 31, 2022	March 31, 2021
Revenue from Operations ⁽¹⁾	115.31	393.17	798.26	705.27
EBITDA ⁽²⁾	44.65	102.15	(284.07)	(5.64)
EBITDA Margin ⁽³⁾	38.72%	25.98%	(35.59%)	(0.80%)
Restated Profit After Tax for the Year	27.10	80.59	(325.60)	(99.04)
PAT Margin ⁽⁴⁾	23.50%	20.49%	(40.79%)	(14.04%)
Net Worth ⁽⁵⁾	375.27	278.88	223.57	564.11
Capital Employed	693.63	688.71	628.02	1,320.56
ROE% ⁽⁶⁾	14.44%	32.08%	(82.67%)	(17.22%)
ROCE% ⁽⁷⁾	6.90%	22.75%	(44.16%)	(2.91%)

*Proprietorship firm of the Promoter namely, Sanjeev Kahali

Notes:

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

Explanation of KPI Metrics:

KPI	Explanations
-----	--------------

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

Comparison of financials KPIs of our Company and our listed peers

(₹ In lakhs except percentages and ratios)

Particulars	Priti International Limited			Shashwat Furnishing Solutions Limited		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021*
Revenue from operations (₹ in lakhs) ⁽¹⁾	8285.48	5725.43	3706.84	456.80	137.60	NA
Growth in Revenue from Operations (%) ⁽²⁾	44.71%	54.46%	59.63%	231.98%	NA	NA
EBITDA (₹ in lakhs) ⁽³⁾	818.32	352.96	269.28	21.38	15.76	NA
EBITDA Margin (%) ⁽⁴⁾	9.88%	6.16%	7.26%	4.68%	11.45%	NA
Restated Profit After Tax for the Year (₹ in lakhs)	711.55	437.50	308.31	21.15	10.52	NA
PAT Margin% ⁽⁵⁾	8.59%	7.64%	8.32%	4.63%	7.65%	NA
Net Worth ⁽⁶⁾	4552.51	2202.50	1777.93	413.78	181.52	NA
Capital Employed	4552.51	2202.50	1923.60	534.63	182.38	NA
RoE (%) ⁽⁷⁾	15.63%	19.86%	17.34%	5.11%	5.80%	NA
RoCE (%) ⁽⁸⁾	21.94%	27.64%	22.37%	2.74%	7.71%	NA

*Shashwat Furnishing Solutions Limited was incorporated on March 08, 2021, therefore financial data for FY2020-21 is not mentioned.

Notes:

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

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

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

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

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

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

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

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

-Earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs.

-Capital Employed is calculated as total equity plus total borrowings

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

The set forth below are acquisitions made by our Company during the last three financial years ended March 31, 2023, March 31, 2022 and March 31, 2020;

Name	Date of Acquisition	Financial year in which tranches of consideration was paid	Date of Allotment	Number of equity shares allotted	Price ₹	Consideration paid (₹ in lakhs)
M/s Sanjeev Kahali (Proprietorship of Sanjeev Kahali)	February 18, 2023	2022-23	February 18, 2023	3,12,638 Equity Shares	90	281.37

Note:

The Comparison of KPIs over time from the period/year of undertaking such material acquisition until the last completed financial year is not provided.

8) Weighted average cost of acquisition

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

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

Date of Allotment/ Issue	Number of Equity Share allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Total Consideration (₹ in lakhs)
January 19, 2023	50,000	10	10	Cash	Subscription to MOA	5,00,000
February 18, 2023	3,12,638	10	90	Other than Cash	Preferential Allotment	2,81,37,420
February 18, 2023	96,351	10	90	Other than Cash	Conversion of Loans	86,71,590
Total	4,58,989	-	-	-	-	3,73,09,010
Weighted average cost of acquisition (primary issuances)						81.29

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

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

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

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

Past Transaction	Weighted average cost of acquisition	Issue Price in ₹ [●]
WACA* of Primary Issuance	81.29	[●]
WACA* of Secondary Transaction	Nil	[●]

*WACA- Weighted average cost of acquisition

**As certified by M/s. Vishal H Shah & Associates, Chartered Accountants, by their certificate dated August 24, 2023.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors

Kahali Craftistics Limited

(CIN- U36900RJ2023PLC085926)

A-48 A, Marudhar Industrial Area Phase-II,

Basni, Jodhpur Rajasthan 342005 India

Dear Sirs,

Sub: Statement of possible special tax benefits (“Statement”) available to KAHALI CRAFTISTICS LIMITED (“the Company”) and its shareholders prepared in accordance with the requirements in Point No. 9 (L) of Part A of Schedule VI of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended (“the Regulations”).

We refer to the proposed issue of equity shares of **Kahali Craftistics Limited (CIN- U36900RJ2023PLC085926)** (“the Company”). We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961 (read with Income Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2023 (i.e., applicable to FY 2023-24 relevant to A.Y. 2024-25), The Central Goods and Services Tax Act, 2017, The Integrated Goods and Services Tax Act, 2017, The State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 as amended by the Finance Act, 2022, i.e., applicable for the Financial Year 2023-24, relevant to the assessment year 2024-25, presently in force in India for inclusion in the Draft Prospectus (“DP”) / Prospectus for the proposed public offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

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

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

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

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

LIMITATIONS

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft

Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Vishal H Shah & Associates
Chartered Accountants
Firm Registration No - 116422W

sd/-

Vishal H. Shah
Proprietorship
Membership No – 101231
UDIN: 23101231BGWVKX9063

Place: Mumbai

Date: August 24, 2023

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

Direct Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2023 i.e., applicable for Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

A. SPECIAL TAX BENEFITS TO THE COMPANY

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

The Company has represented to us that it has not applied section 115BAA for the assessment year 2023-24.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

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

Indirect Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") (collectively referred as "Indirect Tax").

A. SPECIAL TAX BENEFITS TO THE COMPANY

There are no special tax benefits available to the Company under GST law.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

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

Notes:

1. All the above benefits are as per the current tax laws and will be available only to the sole/first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above statement of possible special tax benefits are as per the current direct tax laws relevant for the F.Y.2023- 24 relevant to A.Y. 2024-25.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We

shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

For Vishal H Shah & Associates
Chartered Accountants
Firm Registration No - 116422W

sd/-

Vishal H. Shah
Proprietorship
Membership No – 101231
UDIN: 23101231BGWVKX9063

Place: Mumbai

Date: August 24, 2023

SECTION V: ABOUT THE COMPANY

INDUSTRY OVERVIEW

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

Accordingly, investment decisions should not be based on such information. For additional details, including the disclaimers associated with the Industry Report, see “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data” beginning on page 17 of this Draft Prospectus.

INTRODUCTION

India, a South Asian nation, is the seventh-largest country by area, the second-most populous country with over 1.38 billion people, and the most populous democracy in the world. India boasts of an immensely rich cultural heritage including numerous languages, traditions, and people. The country holds its uniqueness in its diversity, and hence has adapted itself to international changes with poise and comfort. While the economy has welcomed international companies to invest in it with open arms since liberalisation in the 1990s, Indians have been prudent and pro-active in adopting global approach and skills. Indian villagers have proudly taken up farming, advanced agriculture and unique handicrafts as their profession on one hand, while modern industries and professional services sectors are coming up in a big way on the other.

Thus, the country is attracting many global majors for strategic investments owing to the presence of vast range of industries, investment avenues and a supportive Government. Huge population, mostly comprising the youth, is a strong driver for demand and an ample source of manpower.

(Source: <https://www.ibef.org/pages/394758>)




INDIAN HANDICRAFT INDUSTRY

Handicraft is one of the most important sectors in the Indian economy employing more than seven million people. The country produces woodware, artmetal wares, handprinted textiles, embroidered goods, zari goods, imitation jewellery, sculptures, pottery, glassware, attars, agarbattis, etc. The Handicraft industry in India is dominated by female artisans with over 56% of the total artisan. The country has 744 handicraft clusters employing nearly 212,000 artisans and offering over 35,000 products. Surat, Bareilly, Varanasi, Agra, Hyderabad, Lucknow, Chennai, and Mumbai are among the major clusters. Most of the manufacturing units are in rural and small towns, and there is enormous market potential in all Indian cities and abroad.

Significant advances in the availability of handicraft products on various online portals are bolstering market growth in India. Handicrafts are becoming increasingly popular as the country's travel and tourism industry grows. Tourists spend significant money on souvenirs and other craft items, expanding the opportunity for local artisans and craftspeople to produce and sell efficient handicrafts. Furthermore, rising demand for handmade décor accessories in homes, offices, and restaurants and rising demand from the gifting industry are propelling market growth. The sector is economically viable with low capital investment, high value addition ratio and high export potential.

Handicraft Items

ARTWARE	
	Brass Metalware, Bidri Work, Dhokra, Bell Metal, Bells & Chimes, Candle Holders, Candles Sconces, Fireplace, Flower Vases, Jewelry Boxes, Utensils, etc.
WOODWARE	
	Almirah, Beds, Cabinets, Chairs, Home Temples, Mirror Frames, Side Boards, Sofa sets, Stools, Tables, etc.
EMBROIDERY & CROCHET GOODS	

	Zardozi, Parsi work, Kashmiri Crewel Embroidery Work, Phulkari work, Kasuti, Chikankari, Crocheted work, Kantha Embroidery, Mirror Work
HANDPAINTED TEXTILES & SCARVES	
	Kalamkari, Tie and Dye, Block Printing, Bed covers, Carpets, Coverlets, Curtains, Cushion covers, Duvets, Kitchen Towels, Quilts, Rugs & Mats, Sofa
IMITATION JEWELLERY	
	Anklets, Armlets, Bangles, Bracelets, Brooches, Chokers, Cufflinks, Earrings, Necklaces, Pearls, Pendants, Rings, Toe Rings, etc.

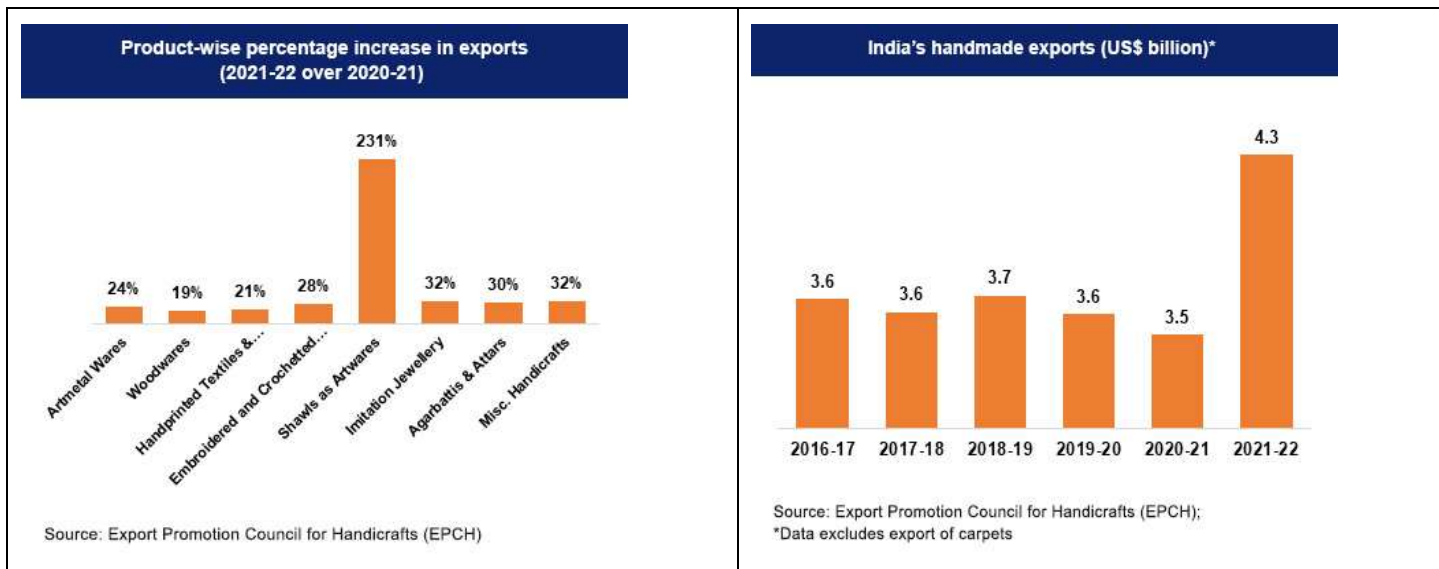
Handicrafts Sector

- India's rich cultural diversity and heritage provides a unique and huge resource for developing craft products.
- Handicrafts industry is one of the important segment of decentralized sector in India.
- According to the national census of handicrafts, undertaken by the NCAER the value of handicrafts produced last year were of ₹26,213 Crore.
- Provides huge employment opportunities to artisans that include women and people belonging to backward and weaker society (6 million artisans).
- India's contribution in world market is 1.2%.
- The total exports of crafts items: - ₹ 13412.92 Crore.
- Industry's share in India's exports:- 1.51%.

(Source: <http://www.jhea.in/indian-handicraft-industry>)

EXPORT TREND

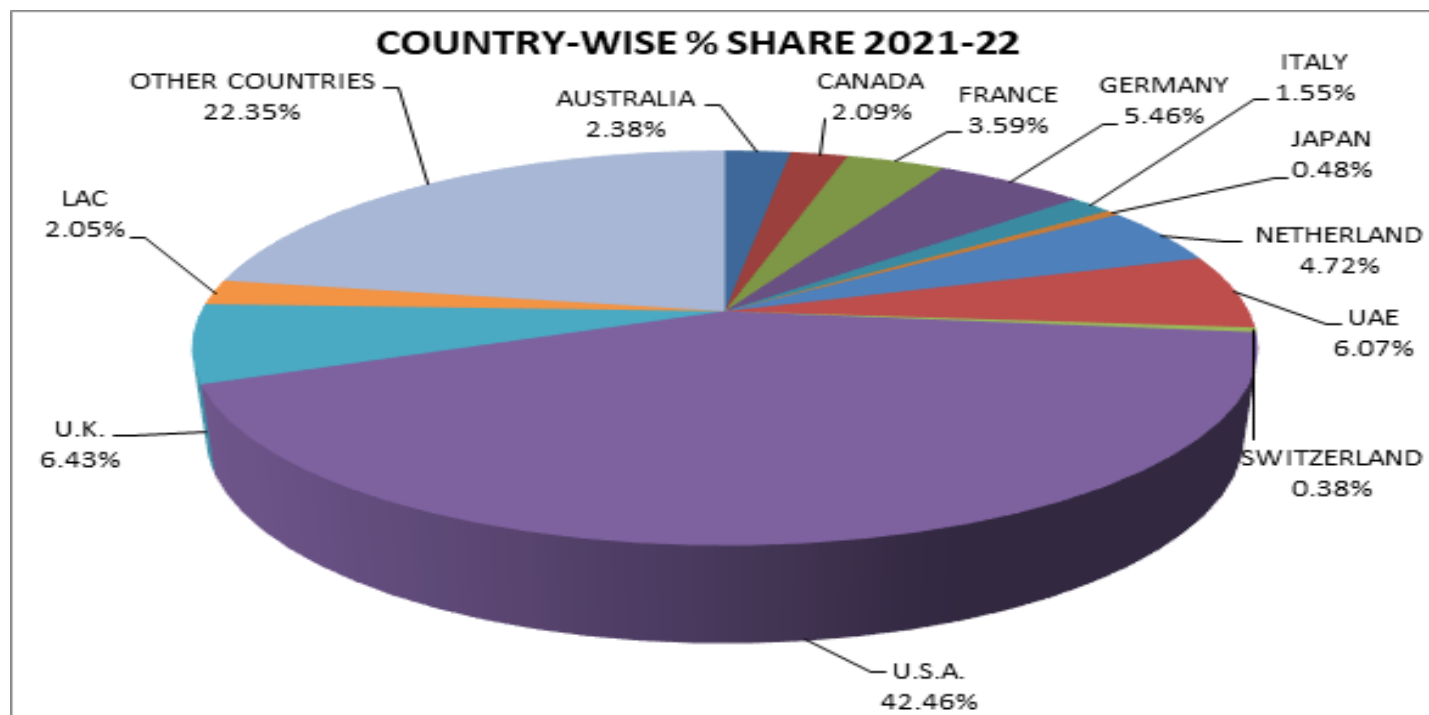
India is one of the largest handicrafts exporting country and a clear leader in the homemade carpet segment both in terms of volume and value. In May 2022, the total handicraft export, excluding handmade carpets from India was US\$ 120.06 million, a 1.01% increase from April 2022. During 2021-22, the total exports of Indian handicrafts were valued at US\$ 4.35 billion, a 25.7% increase from the previous year. Over the past three years, the export of handmade goods, especially carpets, has grown steadily. India accounts for roughly 40% of global exports of handmade carpets. Carpet exports from India totalled US\$ 1.37 billion in FY20. Between April 2020-February 2021, total carpet exports totalled US\$ 1.33 billion. Major goods exported by India are Handmade woolen, woodwares, embroidered & crocheted goods, art metal ware, hand printed textile & scarves, agarbatties & attars, zari & zari goods, and imitation jewellery. Handicraft export of various segments from April 2020 to January 2021 stood as follows, woodwares at US\$ 611.48 million, embroidered & crocheted goods at US\$ 463.13 million, art metal wares at US\$ 353.92 million, handprinted textiles and scarves at US\$ 239.73 million, imitation jewellery at US\$ 144.19 million, miscellaneous handicrafts at US\$ 714.67 million. From April 2022-September 2022, total handicrafts excluding handmade carpets stood at US\$ 716.21 million.



Demand for Indian handicraft products has constantly been increasing in foreign markets due to their individuality and great beauty. The major handicraft export destination for India are USA, the UK, LAC, Australia, Canada, France, Germany, Italy, Japan, Netherlands, the UAE and Switzerland. USA is the top importer of Indian handicrafts with a share of 38% of the total exports during 2020-21. India exports carpet to over 70 countries worldwide, primarily to USA, Australia, and Europe. The largest carpet export destinations for India are USA, Germany, the UK, and Australia with a share of about 57%, 6%, 5% and 5%, respectively.

USA is a significant buyer of handprinted textiles, zari woods, embroidered goods, imitation jewellery, and shawls. Carpet export to USA stood at over US\$ 1.2 billion in 2021-22. The UK is a customer of Indian handicrafts, purchasing art items, crocheted items, handmade handicrafts, wood wares, and imitation jewellery. The country has also been a major importer of Indian handmade carpets. UAE is one of the major buyers of handprinted textiles, embroidery goods and art metal ware.

Handprinted textiles, imitation jewellery, embroidery items, and art metals are popular purchases in Germany and the country purchased carpets worth US\$ 116.64 million in 2021-22.



EXPORT GOVERNING BODY

Export Promotion Council for Handicrafts (EPCH)

The EPCH was established under the Companies Act in 1986-87. The main objective of the council is to promote, support, protect, maintain and increase the export of handicrafts. The other activities of the council are knowledge dissemination, providing professional advice and support to members, organizing delegation visits and fairs, providing liaison between exporters and the government and carrying out awareness workshops

GOVERNMENT INITIATIVES

➤ National Handicraft Development Programme (NHDP)

The programme's goal is to increase the knowledge of the entire handicrafts sector about new design trends and colour forecasts, in order to increase India's exports by increasing the new design led product. The important component of this programme is carrying out surveys, upgrading design and technology, developing human resources, providing insurance and credit facilities to artisans, R&D, infrastructure development and marketing support activities.

➤ Comprehensive Handicrafts Cluster Development Scheme (CHCDS)

CHCDS aims to assist artisans and entrepreneurs in establishing world-class units with modern infrastructure, cutting-edge technology, adequate training and human resource development inputs, market linkages, and production diversification. Soft interventions such as baseline surveys and activity mapping, skill training, improved tool kits, marketing events, seminars, publicity, design workshops, capacity building, and so on will be provided through CHCDS. Common Facility Centers, Emporiums, Raw Material Banks, Trade Facilitation Centers, Common Production Centers, Design and Resource Centers will also be granted under the scheme.

In addition to several standard international marketing events, virtual marketing events have been organized to provide artisans with an international marketing platform. Domestic marketing events such as Gandhi Shilp Bazaar, Craft Bazaar, and Exhibitions are organized to provide artisans with a domestic marketing platform.

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

SURVIVAL STRATEGY FOR INDIAN HANDICRAFTS

In light of the fact that Indian handicrafts have been facing stiff competition from across the world both from developing as well as least developed markets apart from China; as indicated in the section above; formulating a survival strategy to compete against these global players becomes inevitable. This becomes more important considering an overall shrinkage of demand globally. In such a scenario, Indian handicraft exporters and policy makers could possibly work on following four options:



Old Product Old Destination (OPOD)

This box would include those handicraft products in which India has traditional export strength and brand presence in global markets exported primarily to traditional export destinations including EU and USA.

When survival in OPOD becomes difficult due to reduced demands in covid hit old destinations, exporters & policymakers can look into following possibilities:

New Product Old Destination (NPOD)

Exploring possibilities of design innovation and shifting from HS code to National Tariff lines customized as per the consumer behaviour of traditional old destinations.

Old Product New Destination (OPND)

When inventory sizes are huge and possibilities of new product creations are limited, shifting from exporting to old destinations to newer emerging markets using MEIS scheme and Regional Trade Agreements becomes advisable.

New Product New Destination (NPND)

When competition at three levels as indicated below becomes very high in OPOD, entering into differentiated products in newer emerging markets where acceptance of Indian products is better than in old destinations; becomes essential for survival.

JODHPUR HANDICRAFTS INDUSTRY

Jodhpur is the second largest city in the Indian state of Rajasthan. After its population crossed a million, it has been declared as the second “Metropolitan City” of Rajasthan. It was formerly the seat of a princely state of the same name, the capital of the kingdom known as Marwar. Jodhpur is a popular tourist destination, featuring many palaces, forts and temples, set in the stark landscape of the Thar desert.

The city is known as the “Sun City” for the bright, sunny weather it enjoys all the year round. It is also referred to as the “Blue City” due to the vivid blue-painted houses. The old city circles the fort and is bounded by a wall with several gates. However, the city has expanded greatly outside the wall over the past several decades. Jodhpur lies near the geographic centre of Rajasthan state, which makes it a convenient base for travel in a region much frequented by tourists.

The Handicrafts industry has in recent years eclipsed all other industries in the city. By some estimates, the furniture export segment is a \$200 million industry, directly or indirectly employing as many as 200,000 people. Other items manufactured include textiles, metal utensils, bicycles, ink and sporting goods. A flourishing cottage industry exists for the manufacture of such items as glass bangles, cutlery, carpets and marble products. After handicrafts, tourism is the second largest industry of Jodhpur.

More than 1000 units of handicrafts are functional in Jodhpur and large number of artisans, entrepreneurs, manufacturers and exporters are engaged for their livelihood. The major crafts being practiced in Jodhpur are wood work, Mojari, Dabu, Bhandaj, Mother of Pearl work, Bone & Horn work, Musical instruments, Wrought Iron work, Panja Dhurrie weaving, Pattu weaving, Terracotta and Pottery and utensil making.

Jodhpur – Hub of Artistic Furniture & Handicrafts

Jodhpur, a land of Chivalry, tourism and heritage lately emerged as a big center of artistic furniture and ethnic / traditional handicrafts. Curiously enough Jodhpur, quite a serene town remotely placed on the map of India is serving almost all countries of the world with its broad spectrum creative products of artistic wooden furniture, life-style accessories, exquisite Indian crafts, decoratives, giftwares, metalewares, woodwares etc. The innovativeness, the undiscovered trends, the violent departures from the established precedents by the manufactures / exporters of Jodhpur have helped them create something uncommon, something unusual and something radically new to attract the buyers world over. The handicraft export industry of Jodhpur has virtually become the power house to sustain the economy of the State in general and the Region in particular. The Handicraft Sector is economically important to high potential for export thereby earning valuable forex for the nation reckoning to about ₹ 1500 crores a year. Again, handicraft export industry which is next to agricultural sector in the matter of employment generation, has benefitted the region by generating employment to not less than 3 lac persons directly or indirectly, most of whom belong to the weaker section of the society. Yet more the Handicraft Industry of Jodhpur is promoting Cottage Sector deep in the rural areas which keep on reeling under year-to-year drought conditions of the Region. Again the industry is singled out by being eco-friendly, no use of big machinery or much of power, no requirement of imported substance or technology in the manufacturing process and even not much capital is attracted by the manufacturing units. Yet the industry generates employment not less than three lac people, mostly belonging to weaker section of the society. Again, it contains vast range of products with opportunity for specialization mainly in wooden and iron materials of which almost 100% are exported. With the foreign buyers looking forward for the best value of their money, the Handicraft Export Industry of Jodhpur is the only destination in the country which

far excels in their quality and are absolutely buyers' friendly. The manufactures / exporters here keep on reconstructing their business, keeping conformity with the international standards and the competitiveness, doing away the things more better at competitive prices. Lately, there have been a conscious move from traditional handicrafts and artistic furniture to giftware in general and life-styles in particular for catering the contemporary demands of the international market. Again from furniture to accessories of home-decors, the unmatched range of super designed and super-quality keeping abreast the global demands, the handicraft export industry of Jodhpur works to the tune committed to its strategy of providing world class design development and services in honouring time-bound commitments. Jodhpur, thus, is rated one amongst the best in the country in wood-craft with manufacturing and export of handicrafts and artistic furniture. Rapid strides in such an export trade of Jodhpur caused opening of one after another Inland Contain Depots here, one in Govt. Sector, another in private sector while third by Indian Railways. The cumulative dispatches of containers from these three ICDs has risen upto 26,000 TEUs (Twenty Feet Export Units) per year. In terms of earning foreign exchange to the nation, Jodhpur is earning not less than ₹ 1500 crores a year. Jodhpur, rich in its cultural heritage has become home of ethnic art and crafts. The town has lately emerged as one of the biggest hub of India for manufacture and export of artistic furniture, accessories including home decor, life-styles and handicrafts. Within less than three decades Jodhpur had arose from zero exports of handicrafts & artistic furniture to an export of ₹ 1500 crores a year. The stupendous growth is a glowing tribute to the unflinching efforts of the exporters of Jodhpur particularly in the existing highly competitive international market. The growth rate of exports from Jodhpur is in itself a testimony of quality work and art by crafts persons and dedication of exporters. Their efforts to bring about standization, quality control and mechanization while retaining the uniqueness of handicrafts, are commendable. The dedication, devotion, dynamism and entrepreneurship of exporting community of handicraft exporters of Jodhpur, led the name of town spread to the world over. Their aggressive product development, deposition to artistic manufacturing growth, devotion to design development, dedication to quality merchandise, adhering to time schedules and committal to buyer's satisfaction led them to create Jodhpur a hub of artistic furniture and handicrafts. It is a legacy that Jodhpur manufactures furniture / handicrafts only to be exported. The trend remained to be multifaceted. From original to recycled, from antique-finish to contemporaries, from traditional to exquisite artistic blend, from simple artistic to innovative quality product. The uniqueness of handcraft and furniture created by the manufacturer / exporters of the town has led the world to the fantasy of our rich cultural heritage. Because of artistic and ornate caftmanship which do not carry a parallel world over, the masterpieces of handicrafts and artistic furniture, while preserving the centuries-old traditions and legacy, have carried out an important niche in the highly competitive international mercantile. The handicraft and artistic furniture of Jodhpur encompasses rich assortment of numerous items having designers blend of spectrum with each individual item possessing an exclusive discerning subtitle elegance depleting our precious heritage leading to the international recognition of the town.

Refurbished Items of Artistic Furniture & Handicrafts

Just imagine few years back about two hundred trucks daily pouring in Jodhpur, particularly from villages not of Rajasthan only but the neighboring States laden with heaps of old, discarded items of wood worth using none else than fuel. Such items included old door panels, pieces of discarded furniture, old house-hold items, bullock-carts / camel-carts, yoke etc. It happened to be perception of design development by the handicraft exporters of Jodhpur mingled with the artistic touch of craftsmanship of high-profile craftpersons that ends in innovative merchandise which provided new look by refurbishing them. To quote, it is amazing to find a thrown-away piece of bullock-cart wheel turned into a beautiful artistic garden-coffee-table. It is the perception of manufacturer-exporters of Jodhpur with superb craftsmanship of the skilled artisans which turned the throw-away-items worth exportable goods through the refurbishing process.

(Source: <http://www.jhea.in/handicraft-industries-of-jodhpur>)

OPPORTUNITIES AND THREATS OF THE INDUSTRY

Opportunities

- Rising demand for handicraft products in developed countries such as USA, Canada, Britain, France, Germany, Italy etc.
- Developing fashion industry requires handicrafts products.
- Development of sectors like Retail, Real Estate that offers great requirements of handicrafts products.
- Development of domestic and international tourism sector.
- E-Commerce and Internet are emerged as promissory distribution channels to market and sell the craft products.

Threats

- Competition in domestic market.
- Balance between high demand and supply.

- Quality products produced by competing countries like China, South Africa.
- Better Trade terms offered by competing countries.
- Increased and better technological support and Rand D facility in competing countries.

(Source: <http://www.jhea.in/indian-handicraft-industry>)

WAY FORWARD

The tangible and intangible nature of India's craft heritage, coupled with its regional uniqueness, presents the country with a competitive global advantage. The Indian craft sector has the scope to become a billion-dollar marketplace with the right support and business environment. Developing a systematic approach, which nurtures the intrinsic value of craft skills and opens avenues for product design and manufacturing will increase access to new markets. Alongside, capitalising on e-commerce for online visibility and operational efficiencies will prove to be a critical success factor as the sector evolves and gains further traction.

BUSINESS OVERVIEW

Some of the information in this section, including information with respect to our business plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read “*Forward-Looking Statements*” beginning on page 15 for a discussion of the risks and uncertainties related to those statements. For a discussion of certain factors that may affect our business, financial condition or results of operations, please refer to section titled “*Risk Factors*”, “*Restated Financial Statement*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 24, 138 and 187 respectively of this Draft Prospectus. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Restated Financial Statement*” beginning on pages 24, 187 and 138 respectively of this Draft Prospectus. The financial figures used in this section, have been derived from our Company’s restated audited financial statements. Further, all references to “Kahali Craftistics Limited”, ‘the Company’, ‘our Company’, ‘KCL’ and ‘the Issuer’ and the terms ‘we’, ‘us’ and ‘our’, are to Kahali Craftistics Limited.

BACKGROUND

Our Company was originally incorporated as “Kahali Craftistics Limited” a public limited company under the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre pursuant to a certificate of incorporation dated January 19, 2023 bearing Corporate Identification Number (CIN) U36900RJ2023PLC085926. Subsequently, our Company has acquired the entire running business with the assets and liabilities of “M/s. Sanjeev Kahali”, sole proprietorship concern of our Promoter Sanjeev Kahali which was in existence for over 16 years vide Business Transfer Agreement dated February 18, 2023. Through this acquisition we believe that our Company can effectively establish a successful business legacy, strengthen our brand, enhance our workforce and expand customer base of the said proprietorship concern.

We are primarily a design studio with a proprietary catalogue of handicraft products, and we also manufacture for our clients as per their design and architectural inputs and requirements. We believe that our ability to study, visualize, design and manufacture creative artifacts have helped our business to build strong and long-standing relationship with our domestic and international buyers. Our product includes decorative (table and wall), lighting, mirror, furniture and items of regular utility with a design element to it.

We manufacture and supply our products on a B-2-B basis to our domestic and international buyers. We export our products to countries like USA, Japan, Australia and Middle East. Our revenue from export for the period from January 19, 2023 to March 31, 2023, for the period from April 01, 2022 to February 18, 2023, Fiscal 2022 and Fiscal 2021 was Nil, ₹ 213.33 lakhs, ₹ 602.48 lakhs and ₹ 390.05 lakhs representing Nil%, 54.26%, 75.47% and 55.31% of our revenue from operations, respectively. We also undertake furnishing projects for hotels, resorts, restaurants and housing projects, where we are engaged by our customers or buyers for managing or designing their space.

We manufacture our products at our manufacturing facility situated at A-48 A, Marudhar Industrial Area Phase-II, Basni, Jodhpur-342005, Rajasthan India, where our manufacturing process includes visualization, designing, interpretation and execution of design, manufacturing, assembly, finishing, packaging and dispatch. Further, our manufacturing facility include a design studio where our customers can visit and place their orders. Our manufacturing facility and design studio is spread over an area approx. of 4,800 sq. mtrs.

Our key raw material for the manufacturing our products is wood, metal components, stone, paints, etc. All the raw materials are purchased from the domestic market. We typically do not enter into long-term supply contracts with any of our suppliers with respect to our raw material requirements. Our purchase for the period from January 19, 2023 to March 31, 2023, for the period from April 01, 2022 to February 18, 2023, Fiscal 2022 and Fiscal 2021 was ₹ 1.73 lakhs, ₹ 130.53 lakhs, ₹ 380.65 lakhs and ₹ 302.54 lakhs representing 1.50%, 33.20%, 47.69% and 42.90% of our revenue from operations, respectively. Further we also use imported raw materials such as mild and high-density fiber wood, plys and furniture hardware items which we source from domestic vendors.

Our existing manufacturing facility is broadly divided into sections for wood, metal, glass and stone. It includes departments for manufacturing, power coating booth, finishing/ polishing , inner carton packing , master carton packaging and a showroom. Being a handicraft products company, we use extensive labour with minimum machines which are semi-automatic or are operated manually. Further our manufacturing facility is periodically inspected by our customer or their testing agencies. Our manufacturing facility follows various social and human compliances which are essentials for the export of our products.

Our Promoters between themselves have, an in-depth knowledge and good experience in the design and handicraft industry. Our Promoters share various functional responsibilities amongst themselves for effective management and are well supported by qualified and experienced professionals at different levels. As on July 31, 2023, our overall staff strength is 53 employees including skilled and

unskilled labour, administrative staff and management team. We are capable of manufacturing both standardized as well as customized products.

Financial and Operational Information

The following tables sets forth certain financial information for the periods indicated:

(₹ in lakhs, except percentages)

Particulars	Kahali Craftistics Limited	M/s. Sanjeev Kahali*		
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	As of March 31, 2022	As of March 31, 2021
Revenue from operations	115.31	393.17	798.26	705.27
Restated Profit after Tax	27.10	80.59	(325.60)	(99.04)
PAT Margin ⁽¹⁾ (%)	23.50%	20.49%	(40.79%)	(14.04%)
EBITDA ⁽²⁾	44.65	102.15	(284.07)	(5.64)
EBITDA Margin ⁽³⁾ (%)	38.72%	25.98%	(35.59%)	(0.80%)
Return on Capital Employed ⁽⁴⁾	6.90%	22.75%	(44.16%)	(2.91%)
Return on Equity ⁽⁵⁾	14.44%	28.89%	(145.64%)	(17.56%)
Debt / Equity Ratio ⁽⁶⁾	0.85	1.47	1.81	1.34
Working Capital Days ⁽⁷⁾	386	468	168	215

*Our Company has acquired the running business of "M/s. Sanjeev Kahali", sole proprietorship concern of our Promoter Sanjeev Kahali

Notes:

⁽¹⁾PAT Margin is calculated as restated profit after tax divided by revenue from operations.

⁽²⁾EBITDA is calculated as Restated Profit before tax (Before Exceptional items) plus finance costs and depreciation and amortization expenses. There are no Exceptional items.

⁽³⁾EBITDA Margin is calculated by EBITDA divided by revenue from operations.

⁽⁴⁾Return on Capital Employed is calculated as earnings before interest and tax divided by Capital Employed. Capital Employed is calculated as the sum of tangible net worth (excluding intangible assets) and total borrowings and deferred tax liability. Tangible net worth is calculated as equity attributable to the owners of our Company, less revaluation surplus, intangible assets and goodwill. EBIT is calculated as restated profit before tax plus finance cost.

⁽⁵⁾Return on Equity is calculated as restated profit after tax divided by average equity. Average Equity is average of opening equity and closing equity. Opening Equity is opening equity attributable to owners of our Company. Closing Equity is closing equity attributable to owners of our Company.

⁽⁶⁾Debt / Equity Ratio is calculated as total borrowings divided by total equity. Total borrowings include non-current liabilities: borrowings and current liabilities: borrowings. Total equity is calculated as equity share capital plus other equity plus non-controlling interest.

⁽⁷⁾Working Capital Days refers to trade receivables days plus inventory days less trade payable days

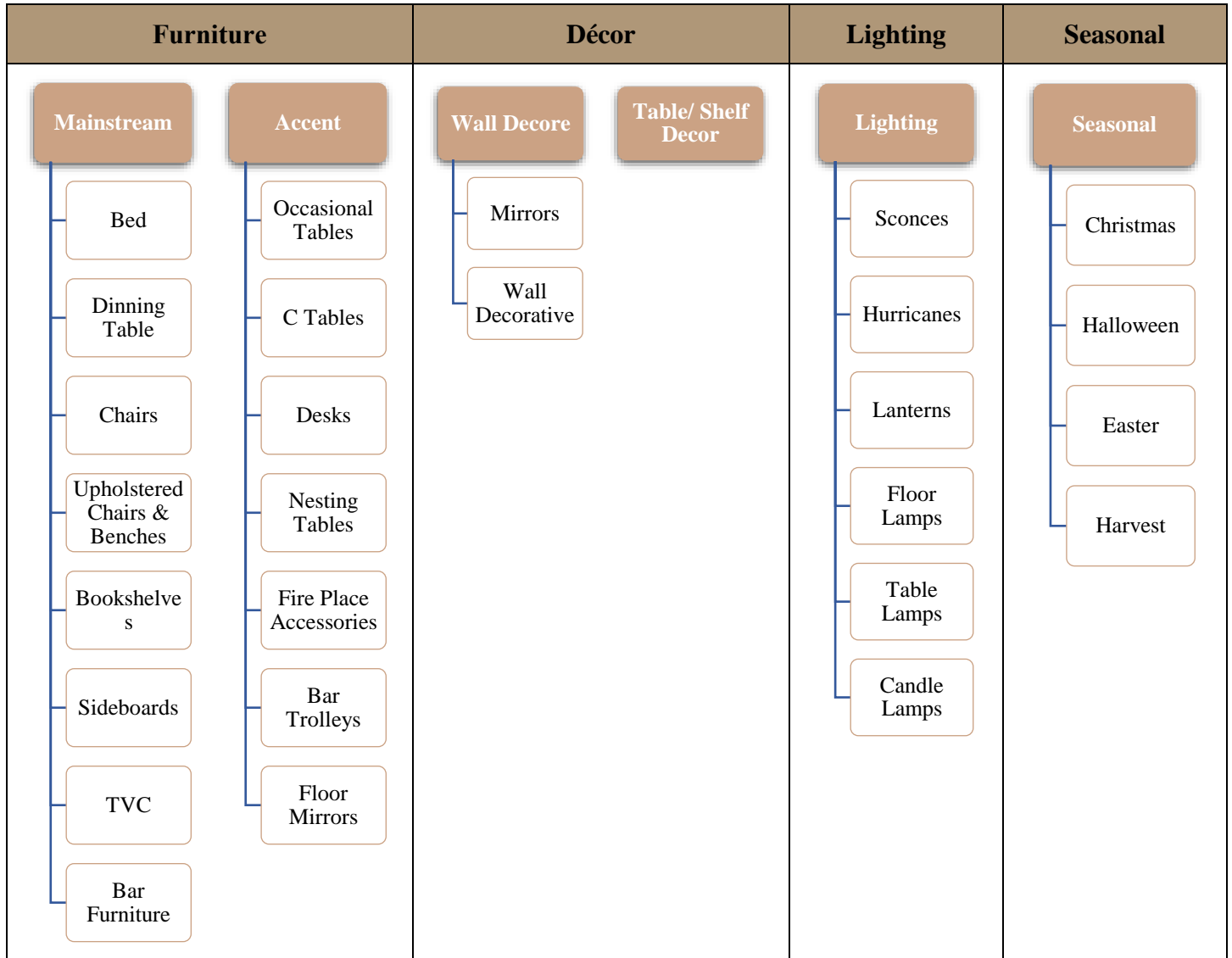
(THIS PART OF PAGE HAS BEEN INTENTIONALLY LEFT BLANK)

OUR PRODUCTS

Product description

Our Company is engaged in manufacturing of handicraft products, split into Decor and Furniture items for various sectors. We serve residential and commercial sectors, including home and office decor and furniture.

Our products can majorly be divided as:



(THIS PART OF PAGE HAS BEEN INTENTIONALLY LEFT BLANK)

LIST OF PRODUCTS (This List is not exhaustive)

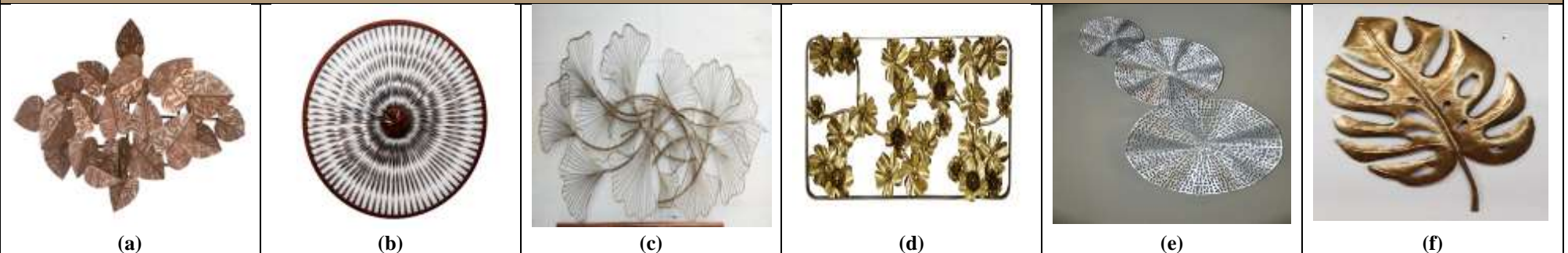
LIGHTING



Description of Products mentioned above

- (a) Iron Flower Candle Stand Painted
- (b) Maple Leaves Hurricane
- (c) Wooden Carved Candle Stand
- (d) Butterfly Hurricane
- (e) Drift Wood Leaf Cut 3 Cup Pillar Holder
- (f) Golden Tree Votive Holder

WALL DÉCOR



Description of Products mentioned above

- (a) Betel Leaf Wall Décor
- (b) Wooden Iron Karma Wheel
- (c) Ginkgo Leaves Wall Décor
- (d) Iron Flower Wall Décor
- (e) Etched Iron Circles
- (f) Handcrafted Monstera Leaf Décor

DESKTOP DÉCOR



(a)



(b)



(c)



(d)

Description of Products mentioned above

- (a) Fish Tail TD
- (b) Mandala Art Décor
- (c) Mosaic Sail Boat
- (d) Iron Bird Table Decor

FURNITURE



(a)



(b)



(c)



(d)



(e)

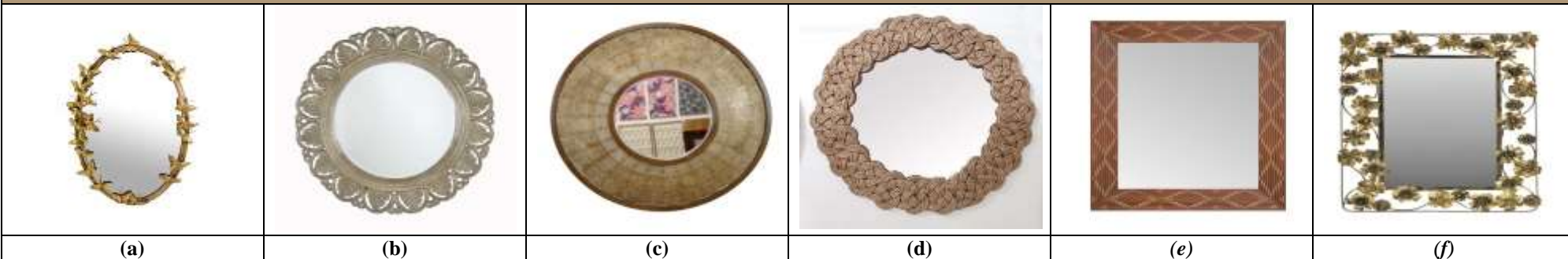


(f)

Description of Products mentioned above

- (a) Wooden Bar Trolley
- (b) Forest Green Table S/3
- (c) Cortez Table
- (d) Marble Table
- (e) Leather Finish Stone Table with Wooden Stand
- (f) Leaf Wooden Table

MIRROR



Description of Products mentioned above

- (a) Butterfly Oval Mirror
- (b) Wooden Pallav Mirror
- (c) Lace Art Wooden Frame Mirror
- (d) Rope Round Mirror
- (e) Wooden Ikat Mirror
- (f) Iron Flower Rectabgular Miror







SEASONAL



Description of Products mentioned above

- (a) Snow Wooden Chips Christmas Tree
- (b) Flower Head Table Décor
- (c) Elephant Head Décor
- (d) Iron Angel
- (e) Rope Hair Horse
- (f) Birchwood Bird

STORAGE

					
(a)	(b)	(c)	(d)	(e)	(f)
<p><i>Description of Products mentioned above</i></p> <p>(a) Entry Way Bench</p> <p>(b) Etched Door Sideboard</p> <p>(c) Sunburst Cabinet</p> <p>(d) Hand Painted 4 Door Sideboard</p> <p>(e) Waterfall Marble 4 Door Sideboard</p> <p>(f) Agate Sliding Sideboard</p>					

Product wise revenue

We derive our revenue from sale of our products like candle holder, décor, furniture, seasonal, storage, wall décor, wall mirror and other products. Our revenue from our various products for the periods is as set forth below:

(₹ in lakhs)

Name of Products	Kahali Craftistics Limited		M/s. Sanjeev Kahali*					
	For the period from Jan 19, 2023 to March 31, 2023	As % of Revenue from Operations	For the period from April 1, 2022 to Feb 18, 2023	As % of Revenue from Operations	As of March 31, 2022	As % of Revenue from Operations	As of March 31, 2021	As % of Revenue from Operations
Wood product	36.69	31.82%	231.89	58.98%	470.16	58.90%	409.40	58.03%
Metal product	72.67	63.02%	158.58	40.33%	256.97	32.19%	293.83	41.65%
Other Products	5.95	5.16%	2.70	0.69%	71.13	8.91%	2.32	0.33%
Total	115.31	100.00%	393.17	100.00%	798.26	100.00%	705.55	100.00%

*Our Company has acquired the running business of "M/s. Sanjeev Kahali", sole proprietorship concern of our Promoter Sanjeev Kahali

Geography wise revenue

(₹ in lakhs except percentages)

Geography	Kahali Craftistics Limited		M/s. Sanjeev Kahali*					
	For the period from Jan 19, 2023 to March 31, 2023	As % of Gross Revenue from Operations	For the period from April 1, 2022 to Feb 18, 2023	As % of Gross Revenue from Operations	As of March 31, 2022	As % of Gross Revenue from Operations	As of March 31, 2021	As % of Gross Revenue from Operations
Domestic**	115.31	100.00%	179.84	45.74%	195.78	24.53%	315.22	44.69%
Export**	-	-	213.33	54.26%	602.48	75.47%	390.05	55.31%
USA	-	-	147.58	37.54%	494.00	61.88%	284.77	40.38%
Canada	-	-	-	-	4.86	0.61%	45.45	6.44%
Japan	-	-	-	-	-	-	6.29	0.89%
Australia	-	-	18.21	4.63%	7.29	0.91%	7.86	1.11%
Europe	-	-	28.28	7.19%	60.16	7.54%	29.11	4.13%
Middle East	-	-	19.26	4.90%	36.17	4.53%	16.57	2.35%
Gross Total	115.31	100.00%	393.17	100.00%	798.26	100.00%	705.27	100.00%

*Our Company has acquired the running business of "M/s. Sanjeev Kahali", sole proprietorship concern of our Promoter Sanjeev Kahali

OUR COMPETITIVE STRENGTHS

Strong customer base and long-standing relationship with our customers

We have a well-diversified customer base all over India and outside India, wherein we provide the handicraft products as per their requirements. This reduces the intensity of any significant single customer's contribution in our revenues. Our products are used in various segments like home décor and furniture, office décor and furniture, restaurant and café décor and furniture, vintage and antique furniture, etc. Our top five customers contribute around 96.94% of our revenue from operations for the period from January 19, 2023 to March 31, 2023. We have relationships spanning around 6 years with our top ten customers by contribution to revenue from operations as of March 31, 2023.

Our continuous focus on providing quality products and services consistently to our customers has helped us to nurture long-term relationships with them. Our track record of timely deliveries and demonstrated industry expertise has helped in forging strong

relationships with them. We have a history of high customer retention and derive a significant proportion of our revenue from repeated business.

Diversified Product portfolio

Our Company manufactures wide range of handcrafted products around 4 products such as wood, metal, stone and glass products serving hotels, resorts, restaurants, housing projects and more. With presence in most of the allied products in these industries, our Company caters to wide customer base..

For further details, regarding the relevant descriptions of the products we manufacture, please refer to “***Business Overview – Our Products***” beginning on page no. **87** of this Draft Prospectus.

Experienced Promoters & Directors with extensive domain knowledge

We are led by our Promoter & Managing Director Sanjeev Kahali who have a collective experience of over 3 decades in the design and handicraft industry. Our Promoter & Managing Director is involved in various aspects of our business, including manufacturing process, finance, procurement and marketing.

We believe that the experience, depth and diversity of our Promoters and Directors have enabled our Company to scale our operations in the domestic market. Their industry experiences enable us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships and respond to changes in customer preferences.

For further information on our Promoters and Directors please see the sections entitled “***Our Promoters and Promoter Group***” and “***Our Management***” beginning on pages **132** and **115**, respectively

Well Established Manufacturing Facility designed to serve multiple products range

We are presently manufacturing a wide range of handcrafted products for residential and commercial décor and furnishing and have manufacturing unit catering to the different product portfolios. Our products find use in different segments such as home, office, restaurant, café décor and furniture, as well as vintage and antique furniture.

These units are designed to cater to various product manufactured by us and thus are equipped with the latest machinery to manufacture more than one product of any particular category. Therefore, with our flexible manufacturing infrastructure and multiple product range, we can change our product mix in response to changes in the demands of our customers.

OUR BUSINESS STRATEGIES

Improve and increase operational efficiencies

Our Company intends to improve functional efficiencies to achieve cost reductions in order to have a competitive edge over the peers. Our employees are regularly motivated to increase efficiency through error free practices. We believe that this can be done through continuous process improvements. Further we believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions with new range of products, will enable us to penetrate into new catchment areas within these regions and optimize our infrastructure.

Optimal Utilization of Resources

Our Company constantly endeavors to improve our manufacturing process, skill up-gradation of workers, using latest machineries to optimize the utilization of resources. We regularly assess our existing raw material procurement and manufacturing processes to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

Enhance customer base by entering new geographies

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing our product portfolio. Our company has room to expand its presence in both domestic and international markets, with numerous states within and outside India yet to be tapped. . Enhancing our presence in additional regions will enable us to reach out to a larger market. Further, our Company believes in maintaining long term relationships with our customers. We aim to achieve this goal by maintaining the high quality, timely delivery, competitive pricing and reliability of our products.

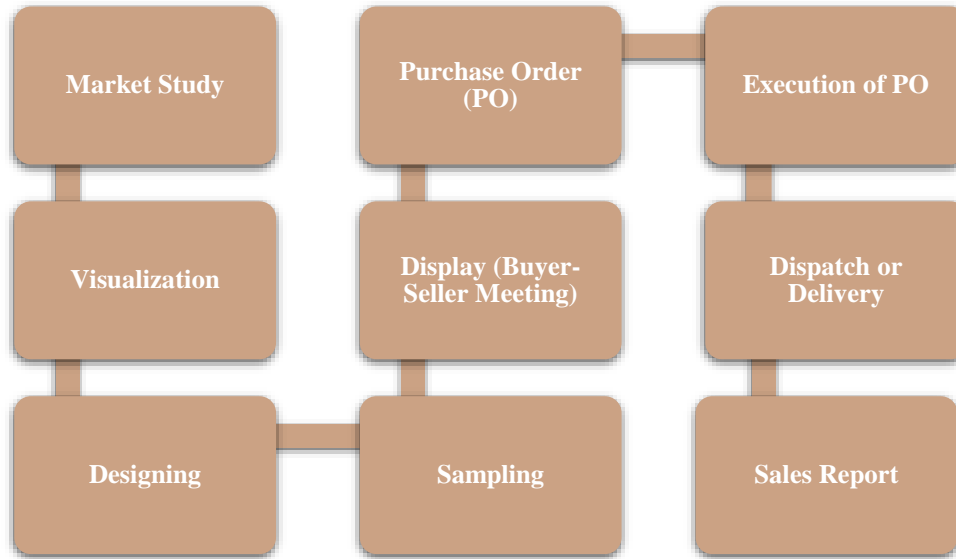
Focus on quality

Our Company intends to focus on adhering to the quality of our offerings. This is necessary so as to make sure that we maintain the high-quality standards for our offerings and get repeat orders from our customers. This will also aid us in enhancing our brand value and further increase the business.

Leveraging our market skills and relationship

Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction.

OUR BUSINESS OPERATION



1) Market Study

The first step in creating a successful product is to study the target market, population segment, season factors, customer behavior and psychology, price mark ups, etc. This also involves to reason out as to why a customer should make a choice of our products only and what/who are the potential alternates or competitors. We gather insights through travels, magazines and journals that are being published in and around the target population or section of population, interviews, interacting, referrals, shows, fashions and styles in vogue, colour trends, etc.

Thus, the 5Ws. Who What When Why Which

We also conduct market studies from buyer's perspective and that goes to greatly help us boosting our studies. Trends Boards and colour ways from buyer keeps us more focused on what specifically is expected of us as per our forte and capacities. These trend or mood boards are mostly studies done by independent design agencies, many a times picked up by buyers or designers employed by buyers to choose the look of their stores, showrooms or web pages carrying the various collections. Accordingly, we work and make our own assessment of these boards, design and create products put our best foot forward to zero in on buyer's requirement.

Also, at the same time there are products that are of core nature and do not belong to trends or seasons. These core items at times turn out to be the biggest grosser and best-selling. They have much larger shelf life and customers quite often come for replacements as they are essential to them as per their daily activities at home, outdoor or workplace.

Our Company address this core product which runs the whole year round apart from working for the buyer advised trend and mood boards. We also target the festive seasons, as these are the periods when customers tend to spend the most.

2) Visualization

Post the above studies, the next activity undertaken is the thought process and visualization. This would include jotting down ideas, motifs, creating genres, doodling and rough sketching, etc. This is the stage of being creative and try to think out of the box without being flamboyant and keeping restraint. Creativity is the process of deducting the unnecessary. Our Company is aware of what's on around us and at the same time restrain ourselves from being over exposed or pre-occupied of what is being done, that may push us towards possible plagiarism.

These thoughts and ideas will be shared with the buyers, customers and their respective agents for advises as to we are okay to carry on or not. The specific responses to well-made sketches and CADs shall be of utmost importance as to whether we are on the right track or not. This is true to foreign or domestic buyer or customer or even to any kind of projects undertaken.

3) Designing

Next in line of activity would be to make the draft design of the above approved visualization into the actual accent, shape, dimensions, etc. Selecting the right medium – metal, wood, glass, fabric, stone, or combinations – is crucial at this stage. . This selection is also dependent on the kind of craftsmen and skills we have along with the support of machines and tools. Post identification of the mediums we require the technical drawings for the execution of the first prototype samples.

4) Sampling

The first samples are made with help of the technical drawings, by the master craftsmen and technicians in supervision of the designer himself/herself. The designer here is required to be working in close proximity of the craftsmen so as to avoid any deviation from what is visualized. Here there is always a room for improvisation and revision. The inputs and constraints indicated by the technicians are pertinent first for sampling and then what is or will be viable during production later. Anything that is difficult or not viable in production has to be avoided and done away with right during this stage of sampling.

The important and final stage for successful and satisfactory sampling in raw is final finishing. This will be guided by the colour ways as advised by buyer mood board, the motifs and patterns selected. This may include painting or printing. The sampling activity thus ends with the final finishing. The images of the final product are shared with buyers for comments and further advises. Accordingly any advised revisions and changes of extensions are implemented at this stage. We also share the prices to avoid last minute drop outs or for further working out to meet buyer targets. We avoid surprises to buyers that might prolong or hinder the process of generating business orders. Buyers' ought to be well acquainted by us so as they and we are on the same page and buyer-seller meetings are swift, clinical and fruitful

5) Display

A successful display is an achievement of contentment for the designer and a great appetizer for the manufacturer. This is when the buyer and seller meet, and the final selection of the developed samples takes place.. These meeting could happen at our Company's showroom or at buyer's place or even at an exhibition. Post the final selections the cost parameters are worked out followed by final price negotiations. Our Company makes sure that these meeting are secretive, simple, brief and precise. The payment terms are discussed and finalized. Dilemmas and confusions are specifically identified and addressed as transparency with our Company and buyer groups is of optimum priority and importance.

6) Purchase Order

With the final selection of the items and price negotiations been done and over, buyer initiates to generate purchase orders. Here buyer decides on the quantum of units of a particular item or product the purchase company requires. This is decided with the number of packed boxes that can come in a container i.e., the volume in calculated accordingly. The quantities having thus finalized, buyer generates and issues the purchase orders to us. Often, we ask buyers for an advance payment, a percentage of the total order value. This helps secure our position and can be used to buy raw materials.

7) Execution of the Purchase Order

The purchase orders are then passed on to the production team to carry out the manufacturing of the selected items. Plunging into production and starting to execute the orders begins with a brain storming session of discussions with the production team who will be going to be involved at various stages of production and laying a plan as to how all the processes is going to take place and identifying the challenges and possible problems that may crop up and be proactive with apt solutions. The production processes have to go through the following stages and is true to all kinds of materials and mediums:

1. Purchase of raw materials: This important stage is pertinent to the final quality of production and also the cost effectiveness.
2. Cutting to size and Shape: This is done with the help of the technical drawing and instructions that were made during the sampling process. The same will be used in the manufacturing of the whole production.
3. Assembly Line: Then after cutting raw materials are assembled in accordance with the technical drawings and instructions in accordance to the original approved and signed sample.
4. Finishing: The final finishing of the items is done in accordance to the signed and approved original sample. We make sure that the raw materials used in the process and the procedure of application is the same as in the original approved sample. This stage may also involve painting or printing.
5. Packaging: This is the final stage of production. All care and quality checks having done we go for the packaging of the items. The carton quality, packaging materials like foam sheets, thermocol sheets and other such cushioning materials are thoroughly checked and used. The packaging team is instructed to follow the buyer agreed and advised parameters and norms. The cartons are

marked/printed as per buyer's instructions and artwork including caution marks, care and handling instructions for the transportation company or for the ware house for storage or further dispatches.

6. Inspection processes: This important activity is conducted at all of stages of manufacturing. Pre-production Inspection is done on the first 5% of the production also called the pilot run, to look into the quality and identify possible problems or lacunases. This is followed by Mid-Line Inspection i.e., when the production is around half way through. This is the stage when we conduct the transit test so as to make sure that there is no damage to the carton or the item inside it during transportation. Final Inspection is conducted after all production and packaging is fully done, just before the merchandise is dispatched.
7. Dispatch: Finally, the merchandise is dispatched post we get the Final Inspection Report from the QA personnel appointed by buyer. The final packed merchandise is dispatched by containers or close bodied trucks. These containers are checked thoroughly from the inside and outside and photographed and records of same are maintained by us. Our Company does not accept damaged containers or truck for merchandise dispatch. If any are found, we issue notifications and instructions for replacement.

OUR MANUFACTURING FACILITY

Our manufacturing facility is operated 6(Six) days in a week having 8(Eight) hours of shift with national and public holidays being the off days and presently working 1(One) shift per day.

Set forth below are details of the installed capacity and the utilized capacity for the Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022 and for the Financial Year ended March 31, 2021, respectively.

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY2022-23
Capacity	1,50,000-1,75,000	1,50,000-1,75,000	1,50,000-1,75,000	1,50,000-1,75,000	1,50,000-1,75,000
Production	70,790	43,500	42,000	45,000	28,500
Utilisation	40.45%	24.86%	24.00%	25.71%	16.29%

*As certified by Orbit Consultants and Valuers, Chartered Engineer, vide their certificate July 06, 2023.

Our Equipment

The details of existing Plant and Machineries in our manufacturing facility are given herein below:

SR. NO.	PARTICULAR	MODEL	BRAND	POWER	QTY	PURCHASE DATE
A. WOODEN SAMPLE DEPARTMENT						
1	HAND BUFF MACHINE	HP-2 HP-1	-	3 PHASE 1 PHASE	7 1	June 13, 2015
2	VERTICAL BANDSAW MACHINE 12	KW-2.2 HP-3	ASHOK COMPNAV	3 PHASE	1	August 13, 2016
3	CUTTER MACHINE 2.5X3'FEET	KW-2.2 HP-3	JAY COMPANY	-	1	June 16, 2014
4	SHAPER MACHINE 48"X9"	-	JAY COMPANY	3 PHASE	1	January 01, 2015
5	SHAPER MACHINE 60"X13"	KW - 1.5 HP-2	JAY COMPANY	3 PHASE	1	May 22, 2016
6	GAUGE MACHINE WITH MOTOR 18"	HP-3	SARSHLOATI COMPNAV	3 PHASE	1	January 14, 2018
7	GAUGE MACHINE WITH MOTOR 24"	KW-0.745 HP-5	-	3 PHASE	1	June 16, 2015
8	DRILL MACHINE BIG 5FT WITH MOTOR	KW-0.75 HP-2	ZOMANTO COM	-	1	February 13, 2014
9	DRILL MACHINE SMALL 2FT WITH MOTOR	KW-0.75 HP-2	ZOMANTO COM	-	2	April 11, 2015
10	JIGSAW MACHINE WITH MOTOR	KW-.37 HP-0.5	-	-	2	February 12, 2014
11	TOOL SHARPENER MACHINE WITH MOTOR	HP-1 KW-0.75	JAY COMPANY	-	2	May 15, 2015
12	SENDER MACHINE BIG 8X4 FT	HP-5	-	-	1	February 13, 2016

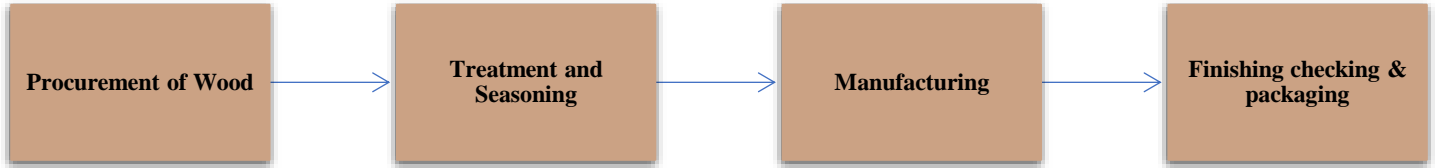
13	HAND GRINDER MACHINE BIG 5"	HP-0.5	BOSCH	-	1	November 14, 2018
14	HAND GRINDER MACHINE SMALL	HP-0.5	BOSCH	-	4	May 24, 2018
15	HAND CUTTER MACHINE	HP-0.5	BOSCH	-	2	March 01, 2019
16	ROUTER MACHINE	KW-50 HZ	BOSCH	-	2	January 11, 2018
17	HAND DRILL MACHINE	KW-50 HZ	BOSCH	-	4	November 16, 2016
18	HAND PLANER MACHINE	KW-50 HZ	BOSCH	-	2	January 31, 2015
19	HAND JIGSAW MACHINE	KW-50 HZ	BOSCH	-	1	November 11, 2016
B. POLISH / FINISHING DEPARTMENT						
20	POLISH SPRAY BOOTH FAN MOTOR	HP-5	KRISHNA ENG	3 PHASE	2	February 26, 2016
21	WATER MOTOR	HP-1	-	3 PHASE	1	February 13, 2014
C. POWDER COATING DEPARTMENT						
22	CYCLONE MACHINE WITH MOTOR	HP- 5	-	-	1	May 15, 2014
23	POWDER COATING BOOTH WITH MOTOR	KW-2.2 HP-3	CHESS	3 PHASE	1	December 25, 2018
24	POWDER COATING BOOTH WITH MOTOR	KW-2.2 HP-3	SHARDA	3 PHASE	1	January 01, 2014
D. IRON SAMPLE DEPARTMENT						
25	MIG WELDING MACHINE	M-250 HP-5 VOLT 220	WELD TECH INDIA	3 PHASE	13	April 24, 2015 & April 30, 2015
26	MIG WELDING MACHINE	MIG-200 GW HP-2	RILAND	SINGLE PHASE	2	August 06, 2015 & March 22, 2017
27	ELECTRIC WELDING MACHINE (OIL)	HP-5	-	1-2 PHASE	3	July 15, 2016
28	ELECTRIC WELDING MACHINE	ARC -250 HP-2	USHA	SINGLE PHASE	1	September 22, 2015
29	SPOT WELDING MACHINE (COPPER)	13 R-1R 0109 KV-10	RAJLAXMI	1-2 PHASE	4	March 25, 2016 & April 19, 2016
30	DRILL MACHINE BIG	KW-0.75	ZOMANTO COM	3 PHASE	1	May 05, 2016
31	DRILL MACHINE SMALL	HP 0.5 WT 220	CG COMMERCIAL METAL	3 PHASE	2	June 26, 2018
32	POWER PRESS MACHINE 20 TON	2-HP KW- 5 (2012) 2 HP KW -5 (2015)	RAJCOT	3 PHASE	2	April 14, 2014
33	STAND GRINDER MACHINE	HP-2	HITACHI	3 PHASE	1	April 16, 2016
34	HAND GRINDER MACHINE	HP=-0.5	BOSCH KJP	SINGLE PHASE	11	October 17, 2018
35	HAND CUTTER MACHINE BIG	IN 20 VOLT 220	DEWALT (D28730)	SINGLE PHASE	2	November 25, 2019
36	HAND CUTTER MACHINE SMALL	VLOT-220 HP-0.5	KTP	-	1	December 12, 2016

37	COMPRESSOR MACHINE 30 HP /KW-22	N-22-7 AHR 10585459	IR EVOLUTION	3 PHASE	1	January 20, 2015
38	COMPRESSOR MACHINE 7.5 HP	KW-5.5 HP-7.5	INGER SOLLAND	3 PHASE	1	June 14, 2016
39	AIR TANK	-	INGER SOLLAND	-	1	February 13, 2018
40	COMPRESSOR MACHINE 2.5 HP SMALL	HP-2.5	-	SINGLE PHASE	1	January 25, 2017
41	COROGATION MACHINE WITH GEAR BIG	KW-1.5 HP -2	HAVELLS	3 PHASE	1	January 25, 2017
42	COROGATION MACHINE WITH GEAR SMALL	HP-0.75	-	-	2	October 01, 2016
43	AIR WATER COOLAR BIG	KW-50 HZ	OCTIVA COMPANY	-	3	July 03, 2021 & June 18, 2021
44	WATER COOLAR	HP-1 VOTT- 220	BLUE STAR	-	2	April 18, 2015
45	XEROX MACHINE	-	ADITI ENT.- CANON	-	2	September 30, 2015-B&W & October 25, 2017-colour
46	CURRENCY COUNTING MACHINE	-	-	-	1	June 14, 2016
47	REFRIGERATOR MEDIUM	-	RUDRAKSH TRADING CO- GODREJ	-	2	May 12, 2015
48	REFRIGERATOR SMALL	-	VOLTAS	-	1	April 25, 2018
49	COMPUTER DESKTOP	-	DIAMOND SALES-HP	-	9	September 22, 2025, February 25, 2016, September 16, 2016 & October 29, 2016
50	LAPTOP	-	HP	-	1	October 27, 2017
51	AIR CONDITIONER	HP-6.5	O GENERAL / DAKIN / HAVELS / LLOYAD	-	7	May 04, 2015, September 21, 2016 & June 06, 2017
52	FIRE HYDRANT MOTOR PUMP	KW-7.5 HP-10	KIRLOSKAR BROTHER COMPNA Y	3 PHASE	1	December 24, 2018
53	FIRE HYDRANT MOTOR PUMP	KW-3.7 HP-5	AQUATEX	3 PHASE	1	October 22, 2015
54	TEFC DRILL MACHINE	KW-0.75 HP-01	-	3 PHASE	1	February 15, 2016
55	WATER PUMP MOTOR	KW-0.75 HP-01	-	SINGLE PHASE	-	November 14, 2016
56	GENERATOR	80 KV	JCB POWER PRODUCT INDIA	-	1	June 28, 2016
57	FAN	50HZ	ARJUN ELECTRIC	-	11	June 28, 2015, 28/0/2019 & January 10, 2018

58	EYELET MACHINE	W 180 HP 0.25	CG COMMERCIAL	SINGLE PHASE	1	February 10, 2021
----	----------------	------------------	------------------	-----------------	---	-------------------

**As certified by Orbit Consultants and Valuers, Chartered Engineer, vide their certificate July 06, 2023.*

Our Manufacturing Process (Wooden Products)



1) Procurement of Wood

A quality checker along with supervisor goes to purchase seasoned or treated wood from wood supplier.

2) Treatment and Seasoning

Once the wood is in-house, it is treated with chemical again.

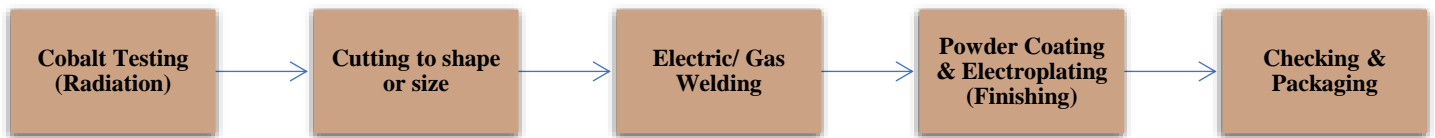
3) Manufacturing

Then wooden planks are then cut down to shape and size as required for the particular product.

4) Finishing checking & packaging

After manufacturing the item it is then finished as required and then checked by supervisor followed by packaging of the same

Manufacturing process (Metal Products)



1) Cobalt Testing (Radiation)

We conduct cobalt testing of iron at the time of purchase at the source before procurement.

2) Cutting to shape or size

The raw material is then cut to different shapes or sizes as per the approved counter sample or required item for manufacturing.

3) Electric/ Gas Welding

Assembly of manufactured parts with help of welding/soldering

4) Assembly Lining

The item is then finished through the powder coating or electroplating process as required for finishing the item.

5) Finishing checking & packaging

Finished product is then checked by the quality checker and then followed by packaging.

ENVIRONMENT, HEALTH AND SAFETY MEASURES

Environment and safety considerations are an important part of our operations. Our Manufacturing Facility possess efficient safety measures in compliance with applicable laws. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis, control of risks and by providing appropriate training to our management and our employees. Our manufacturing facility has installed fire safety equipment to manage any fire accident at its facility.

We believe in the strict adherence of laws and regulations relating to protection of human health, safety, and environmental protection. We follow high standards of work safety measures, ensuring equipment and working conditions create a healthy and safe environment. Our facilities and personnel are well versed with laws and regulations governing the management and disposal of hazardous substances, and we intend to make our operations more environmentally sustainable in the future.

COLLABORATIONS/TIE UPS/JOINT VENTURES

Our Company has not entered into any Collaborations/ Tie-Ups/ Joint Ventures as on the date of this Draft Prospectus.

EXPORT AND EXPORT OBLIGATION

We export our products to more than 5 countries. Some of the key geographies to which we export our products include Australia, Canada, Japan, Europe, Middle East, and United States of America. Our revenue from export for the period from January 19, 2023 to March 31, 2023, for the period from April 01, 2022 to February 18, 2023, Fiscal 2022 and Fiscal 2021 was Nil, ₹ 213.33 lakhs, ₹ 602.48 lakhs and ₹ 390.05 lakhs representing Nil%, 54.26%, 75.47% and 55.31% of our revenue from operations, respectively.

Our sales from exports are denominated in foreign currencies, mostly the U.S. Dollars. Therefore, changes in the relevant exchange rates could also affect our sales as reported in Indian Rupees as part of our financial statements.

Our Company does not have any export obligation as on date of this Draft Prospectus.

SALES AND MARKETING STRATEGY

Marketing is an important function of any organization. Our Company operates in the business-to-customer segment of our industry consequent to which, all of our sales are to customers. Our team continuously carries on research on the open various new opportunities prevailing in the market etc. for further business opportunities. Given the nature of our product offering, we are required to regularly engage and interact with our customers before concluding a sale of our products. Such interaction may include, exchange of design and product information, feedback on various aspects of the product, estimation of effort and cost for development of product as per their expectation. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our Promoters through their vast experience with our customers owing to timely and quality delivery of products, play an instrumental role in creating and expanding a work platform for our Company.

We leverage our relationships with our existing customers to procure repeat orders from them, as well as invitations to develop new products for their new models. Our management has flexibility to accept customer's specific requirements while negotiating and discussing development of new products. In order to maintain good relation with our customers, our Promoters & Directors regularly interacts with them and focuses on gaining an insight into the additional needs of our customers.

We follow various market strategies, some of which below:

- Exhibition at a Trade Show or other events.
- Displaying our Products at Showroom (Located at Company's Premise)

OUR CUSTOMERS AND CUSTOMER CONTRACTS

We have a well-diversified customer base spread across various geographies. We have a customer base in more than 5 countries including Australia, Canada, Japan, Europe, Middle East and United States of America. A majority of our customers are B-2-B. Our top five customer groups, as per our Restated Standalone Financial Statements, contributed to revenue from operations from handicraft and furnishing business ₹ 111.81 lakhs, ₹ 119.39 lakhs, ₹ 142.07 lakhs and ₹ 139.42 lakhs for the period from January 19, 2023 to March 31, 2023, for the period from April 01, 2022 to February 18, 2023, Fiscal 2022 and Fiscal 2021, respectively and constituted 96.94%, 30.37%, 17.80% and 19.77% for the period from January 19, 2023 to March 31, 2023, for the period from April 01, 2022 to February 18, 2023, Fiscal 2022 and Fiscal 2021, respectively.

COMPETITION

We face competition from existing domestic manufacturers as well as international players. Competition emerges from small as well as big players in the handicraft industry. The organized players in the industry compete with each other by providing high quality-time bound products and value-added services. We have a number of competitors offering products of similar segments. We believe that our experience in this business, design component and quality assurance will be key to overcome competition posed by organized and unorganized players. We believe that we are able to compete effectively in the market with our quality of products and our reputation. We believe that the principal factors affecting competition in our business include client relationships, reputation, and the relative quality, design and creativity and price of the products.

UTILITIES

Power

Our Manufacturing Facility and registered office have adequate power supply position from the public supply utilities. We have a connected load from “Jodhpur Vidhyut Vitran Nigam Limited”.

Water

Water is mainly required for cooling the products in production process, fire safety, drinking and sanitation purpose. We meet our water requirements from public supply utilities. We have a connect line from “Jan Swasthya Abhyantriki Vibhag, Rajasthan”.

Dispatch

We have an in-house dispatch department that works with our sales team to coordinate the delivery of our Products on both ex-work/free-on-road (“FOR”) basis. Further, we have storage facility at our manufacturing unit for purposes of holding inventories of raw material as well as finished products, which ensures stability of operations. Further, for the purposes of procuring our raw material supplies, we rely on road transportation.

NETWORK

RAW MATERIAL AND SUPPLIERS

Our key raw materials for the manufacturing our products includes wood, metal components, stone, paints, etc. All the raw materials are purchased from third parties. We typically do not enter into long-term supply contracts with any of our suppliers with respect to our raw material requirements. Our purchase for the period from January 19, 2023 to March 31, 2023, for the period from April 01, 2022 to February 18, 2023, Fiscal 2022 and Fiscal 2021 was ₹ 32.57 lakhs, ₹ 212.75 lakhs, ₹ 623.55 lakhs and ₹ 593.79 lakhs representing 28.25%, 54.11%, 78.11% and 84.19% of our revenue from operations, respectively. Further we also use imported raw materials such as mild and high-density fiber wood, plys and furniture hardware items which we source from domestic vendors.

We enjoy a long-standing relationship with many of our raw material suppliers, which enables a timely manufacturing and delivery of components. We keep an array of suppliers with us, to ensure that there is no delay in manufacturing and delivery of the component to the customer due to the delay or failure to supply a critical raw material by any supplier. Our top 10 suppliers contribute 86.37%, 22.88%, 16.75% and 13.47% of the purchase for the period from January 19, 2023 to March 31, 2023, for the period from April 01, 2022 to February 18, 2023, Fiscal 2022 and Fiscal 2021, respectively. Presently, we have not entered into any long-term supply agreements for sourcing any of our raw materials, and we source our raw materials by entering into short-term supply agreements / purchase orders with our suppliers.

INFORMATION TECHNOLOGY

Our IT systems are vital to our business and we use third party accounting software i.e., tally. We use computers, laptops and other designing software to create our products. We are not dependent on any third-party storage facilities to protect the confidentiality of our business data.

HUMAN RESOURCES

We place importance on developing our human resources. We focus on attracting and retaining the best possible talent. Our business model comprises of experienced, qualified and semi qualified personnel. Our Company’s overall staff strength is 53 employees including skilled and unskilled labour, administrative staff and management team. Our work processes and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans. Further, the company does not employ workers on contract basis.

Following is the Department wise employees list: -

Sr. No.	Department	No. of Employees
1	Board of Directors	6
2	Chief Financial Officer	1
3	Company Secretary	1
4	Senior Management Personnel	4
5	Design	2
6	Information Technology	1
7	Purchase	1

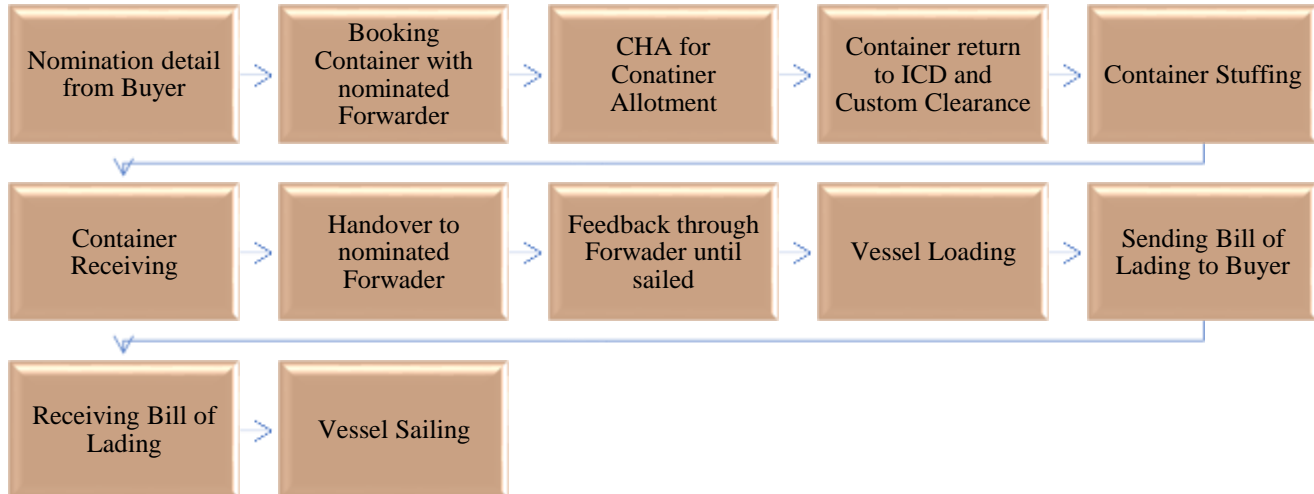
Sr. No.	Department	No. of Employees
8	Production Wood	3
9	Production-Iron	7
10	Production-Polish	3
11	Production-Power Coating	2
12	Production-Packaging	8
13	Production-Helper	7
14	Administration	6
15	Stores	1
TOTAL		53

LOGISTICS

We transport our finished products by road, railway and sea. We sell our products on a cost, insurance and freight basis, and on a door delivery/ DDP basis. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facilities. We do not own any vehicles for the transportation of our products and/or raw materials; we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. However, we do not have any long-term contractual arrangements with such third-party transportation and logistics providers. Disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time.

We procure raw materials based on our requirement, from pre-approved vendors. On receipt of the raw materials, our quality control team tests the materials and after such testing of the materials, the quality control department confirms whether the material is to be approved or rejected. The unloading of the raw materials in our factory premises is always done under supervision of the authorised personnel.

We follow below given logistic process when handing over product to our customers



INSURANCE

Except as mentioned below, our Company does not have any Insurance Policy as on date of this Draft Prospectus.

Name of the Insurance Company	Type of Policy	Validity Period	Description of Assets covered under the Policy	Policy No.	Total Sum Insured (₹)	Premium (₹)
United India Insurance Company Limited	United Bharat Laghu Udyam Suraksha Policy	Midnight of August 26, 2023	Stocks of all description and Building- [Carpenters, Wood wool Manufacturing, Furniture Manufacturing and other wood worker shops (excluding saw mill) (2034)]	2902011123P10 4568227	6,00,00,000	17,820

Our Company believes that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and our Company cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

OUR PROPERTIES


Immovable Properties

The brief details of some of the material properties owned/leased by our Company are set out below:

Sr. No	Details of the Property	Date of Agreement	Owner/ Lessor	Consideration/ Lease Rent (₹)	Purpose Used
1.	A-48 A, Marudhar Industrial Area, Phase -II, Basni, Jodhpur- 342005	May 13, 2015	M/s. Shri Krishna International	₹ 2,72,000/- plus GST per month	Registered Office

Intellectual Property

Our Company has obtained registration and/or made applications for the registration of the following trademark with Trademark Registry, Government of India.

Sr. No	Brand Name/ Logo Trademark	Class	Nature of Trademark	Applicant	Application No. & Date	Status
1		20	Application no. 5964500 Date: June 03, 2023	Kahali Craftistics Limited	Registrar of Trademark, Ahmedabad	Formalities Check Pass

Domain Details

Sr. No	Domain Name and ID	Registry Domain ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	https://www.kahalicraftistics.com/about-us	2768528396_DOMAIN_COM-VRSN	Mr. Sanjeev Kahali, 45 Golf Course, Jodhpur	March 28, 2023	March 28, 2024

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 202 of this Draft Prospectus.

THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

SEBI REGULATIONS:

Securities And Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from the SEBI Act, 1992, SCRA 1956, SCRR 1957 and other rules and regulations, listed entities are mainly regulated by SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

TAX RELATED REGULATIONS

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the Central and State Governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance

RoDTEP Scheme:

RoDTEP stands for Remission of Duties and Taxes on Export Products. It is a new scheme that is applicable with effect from January 1st, 2021, formed to replace the existing MEIS (Merchandise Exports from India Scheme). The scheme will ensure that the exporters receive the refunds on the embedded taxes and duties previously non-recoverable. The scheme was brought about with the intention to boost exports which were relatively poor in volume previously. Mandi tax, VAT, Coal cess, Central Excise duty on fuel etc. will now be refunded under this particular scheme. All the items under the MEIS and the RoSTCL (Rebate of State and Central Taxes and Levies) are now under the purview of the RoDTEP Scheme.

BUSINESS / TRADE RELATED LAWS / REGULATIONS

The schemes implemented by Office of the Development Commissioner (Handicrafts) are composite in nature and not specific to area, caste or gender. The artisans belonging to all communities including women artisans draw benefits from the schemes. Office of Development Commissioner (Handicrafts), is implementing following generic schemes:

- A. National Handicrafts Development Programme (NHDP)
- B. Comprehensive Handicrafts Clustuer Development Schemes (CHCDS)

Plastic Waste Management (PWM) Rules, 2016

The government of India, through the Ministry of Environment, Forest and Climate Change notified the new Plastic Waste Management Rules, 2016 (through a Gazette notification dated 18 March, 2016). This supersedes the Plastic Waste (Management and Handling) Rules, 2011 that governed such activities earlier. This provides the framework for how plastic waste generators, local bodies, manufacturers, importers etc., to manage plastic waste.

The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT

The Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the an updated circular is issued.

The reporting requirements for any investment in India by a person resident in India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates

The Foreign Trade (Development & Regulation) Act, 1992

The Foreign Trade (Development and Regulation) Act, 1992 read along with relevant rules inter-alia provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorized to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder.

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

Laws related to Overseas Investment by Indian Entities:

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in supression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI have vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

Foreign Trade Policy 2023:

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT (D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services. All exports and imports made up to 31.03.2023 shall, accordingly, be governed by the relevant FTP, unless otherwise specified.

ENVIRONMENT LAWS:

National Environmental Policy, 2006

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people

dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy: —

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

Environmental Legislations

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”), Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”), and the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”) aim to prevent, control and abate pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. The Water Act aims to prevent and control water pollution and to maintain or restore water purity and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board.

INTELLECTUAL PROPERTY LAWS

The Trade Marks Act, 1999:

The Trade Marks Act, 1999 (“Trade Marks Act”) and rules made thereunder provides for application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying trademarks.

Copyright Act, 1957 (“Copyright Act”)

The Copyright Act grants protection to the authors of literary, artistic, dramatic, musical, photographic, cinematographic or sound recording works from unauthorized uses. Various rights including ownership and economic rights are conferred on the author. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire.

LAWS RELATED TO EMPLOYMENT OF MANPOWER:

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit,

social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

The Industrial Relations Code, 2020 (“Industrial Code”)

The Ministry of Law and Justice, with an intent to consolidate and amend laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial dispute, has introduced the Industrial Code. The Code provides that the Central Government may repeal the provisions of the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947 and may supersede them with the applicability of any provision of the Industrial Code. The Industrial Code is a central legislation and extends to the whole of India. The Industrial Code empowers the Central Government to require an establishment in which one hundred or more workers are employed or have been employed on any day in the preceding twelve months to constitute a works committee consisting of representatives of employer and workers engaged in the establishment. The code further requires every establishment with twenty or more workers to have grievance redressal committees for resolution of disputes arising out of individual grievances. The code bars the jurisdiction of civil courts to any matter to which the provisions of the Industrial Code apply, and provides for establishment of industrial tribunals for adjudication of such matters. The Industrial Code provides for provisions pertaining to lay-off and retrenchment of employees and closure of establishments and compensation provisions in relation thereto. The Industrial Code provides for monetary fines, penalties and imprisonment in case of contravention of the provisions of the code.

Employees (Provident Fund and Miscellaneous Provisions) Act, 1952

Under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Employees State Insurance Act, 1948, as amended (the “ESIC Act”)

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

Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”)

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 (“MWA Rules”)
- Industrial (Development and Regulation) Act, 1951 (“IDRA”)
- Industrial Disputes Act, 1947 (“ID Act”)
- Payment of Bonus Act, 1965 (“POB Act”)
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)

- Equal Remuneration Act, 1976 (“ER Act”)
- Contract Labour Regulation and Abolition Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 (“WCA”)
- Maternity Benefit Act, 1961 (“Maternity Act”)
- Industrial Employment Standing Orders Act, 1946

OTHER GENERAL REGULATIONS

State Laws

We own and operate in logistics industry and custom clearance activities. Accordingly, legislations passed by the state governments are applicable to us which include legislations relating to, among others, classification of fire prevention and safety measures and legislations dealing with license for transport and clearance of alcohol. Further, we require several approvals from local authorities such as municipal bodies, approval under State Shops and establishment Act and like. The approvals required may vary depending on the state and the local area.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for several business and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Other regulations:

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930, Competition Act, 2002 and The Arbitration & Conciliation Act, 1996 are also applicable to the company.

PROPERTY RELATED LAWS

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

HISTORY AND CERTAIN CORPORATE MATTERS

HISTORY AND BACKGROUND

Our Company was originally incorporated as “Kahali Craftistics Limited” a public limited company under the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre pursuant to a certificate of incorporation dated January 19, 2023 bearing Corporate Identification Number (CIN) U36900RJ2023PLC085926. Subsequently, our Company has acquired the entire running business with the assets and liabilities of “M/s. Sanjeev Kahali”, sole proprietorship concern of our Promoter Sanjeev Kahali vide Business Transfer Agreement dated February 18, 2023.

Promoters of our Company are Sanjeev Kahali, Lipika Kahali and Anirbaan Kahali

CHANGES IN REGISTERED OFFICE OF OUR COMPANY.

Except as disclosed below, there has been no change in the Registered Office of our Company since inception till the date of this Draft Prospectus.

Date of Change	Details of Change in the Registered Office	Reason for Change
May 31, 2023	The registered office of our Company was shifted from 45, Golf Course, Air Force Area Jodhpur-342011 Rajasthan to A-48 A, Marudhar Industrial Area Phase-II, Basni, Jodhpur-342005.	Administrative Convenience

The registered office of our Company is situated at A-48 A, Marudhar Industrial Area Phase-II, Basni, Jodhpur-342005 Rajasthan.

MAIN OBJECTS OF OUR COMPANY

The Main Objects clause of the Company as per the Memorandum of Association is as under:

- To undertake, promote or engage in all kinds of activities like visualising products, designing, sampling, marketing, mass production, finishing, painting, printing, packaging and dispatch and market the same B to B and B to C and engaging and hiring professionals, experts, craftsmen, officials and supporting staff and labour.
- To develop, design, own, sell, manufacture, operate, engage or deal in all kinds of products of handcrafted, artistic articles of decor, utility and furniture, catering to the domestic and international markets.
- To carry on in India or elsewhere the business to establish, promote, encourage, provide, sponsor, organise, maintain, operate and run fashion centers, boutiques, art & craft showroom, handloom and handicraft centers and to carry on the business as manufacturers, importers, exporters, processors, producers, To agents, buyers, sellers, of distributors, stockists, whole sellers, retailers, designers or otherwise deal in all sorts of articles or things as may be necessary for attainment of the aforesaid objects of the company and to conduct classes, seminars, demonstrations, education and training programmes in the field of handicrafts and boutiques

Other relevant Objects permitting the acquisition of M/s. Sanjeev Kahali, Proprietary Concern of our Promoter, Sanjeev Kahali.

Clause 3(b) Matters which are necessary for furtherance of the Objects specified in clause 3(a) are

- To inherit, acquire and continue the existing business of M/s. Sanjeev Kahali, Proprietorship firm of Mr. Sanjeev Kahali, by issuing shares to the proprietor as per the Valuation of the Net Asset of the Proprietorship firm, including its current, future rights and obligation, if any.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION (MOA)

Since incorporation, the following amendments have been made to the MoA:

Date of Shareholder's Resolution	Clause	Particulars
May 31, 2023	Clause V	Increase in Authorised Capital from ₹ 5,00,000 to ₹ 5,00,00,000 consisting of 50,00,000 Equity Share of face value of ₹ 10.00/- each
February 18, 2023	Object Clause	Addition in Main Object as below <i>To inherit, acquire and continue the existing business of M/s. Sanjeev Kahali, Proprietorship firm of Mr. Sanjeev Kahali, by issuing shares to the proprietor as per the Valuation of the Net Asset of the Proprietorship firm, including its current, future rights and obligation, if any.</i>

MAJOR EVENTS, MILESTONES, KEY AWARDS, ACHIEVEMENTS AND ACCOLADES OF OUR COMPANY

The following tables set forth the major events and milestones in the history of our company:

Financial Year	Major Events, Milestones, Key Awards, Achievements and Accolades
2023	Incorporation of our Company
2023	Takeover of proprietorship concern namely M/s. Kahali Craftistics proprietorship firm of our Promoter i.e., Sanjeev Kahali

HOLDING / SUBSIDIARY COMPANY/ JOINT VENTURE AND ASSOCIATE

As on the date of this Draft Prospectus, our Company does not have a Holding or Subsidiary company or any joint venture or any Associate.

STRATEGIC PARTNERS

Our Company does not have any strategic partners as on the date of this Draft Prospectus.

FINANCIAL PARTNERS

Apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, as on the date of this Draft Prospectus, our Company does not have any financial partners.

TIME AND COST OVERRUN IN SETTING UP OF PROJECTS

As on the date of this Draft Prospectus, there have been no instances of time and cost overruns in setting up of our projects.

LOCK-OUT AND STRIKES

There have been no instances of strikes or lock-outs at any time in our Company.

CAPACITY/ FACILITY CREATION, LOCATION OF PLANTS

For details pertaining to capacity / facility creation, location of plant refers section titled “*Business Overview*” beginning on page 87 of this Draft Prospectus.

DETAILS OF LAUNCH OF KEY PRODUCTS, ENTRY IN NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS

For details pertaining to launch of key products, entry in new geographies or exit from existing markets, please refer section titled “*Business Overview*” on page 87 of this Draft Prospectus.

DEFAULTS OR RESCHEDULING / RESTRUCTURING OF BORROWINGS OF OUR COMPANY WITH FINANCIAL INSTITUTIONS / BANKS

As on the date of this Draft Prospectus, there have been no defaults or rescheduling/restructuring of borrowings with any of the financial institutions/banks in relation to our Company.

ACQUISITION OR DIVESTMENTS OF BUSINESS / UNDERTAKINGS, MERGERS AND AMALGAMATIONS

Except as disclosed below, our Company has not acquired any entity, business or undertakings nor has undertaken any mergers or amalgamation during the last ten (10) years:

Our Company has acquired the running business of the M/s Sanjeev Kahali proprietorship concern of our Promoter Sanjeev Kahali, pursuant to a Business Transfer Agreement dated February 18, 2023 entered among Sanjeev Kahali proprietor of M/s Sanjeev Kahali and Kahali Craftistics Limited. Major details of the agreement are as below –

- (i) Our Company acquired the business of M/s. Sanjeev Kahali for an aggregate sale consideration of ₹ 281.37 lakhs including all its assets and liabilities as on February 18, 2023;
- (ii) The company has issued 3,12,638 Equity shares at a price of ₹ 90 per equity shares of face value ₹10 each to Sanjeev Kahali towards the sales payable to him amounting to ₹ 281.37 lakhs.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

SHAREHOLDERS AND OTHER MATERIAL AGREEMENTS

Except for the business transfer agreement, there are no shareholders and other material agreements, other than those entered into in the ordinary course of business carried on or intended to be carried on by our Company.

CHANGES IN THE ACTIVITIES OF OUR COMPANY HAVING MATERIAL EFFECT

As on date of this Draft Prospectus, there is no changes in the activities of our Company having material effect.

DETAILS OF GUARANTEES GIVEN TO THIRD PARTIES BY THE PROMOTERS

Other than the guarantees provided by our Promoters in relation to certain of our loans as and when required, our Promoters has not given any material guarantees to any third parties with respect to the Equity Shares as on the date of this Draft Prospectus. For further details, see "*Financial Indebtedness*" on page 187.

AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTERS OR ANY SENIOR MANAGERIAL PERSONNEL OR OTHER EMPLOYEE OF THE COMPANY

There are no agreements entered into by key managerial personnel or a Directors or Promoters or senior managerial personnel or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

COLLABORATION

Our Company has not entered into any Collaboration as on the date of this Draft Prospectus.

INJUNCTION OR RESTRAINING ORDERS

There are no injunctions/restraining orders that have been passed against the Company.

OUR MANAGEMENT

BOARD OF DIRECTORS DETAILS ARE AS FOLLOWS

In terms of the Articles of Association, our Company is authorised to have directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution, in accordance with the provisions of the Companies Act, 2013. As on the date of this Draft Prospectus, our Board comprises of 6 Directors, including 3 Executive Directors, 3 Non-Executive Director which constitutes Independent Directors.

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

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Prospectus
<p>Sanjeev Kahali Designation: Chairman & Managing Director DIN: 09863344 Date of Birth: October 24, 1965 Age: 58 Occupation: Business Address: 45, Golf Course, Ratanada, Jodhpur, Rajasthan – 342011 Nationality: Indian Original Date of Appointment: January 19, 2023 Change in Designation: February 18, 2023 Date of expiration of the current term of office: Three years w.e.f., February 18, 2023 and shall not be liable to retire by rotation.</p>	<p>Public limited company 1. Nil. Private Limited Company 1. Nil. Foreign Company 1. Nil</p>
<p>Lipika Kahali Designation: Whole-Time Director DIN: 09863345 Date of Birth: November 07, 1968 Age: 54 Occupation: Business Address: 45, Golf Course, Ratanada, Jodhpur, Rajasthan – 342011 Nationality: Indian Original Date of Appointment: January 19, 2023 Change in Designation: July 01, 2023 Date of expiration of the current term of office: Five Years w.e.f., July 01, 2023 and liable to retire by rotation</p>	<p>Public limited company 1. Nil Private limited company 1. Nil Foreign Company 1. Nil</p>
<p>Anirbaan Kahali Designation: Whole-Time Director DIN: 09863346</p>	<p>Public limited company 1. Nil Private limited company</p>

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Prospectus
<p>Date of Birth: February 29, 2000 Age: 23 Occupation: Service Address: 45, Golf Course, Ratanada, Jodhpur, Rajasthan – 342011 Nationality: Indian Original Date of Appointment: January 19, 2023 Change in Designation: July 01, 2023 Date of expiration of the current term of office: Five Years w.e.f., July 01, 2023 and liable to retire by rotation.</p>	<p>1. Nil Foreign Company 1. Nil</p>
<p>Avijit Vasu Designation: Non-Executive Independent Director DIN: 09209383 Date of Birth: November 19, 1988 Age: 34 Occupation: Professional Address: 394, Jai Narayan Vyas Colony, Jaisalmer, Rajasthan - 345001 Nationality: Indian Original Date of Appointment: April 01, 2023 Change in Designation: July 28, 2023 Term: Five years w.e.f. April 01, 2023 not liable to retire by rotation</p>	<p>Public limited company 1. Servoteach Industries Limited Private limited company 1. Nil Foreign Company 1. Nil</p>
<p>Chetan Chhangani Designation: Non-Executive Independent Director DIN: 03381299 Date of Birth: February 20, 1988 Age: 35 Occupation: Professional Address: 78, Chhangani Pada, Jaisalmer, Rajasthan - 345001 Nationality: Indian Original Date of Appointment: April 01, 2023 Change in Designation: July 28, 2023 Term: Five years w.e.f. April 01, 2023 not liable to retire by rotation</p>	<p>Public limited company 1. Nil Private limited company 1. Zephyrsun Electro Mech Private Limited 2. Adlaw Energy Private Limited Foreign Company 1. Nil</p>
<p>Vikas Paliwal Designation: Non-Executive Independent Director</p>	<p>Public limited company 1. MFL India Limited</p>

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Prospectus
DIN: 06654299 Date of Birth: July 01, 1983 Age: 40 Occupation: Professional Address: Acharya Para, Jaisalmer, Rajasthan - 345001 Nationality: Indian Original Date of Appointment: April 01, 2023 Change in Designation: July 28, 2023 Term: Five years w.e.f. April 01, 2023 not liable to retire by rotation	2. Varaha Infra Limited Private limited company 1. Peak Classes Private Limited Foreign Company 1. Nil

Brief Biographies of our Directors

Sanjeev Kahali is the Chairman & Managing Director of the board of our Company. He is one of the Promoter of our Company. He has been associated with our Company since incorporation. He holds a bachelor of arts degree from St. Joseph's College, Bangalore. He also holds LLB degree from Bangalore University and diploma in fine arts from Santhanus Chitira Vidyalayam. He has over 30 years of experience in the field of handicraft industry.

Lipika Kahali is the Whole-Time Director of the board of our Company. She is one of the Promoter of our Company. She has been associated with our Company since incorporation. She holds a master of arts in political science degree from University of Kalyani. She has over 10 years of experience in the field of handicraft industry.

Anirbaan Kahali is the Whole-Time Director of the board of our Company. He is one of the Promoter of our Company. He has been associated with our Company since incorporation. He has completed his 10+2, from Delhi Public School, Jodhpur and degree in Product and Industrial Design from New Delhi. He has recently joined our Company.

Avijit Vasu is the Non-Executive Independent Director of our Company. He has been associated with our Company since April 01, 2023. He has completed bachelors of science from Maharshi Dayanand Saraswati University, Ajmer. He is also member of Institute of Company Secretaries of India since 2014 and in practice for over 7 years as Company Secretary.

Chetan Chhangani is the Non-Executive Independent Director of our Company. He has been associated with our Company since April 01, 2023. He has completed bachelors of commerce from Jai Narain Vyas University, Jodhpur. He is also member of Institute of Company Secretaries of India since 2016 and in practice for over 6 years as Company Secretary.

Vikas Paliwal is the Non-Executive Independent Director of our Company. He has been associated with our Company since April 01, 2023. He has completed bachelors of commerce from Maharshi Dayanand Saraswati University, Ajmer and LLB from Jai Narain Vyas University, Jodhpur. He is also member of Institute of Company Secretaries of India since 2010 and in practice for over 10 years as Company Secretary.

Relationship between our Directors and Key Managerial Personnel

Except as disclosed below, none of Our Director are related to each other or to any of the KMPs as per the definition of "Relative" under the Companies Act, 2013.

Name of Director	Name of another Director	Relationship
Sanjeev Kahali	Lipika Kahali	Husband-Wife
	Anirbaan Kahali	Father-Son
Lipika Kahali	Sanjeev Kahali	Wife-Husband
	Anirbaan Kahali	Mother-Son
Anirbaan Kahali	Sanjeev Kahali	Son-Father
	Lipika Kahali	Son-Mother

Details of any arrangement or understanding with major shareholders, customers, suppliers or others

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers and none of our Directors were appointed pursuant to any arrangement or understanding with any major shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company do not have any service contract with the Directors pursuant to which they are entitled to any benefits upon termination of employment.

Borrowing Powers of the Board

Pursuant to our Article of Association and applicable provision of the Company Act 2013 and pursuant to the special resolution passed by the members at the EGM of the Company held on July 28, 2023, pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act and rules made there under, our Board has been authorized to borrow any sum of money from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital and free reserves of our Company, provided that the total outstanding amount so borrowed shall not any time exceed the limit of ₹ 10,000 lakhs.

Terms of Appointment & Remuneration to Executive Directors

Sanjeev Kahali

Sanjeev Kahali was appointed as a Chairman and Managing Director of our Company, by virtue of resolution passed by our Board of Directors on January 25, 2023, and by the shareholders in the Extraordinary General Meeting held on February 18, 2023 for a period of 3(Three) years for a remuneration of ₹ 10 Lakh per annum or as may be decided by the Board from time to time.

Detailed Bifurcation below

Particulars	Details
Remuneration	Basic Salary of ₹ 10 Lakh per annum or as may be decided by the Board from time to time.
Benefits, Perquisites and Allowance	<p>In addition to salary, the above Chairman and Managing Director will be allowed perquisites as specified in Category a, b and other terms, which are as follows and which forms part and inclusive of basic salary as mentioned in b above:</p> <p>Category – a:</p> <ol style="list-style-type: none">Housing: Furnished/ Unfurnished residential accommodation or house rent allowance up to 10% of the salary in lieu thereof.The expenditure incurred by the Company for gas, electricity, water and furnishing shall be valued as per the Income Tax Rules 1962. This shall, however be subject to a ceiling of ten percent of the basic salary of the Managing Director.Medical Reimbursement: The Expenditure incurred for self and family, as decided by the Board from time to time.Leave Travel Concession: For self and family, once in a year in accordance with the Rules of the Company.Club Fees: Fees of clubs, subject to maximum of two Clubs. This will not include life membership feesPersonal Medical/ Accident Insurance: Personal Medical / Accident Insurance of an amount, the annual premium of which shall be paid as per the Rules of the Company. <p>Category – b:</p>

	<p>The Chairman and Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration as per provisions of the Companies Act, 2013:</p> <ol style="list-style-type: none"> i. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. ii. Gratuity payable at a rate not exceeding half a months' salary for each completed year of service and iii. Encashment of Leave at the end of the tenure. <p>Other Terms:</p> <ol style="list-style-type: none"> i. The Chairman and Managing Director is entitled to reimbursement of all actual expenses as per the Rules of the Company including on entertainment and travelling incurred in the course of the Company's business. ii. The Chairman and Managing Director is entitled to avail of fully paid leave as per the Rules of the Company as applicable to the senior executives. iii. The Chairman and Managing Director, subject to the applicable provisions of the Companies Act, 2013, is also eligible for housing loan as applicable in accordance with the Rules of the Company. iv. The Chairman and Managing Director is also entitled to the benefits under all other schemes, privileges and amenities as are granted to the senior executives of the Company in accordance with the Company's practice, rules and regulation in force from time to time. v. The Chairman and Managing Director is not entitled to payment of any sitting fees for attending the meetings of the Board or of a Committee thereof. vi. The appointment shall be terminated by the Company by giving him six months' notice or on payment of six months' basic salary in lieu thereof and by him by giving six months' notice. vii. For all other terms and conditions not specifically spelt out above, the provisions of Agreement of Change in designation of Managing Director, to be executed between the Company and Mr. Sanjeev Kahali shall apply. <p>Minimum Remuneration: In case in any financial year during the currency of the tenure of the Chairman and Managing Director, the Company has no profits or the profits are inadequate, the Company shall, subject to the approval of the Central Government, wherever required, if any, and the provisions of Sections 197, 198 and 203 read with and subject to the conditions and limits specified in the Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) pay to the Managing Director basic salary, perquisites and allowances as specified above.</p>
--	---

Lipika Kahali

Lipika Kahali was appointed as a Whole-Time Director of our Company, by virtue of resolution passed by our Board of Directors on July 06, 2023, and by the shareholders in the Extraordinary General Meeting held on July 28, 2023 for a period of 5(Five) years for a remuneration of ₹ 7.50 Lakh per annum or as may be decided by the Board from time to time.

Detailed Bifurcation below

Particulars	Details
Remuneration	Basic Salary of ₹ 7.50 Lakh per annum or as may be decided by the Board from time to time.

Benefits, Perquisites and Allowance	As decided by Board of Director
--	---------------------------------

Anirbaan Kahali

Anirbaan Kahali was appointed as a Whole-Time Director of our Company, by virtue of resolution passed by our Board of Directors on July 06, 2023, and by the shareholders in the Extraordinary General Meeting held on July 28, 2023 for a period of 5(Five) years for a remuneration of ₹ 7.50 Lakh per annum or as may be decided by the Board from time to time.

Detailed Bifurcation below

Particulars	Details
Remuneration	Basic Salary of ₹ 7.50 Lakh per annum or as may be decided by the Board from time to time.
Benefits, Perquisites and Allowance	As decided by Board of Director

The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof)

Remuneration paid to Executive Directors during preceding FY 2022-2023

Name of the Directors	Amount (₹ in lakhs)
Sanjeev Kahali	6.40
Lipika Kahali	1.30
Anirbaan Kahali	1.90

Other than the aforementioned remuneration, our Executive directors is not entitled to any other compensation or benefits.

Payment or benefit to Non-Executive Directors and Independent Directors of our Company

Pursuant to Board resolution dated April 04, 2023 each Non-Executive Independent Directors is entitled to receive sitting fees of ₹ 10,500 for attending Board and Committee Meetings. Further, our Non-Executive Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act and the SEBI Listing Regulations. Our Company had no Independent Directors in Financial Year 2023. Hence, no sitting fees or commission was paid by our Company to any Independent Directors in Financial Year 2023.

Remuneration paid or payable to our Directors by our Subsidiaries

There is no subsidiary of our Company. Hence, none of the Directors of our Company has been paid any remuneration, including any contingent or deferred compensation accrued for Financial Year 2022-23.

Shareholding of Directors in our Company

As per our AOA, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as on the date of this Draft Prospectus is set forth below:

Name of director	Number of equity shares	Percentage of Pre-Issue Capital (%)
Sanjeev Kahali	3,38,138	73.51%
Lipika Kahali	78,852	17.14%
Anirbaan Kahali	11,500	2.50%
Total	4,28,490	93.15%

Confirmations

None of our Directors is or was a Director of any listed companies, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the five (5) years preceding from the date of this Draft Prospectus, during their term of directorship in such company.

None of our Directors is or was, a Director of any listed companies, which has been or were delisted from any stock exchange(s), during their term of directorship in such Company.

None of our Directors have been or was identified as a Wilful Defaulter or fraudulent borrower as defined under SEBI ICDR Regulations.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

Interest of directors

All our Non-Executive Independent Director may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles. Our Executive Directors may be deemed to be interested to the extent of remuneration payable to them pursuant to Articles of the Company and resolution approved by the Board of Directors/ Members of our Company, as the case may be, time to time for services rendered as an officer or employee of our Company. The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer section titled "***Our Management***" on page 115 of this Draft Prospectus.

Other than our Promoter Directors, none of the other Directors have any interest in the promotion of our Company other than in the ordinary course of business.

No sum has been paid or agreed to be paid to our directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

Except as stated in the sections titled "***Business Overview***" and "***Restated Financial Statement***" beginning on pages 87 and 138 of this Draft Prospectus, none of our directors have any interest in the property acquired or proposed to be acquired by our Company.

Interest in the property of Our Company

Except for the purchase of the entire business of M/s Sanjeev Kahali vide a Business Purchase Agreement dated February 18, 2023 and details as mentioned in this Draft Prospectus, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of this Draft Prospectus

As on date of this Draft Prospectus, no loans have been availed by our Directors from our Company.

Payment of benefits (non-salary related)

Except as disclosed above, no amount or benefit has been paid or given since incorporation or is intended to be paid or given to any of our Directors except the remuneration for services rendered and/or sitting fees as Directors.

Contingent and Deferred Compensation payable to Directors.

No Director has received or is entitled to any contingent or deferred compensation.

Bonus or profit-sharing plan for the Director

Our Company does not have any bonus or profit-sharing plan for our Directors.

COMPANIES WITH WHICH OUR DIRECTORS HAS DISASSOCIATED AS DIRECTOR IN THE LAST THREE (3) YEARS

Except as disclosed below, our Directors have not disassociated as a director from any companies during the last three years preceding the date of this Draft Prospectus:

Name of the Company or Firm from which Director has Disassociated	Name of Director disassociated	Reasons for and Circumstances Leading to Disassociation	Date of disassociation
Golden Ray Infratech Private Limited	Chetan Chhangani	Strike off – The company has failed to commence its business within one year of its incorporation	November 21, 2022
M/s. Sanjeev Kahali	Sanjeev Kahali	Entire business of M/s. Sanjeev Kahali being proprietorship firm of Sanjeev Kahali was transferred to our Company vide Business Transfer Agreement dated February 18, 2023.	February 18, 2023

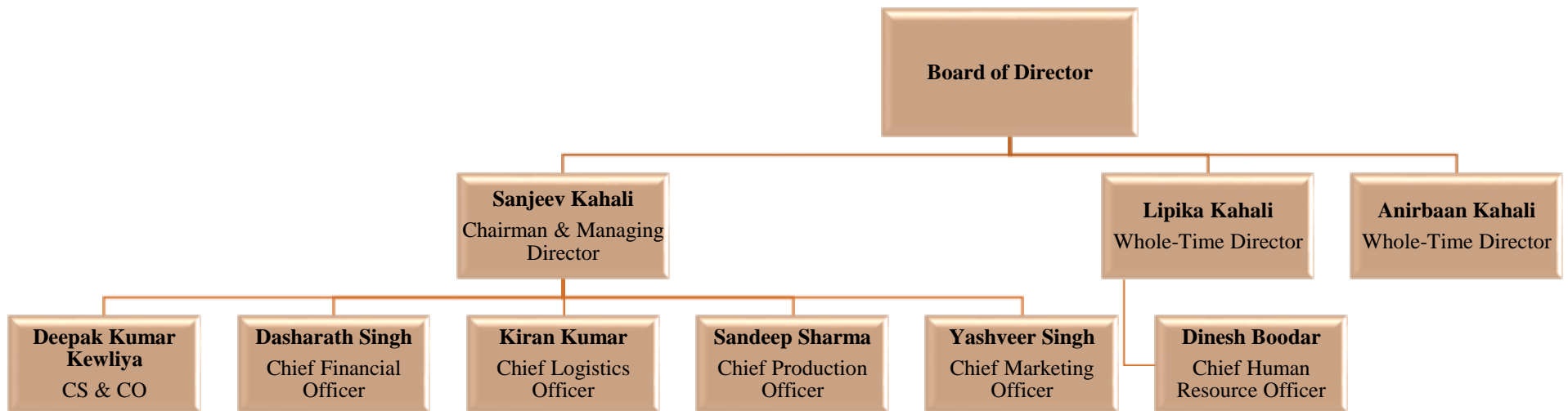
Changes in the board of directors in the last three (3) years immediately preceding the date of Draft Prospectus.

There has been no change in the Board of Directors, except as stated below during the last three (3) years preceding the date of Draft Prospectus:

Sr. No	Name	Date	Designation	Reason
1.	Sanjeev Kahali	January 19, 2023	Director	Appointed at the time of incorporation of the Company
		February 18, 2023	Managing Director	Appointed as Managing Director
2.	Lipika Kahali	January 19, 2023	Director	Appointed at the time of incorporation of the Company
		July 01, 2023	Whole-Time Director	Appointed as Whole-Time Director
3.	Anirbaan Kahali	January 19, 2023	Director	Appointed at the time of incorporation of the Company
		July 01, 2023	Whole-Time Director	Appointed as Whole-Time Director
4.	Avijit Vasu	April 01, 2023	Additional Non -Executive Independent Director	Appointment as Additional Non - Executive Independent Director
		July 28, 2023	Non -Executive Independent Director	Regularisation
5.	Chetan Chhangani	April 01, 2023	Additional Non -Executive Independent Director	Appointment as Additional Non - Executive Independent Director
		July 28, 2023	Non -Executive Independent Director	Regularisation
6.	Vikas Paliwal	April 01, 2023	Additional Non -Executive Independent Director	Appointment as Additional Non - Executive Independent Director
		July 28, 2023	Non -Executive Independent Director	Regularisation

Management Organization Structure

The following chart depicts our Management Organization Structure



Corporate Governance

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI Listing Regulations to the extent applicable to the entity whose shares are listed on BSE and shall be applicable to us immediately upon the listing of our Equity Shares with the BSE. We are in compliance with the requirements of the applicable regulations, including SEBI Listing Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act. The Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report. We have complied with the requirements of the applicable regulations, including Regulations, in respect of Corporate Governance including constitution of the Board and its Committees. The Corporate Governance framework is based on an effective Independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Constitutions of Committees

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee and (iii) Stakeholders Relationship Committee

(i) Audit Committee

Our Company has constituted an Audit Committee as per Section 177 and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable Clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines vide resolution passed in the meeting of our Board dated April 4, 2023. The constitution of the Audit Committee is as follows:

Name of Director	Position in the Committee	Designation
Chetan Chhangani	Chairman	Non-Executive Independent Director
Vikas Paliwal	Member	Non-Executive Independent Director
Sanjeev Kahali	Member	Managing Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reason for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

Tenure:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

Meetings of the Committee:

The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two independent members at each meeting.

Role and Powers

The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:

Role of Audit Committee

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - a) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - b) 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;
 - c) changes, if any, in accounting policies and practices and reasons for the same;
 - d) major accounting entries involving estimates based on the exercise of judgment by management;
 - e) significant adjustments made in the financial statements arising out of audit findings;
 - f) compliance with listing and other legal requirements relating to financial statements;
 - g) disclosure of any related party transactions;
 - h) modified opinion(s) in the draft audit report
4. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
5. 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;
6. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the listed entity with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. 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;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. 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;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. 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;
17. To review the functioning of the whistle blower mechanism;
18. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
19. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
20. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
21. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Mandatory review by the Audit Committee

The Audit Committee will mandatorily review the following:

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 the 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;
6. statement of deviations:
 - (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 SEBI Listing Regulations;
 - (b) annual statement of funds utilized for purposes other than those stated in the Issue document/ Prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

(ii) Nomination and Remuneration Committee

Our Company has constituted Nomination and Remuneration Committee in terms of Section 178, Schedule V and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines, in the meeting of the Board of Directors held on April 4, 2023. The Nomination and Remuneration Committee presently consists of the following Directors of the Board.

Name of Director	Position in the Committee	Designation
Vikas Paliwal	Chairman	Non-Executive Independent Director
Avijit Vasu	Member	Non-Executive Independent Director
Chetan Chhangani	Member	Non-Executive Independent Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholder's Relationship Committee.

Tenure:

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

Meetings:

The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

Role of Terms of Reference:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.

3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors;
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. recommend to the board, all remuneration, in whatever form, payable to senior management.

(iii) Stakeholders Relationship Committee

Our Company has constituted the Stakeholders Relationship Committee in terms of Section 178 sub section (5) and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the meeting of Board of Directors dated April 4, 2023. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

Name of Director	Position in the Committee	Designation
Avijit Vasu	Chairman	Non-Executive Independent Director
Chetan Chhangani	Member	Non-Executive Independent Director
Lipika Kahali	Member	Whole-Time Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholder's Relationship Committee.

Tenure:

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

Meetings:

The Stakeholders Relationship Committee is required to meet at least once a year and report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

Terms of Reference:

Redressal of shareholders' and investors' complaints, including and in respect of:

The role of Stakeholder Relationship Committee, together with its powers, is as follows:

1. Redressal of shareholders' and investors' complaints, including and in respect of:
 - i. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
 - ii. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
 - iii. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
2. Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
3. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
4. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
5. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
6. Allotment and listing of shares;

7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities and Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
12. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.
13. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or by any other regulatory authority

Policy on disclosures and internal procedure for prevention of Insider Trading

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME Platform of BSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. The Board of Directors at their meeting held on April 4, 2023 have approved and adopted the policy for prevention of insider trading.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

Policy for determination of materiality & materiality of Related Party Transactions and on dealing with Related Party Transactions

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME Platform of BSE. The Board of Directors at their meeting held on April 4, 2023 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

OUR KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

Brief Profile of Key Managerial Personnel:

Deepak Kumar Kewliya, Company Secretary & Compliance Officer

Deepak Kumar Kewliya, aged 35 years is Company Secretary & Compliance Officer of our Company. He was appointed by our Board of Directors in their meeting held on April 01, 2023. He is member of Institute of Company Secretaries of India since 2015. He also holds the master of commerce in accounts & business statistics degree from Maharshi Dayanand Saraswati University, Ajmer. Prior to joining our Company, he was associated with Khush Infratech Private Limited for the period of 23 months.

Dasharath Singh, Chief Financial Officer

Dasharath Singh, aged 45 years, is the Chief Financial Officer of our Company. He has been by appointed by the Board of Directors of our Company as Chief Financial Officer with effect from January 25, 2023. He has completed bachelors of commerce from Maharshi Dayanand Saraswati University, Ajmer and also completed post graduate diploma in computer applications from Makhanlal Chaturvedi Rashtriya Patrakarita Vishwavidyalaya, Bhopal. He was associated with M/s. Sanjeev Kahali, the erstwhile proprietorship firm of the Promoter which was taken over by our Company, since August 2008 in finance & accounts.

Sanjeev Kahali, Managing Director

For the complete profile of **Sanjeev Kahali**, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see heading “*Brief Biographies of our Directors*” in section titled “*Our Management*” beginning on of page 115 of this Draft Prospectus.

Lipika Kahali, Whole-Time Director

For the complete profile of **Lipika Kahali**, along with details of her educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see heading “*Brief Biographies of our Directors*” in section titled “*Our Management*” beginning on of page 115 of this Draft Prospectus.

Anirbaan Kahali, Whole-Time Director

For the complete profile of **Anirbaan Kahali**, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see heading “*Brief Biographies of our Directors*” in section titled “*Our Management*” beginning on of page 115 of this Draft Prospectus.

Brief Profile of Senior Management Personnel:

Sandeep Sharma, Chief Production Officer

Sandeep Sharma is the Chief Production Officer of our Company with effect from July 06, 2023. He has completed his higher secondary from SH KKA Modern Higher Secondary School, Jodhpur. He was associated with M/s. Sanjeev Kahali, the erstwhile proprietorship firm of the Promoter which was taken over by our Company, since August 2008 as manager production. During Financial Year 2023, he received a remuneration of ₹ 0.49 lakhs.

Kiran Kumar Prajapat, Chief Logistics Officer

Kiran Kumar Prajapat is the Chief Logistics Officer of our Company with effect from July 06, 2023. He has completed his bachelors of commerce from Jai Narain Vyas University, Jodhpur. He was associated with M/s. Sanjeev Kahali, the erstwhile proprietorship firm of the Promoter which was taken over by our Company, since August 2008 as logistics manager. During Financial Year 2023, he received a remuneration of ₹ 0.37 lakhs.

Yashveer Singh Chouhan, Chief Marketing Officer

Yashveer Singh Chouhan is the Chief Marketing Officer of our Company with effect from July 06, 2023. He has completed bachelors of commerce in economics honours from Jai Narain Vyas University, Jodhpur. He has also completed his LLB degree from University of Delhi. He was associated with M/s. Sanjeev Kahali, the erstwhile proprietorship firm of the Promoter which was taken over by our Company, since February 2022 as business development manager. During Financial Year 2023, he received a remuneration of ₹ 0.55 lakhs.

Dinesh Boodar, Chief Human Resource Officer

Dinesh Boodar is the Chief Human Resource Officer of our Company with effect from July 06, 2023. He has completed masters in arts in history from Maharshi Dayanand Saraswati University, Ajmer. He was associated with M/s. Sanjeev Kahali, the erstwhile proprietorship firm of the Promoter which was taken over by our Company, since January 2015 as human resource manager. During Financial Year 2023, he received a remuneration of ₹ 0.23 lakhs.

Nature of any family relation between any of the key managerial personnel and senior management personnel

Except as disclosed below, none of our key managerial personnel and senior management personnel are related to each other or to any of the Directors as per the definition of “Relative” under the Companies Act, 2013.

Name of Key Managerial Personnel	Name of another Key Managerial Personnel / Director	Relationship
Sanjeev Kahali	Lipika Kahali	Husband-Wife
	Anirbaan Kahali	Father-Son

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers or others, pursuant to which any of the key managerial personnel and senior management personnel were selected as key managerial personnel and senior management personnel.

Shareholding of key managerial personnel and senior management personnel in our Company

As per our AOA, our key managerial personnel and senior management personnel are not required to hold any qualification shares.

The shareholding of our key managerial personnel and senior management personnel in our Company as on the date of this Draft Prospectus is set forth below:

Name of Key Managerial Personnel and Senior Management Personnel	Number of equity shares	Percentage of Pre-Issue Capital (%)
Sanjeev Kahali	3,38,138	73.51%
Lipika Kahali	78,852	17.14%
Anirbaan Kahali	11,500	2.50%
Dasharath Singh	125	0.03%
Kiran Kumar Prajapat	125	0.03%
Yashveer Singh Chouhan	125	0.03%

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnel

Except as disclosed above in “Interest of Directors” with respect to the Executive Directors, none of our Key Managerial Personnel and Senior Management Personnel are party to any bonus or profit-sharing plan of our Company.

Payment or Benefits to of Our KMPs & and SMPs (non-salary related)

No non-salary amount or benefit has been paid or given to any of our Key Managerial Personnel & Senior Management Officer within the two preceding years or is intended to be paid or given.

Interest of Key Managerial Personnel & Senior Management Personnel

Other than as disclosed in this section and in “*Our Management - Interest of Directors*” beginning on page 115, the Key Managerial Personnel & Senior Management Personnel of our Company do not have 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. The Key Managerial Personnel Senior Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares, if any, held by them in the Company.

Service Contracts with Directors and Key Managerial Personnel and Senior Management Personnel

No officer of our Company, including our Directors, Key Managerial Personnel and Senior Management Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Contingent and deferred compensation payable to our Director, Key Managerial Personnel and Senior Management Personnel

There is no contingent or deferred compensation accrued for Financial Year 2023 and payable to our Directors, key managerial personnel and senior management personnel which does not form a part of their remuneration.

Compensation paid to Key Managerial Personnel & Senior Management Personnel during last financial year i.e. 2022-23

Name of the Key Managerial Personnel	Amount (₹ in lakhs)
Sanjeev Kahali	6.40
Lipika Kahali	1.30
Anirbaan Kahali	1.90
Dasharath Singh	0.32
Sandeep Sharma	0.49
Dinesh Boodar	0.23
Kiran Kumar Prajapat	0.37
Yashveer Singh Chouhan	0.55

Bonus or profit-sharing plan for Key Managerial Personnel and Senior Management Personnel

None of our key managerial personnel and senior management personnel are party to any bonus or profit-sharing plan of our Company.

Status of Permanent Employment of KMPs and SMPs

All the key managerial personnel and senior management personnel mentioned above are permanent employees of our Company.

Shareholding of the Key Managerial Personnel and Senior Management Personnel

Except as disclosed in “Shareholding of Directors in our Company” please refer to the section titled “*Capital Structure*” beginning on page 53 of this Draft Prospectus, none of our key managerial personnel and senior management personnel hold any Equity Shares in our Company as on the date of this Draft Prospectus

Changes in Key Managerial Personnel and Senior Management Personnel during preceding Three (3) Years

Except as mentioned below, there has been no change in Key Managerial Personnel and Senior Management Personnel during the last three (3) years preceding the date of this Draft Prospectus:

Name of KMP	Date of Change in Designation / Appointment	Designation	Reason
Sanjeev Kahali	January 19, 2023	Chairman & Managing Director	Appointment
Dasharath Singh	January 25, 2023	Chief Financial Officer	Appointment
Deepak Kumar Kewliya	April 01, 2023	Company Secretary	Appointment
Lipika Kahali	July 01, 2023	Whole-Time Director	Appointment
Anirbaan Kahali	July 01, 2023	Whole-Time Director	Appointment
Sandeep Sharma	July 06, 2023	Chief Operating Officer	Re-designation
Dinesh Boodar	July 06, 2023	Chief Human Resource Officer	Re-designation
Kiran Kumar Prajapat	July 06, 2023	Chief Logistics Officer	Re-designation
Yashveer Singh Chouhan	July 06, 2023	Chief Marketing Officer	Re-designation

Attrition

There has been no attrition of Key Managerial Personnels and Senior Management Personnels since the incorporation of Company.

Employee Stock Option or Employee Stock Purchase

As on the date of this Draft Prospectus, our Company does not have any employment stock option scheme.

Payment or Benefit to KMPs and SMPs of our Company (non-salary related)

Except as disclosed in this Draft Prospectus other than any statutory payments made by our Company to its KMPs and SMPs in last three (3) Preceding Financial Years, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees.

For further details, please refer to the sections titled “*Business Overview*”, “*Financial Indebtedness*” and “*Restated Financial Statement*” beginning on pages 87, 187 and 138 respectively of this Draft Prospectus.

OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS

Sanjeev Kahali, Lipika Kahali and Anirbaan Kahali are the Promoters of our Company. As on the date of this Draft Prospectus, our Promoters holds in aggregate 4,28,490 Equity Shares of face value ₹ 10.00/- each, representing 93.15% of the pre-issued, subscribed and paid-up Equity Share Capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, please refer to the sections titled "*Capital Structure –Shareholding of our Promoters*" beginning on page no. 53 of this Draft Prospectus.

BRIEF PROFILE OF OUR PROMOTERS ARE AS FOLLOWS:



Sanjeev Kahali, aged 58 years. He is the Promoter & Chairman and Managing Director of the Company.

Date of Birth: October 24, 1965

Address: 45, Golf Course, Ratanada, Jodhpur, Rajasthan – 342011.

Permanent Account Number: AAVPK9116A

For the complete profile of Sanjeev Kahali along with the details of his experience in the business, educational qualifications, positions / posts held in the past and other directorships, special achievements, business and other activities, please refer to the section title "*Our Management - Brief profile of our Directors*" beginning on page 115 of this Draft Prospectus.



Lipika Kahali, aged 54 years. She is the Promoter and Whole-Time Director of the Company.

Date of Birth: November 07, 1968

Address: 45, Golf Course, Ratanada, Jodhpur, Rajasthan – 342011.

Permanent Account Number: BGFPK2072J

For the complete profile of Lipika Kahali along with the details of her experience in the business, educational qualifications, positions / posts held in the past and other directorships, special achievements, business and other activities, please refer to the section title "*Our Management - Brief profile of our Directors*" beginning on page 115 of this Draft Prospectus.



Anirbaan Kahali, aged 23 years. He is the Promoter and Whole-Time Director of the Company.

Date of Birth: February 29, 2000

Address: 45, Golf Course, Ratanada, Jodhpur, Rajasthan – 342011.

Permanent Account Number: HGTPK0764H

For the complete profile of Anirbaan Kahali along with the details of his experience in the business, educational qualifications, positions / posts held in the past and other directorships, special achievements, business and other activities, please refer to the section title "*Our Management - Brief profile of our Directors*" beginning on page 115 of this Draft Prospectus.

DECLARATION

Our Company confirms that the Permanent Account Number (PAN), Bank Account Number(s), Aadhar Card Number, Driving License Number and Passport Number(s) of our Promoters shall be submitted to the Stock Exchange at the time of filing this Draft Prospectus.

Our Promoters have confirmed that they have not been identified as wilful defaulters or fraudulent borrower by the RBI or any other governmental authority.

Our Promoters has not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

No violations of securities law have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or is currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

OTHER VENTURES OF OUR PROMOTERS

Other than as disclosed in the sections titled *“Our Promoters and Promoter Group”* beginning on page 132 of this Draft Prospectus, our Promoters are not involved in any other ventures.

EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoters in the business of our Company, please refer to the section titled *“Our Management”* beginning on page 115 of this Draft Prospectus.

CHANGE IN MANAGEMENT AND CONTROL OF OUR COMPANY

Our Promoters are the Original Promoters of the Company and there has not been any change in the management or control of our Company in the five years immediately preceding the date of this Draft Prospectus.

For further details, please refer to the section titled *“Capital Structure - Details of shareholding of our Promoters and members of the Promoter Group in our Company”*, beginning on page 53 of this Draft Prospectus. There has been no change in control in the last five years preceding the date of this Draft Prospectus.

INTEREST OF PROMOTERS

Our Promoters is interested in our Company to the extent (1) that they have promoted our Company; (2) of their respective shareholding, the shareholding of their relatives and entities in which the Promoters are interested and which hold Equity Shares in our Company and the dividend payable upon such shareholding, if any, and other distributions in respect of the Equity Shares held by them, their relatives or such entities, if any; (3) employment related benefits paid by our Company i.e. remuneration and reimbursement of expenses payable to them in such capacity of Directors and Key Managerial Personnel of our Company; and (4) personal guarantees and mortgage given by our Promoters of their flat for securing the loans availed by the Company. For further details, please refer to the heading *“Summary of Related Party Transactions”* in section titled *“Summary of Offer Document”*, *“Capital Structure”*, *“History and Certain Corporate Matters”* and *“Financial Indebtedness”* beginning on pages 19, 53, 112 and 187, respectively of this Draft Prospectus.

Interest in the properties of our Company

Except as mentioned in the sections titled *“Business Overview”*, *“Our Management”* and *“Restated Financial Statement”* beginning on pages 87, 115 and 138 respectively of this Draft Prospectus, neither the Promoters nor any member of the Promoter group have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

Interest of Promoters in the Promotion of our Company

Our Company is promoted by the Promoters in order to carry on its business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Business Interest

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the personal guarantee given by our Promoters other than in the

normal course of business. For further details, please refer to heading “*Related Party Transactions*” in the section titled “*Restated Financial Statements*” beginning on page 138 of this Draft Prospectus.

Interest of our Promoters in the property of our Company

Except as stated below, our Promoters have no interest in any property acquired in the three years preceding the date of the Draft Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Interest of Promoters in acquisition of land, construction of building and supply of machinery, etc

Except as stated above, as on the date of filing of the Draft Prospectus, our Promoters are not interested in any transaction for acquisition of land, construction of buildings and supply of machinery.

COMMON PURSUITS OF OUR PROMOTERS

Except for the entities mentioned below, our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company:

- i. M/s. Inner Eye (Partnership Firm)
- ii. M/s. The Inner Eye (Sole Proprietorship Firm)

PAYMENT OF AMOUNTS OR BENEFITS TO THE PROMOTERS OR PROMOTER GROUP DURING THE LAST TWO YEARS

Except as stated in the Section titled “*Restated Financial Statements*” and “*Our Management*” beginning on page 138 and 115 of this Draft Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of this Draft Prospectus.

MATERIAL GUARANTEES

Other than the guarantees provided by our Promoters in relation to certain of our loans as and when required, our Promoters has not given any material guarantees to any third parties with respect to the Equity Shares as on the date of this Draft Prospectus.

COMPANIES OR FIRMS WITH WHICH OUR PROMOTERS HAS DISASSOCIATED IN THE LAST THREE (3) YEARS

Except as disclosed below, our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Prospectus:

Name of the Company or Firm from which Promoter has Disassociated	Name of Promoter disassociated	Reasons for and Circumstances Leading to Disassociation	Date of Disassociation
M/s. Sanjeev Kahali	Sanjeev Kahali	Entire business of M/s. Sanjeev Kahali being proprietorship firm of Sanjeev Kahali was transferred to our Company vide Business Transfer Agreement dated February 18, 2023.	February 18, 2023

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulations 2(1) (pp) of the SEBI (ICDR) Regulations 2018, are as under:

A. *The natural persons who are part of the Promoter Group (due to their relationships with our Promoters), other than our Promoters, are as follows:*

Relationship with Promoter	Sanjeev Kahali
Father	Late. Kshitish Ranjan Kahali
Mother	Kamala Kahali
Brother	NA
Sister	Suparna Bhattacharya
Spouse	Lipika Kahali

Relationship with Promoter	Sanjeev Kahali
Son	Anirbaan Kahali
Son-in-law	NA
Daughter	NA
Daughter in-law	NA
Spouse's Father	Late. Deb Kumar Bandyopadhyay
Spouse's Mother	Late. Karabi Bandyopadhyay
Spouse's Brother	Suman Banerjee
Spouse's Sister	NA

Relationship with Promoter	Lipika Kahali
Father	Late. Deb Kumar Bandyopadhyay
Mother	Late. Karabi Bandyopadhyay
Brother	Suman Banerjee
Sister	NA
Spouse	Sanjeev Kahali
Son	Anirbaan Kahali
Son-in-law	NA
Daughter	NA
Daughter in-law	NA
Spouse's Father	Late. Kshitish Ranjan Kahali
Spouse's Mother	Kamala Kahali
Spouse's Brother	NA
Spouse's Sister	Suparna Bhattacharya

Relationship with Promoter	Anirbaan Kahali
Father	Sanjeev Kahali
Mother	Lipika Kahali
Brother	NA
Sister	NA
Spouse	NA
Son	NA
Son-in-law	NA
Daughter	NA
Daughter in-law	NA
Spouse's Father	NA
Spouse's Mother	NA
Spouse's Brother	NA
Spouse's Sister	NA

B. Our Promoter Group as defined under Regulation 2(1)(pp) of SEBI ICDR Regulations 2018 includes entities, companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:

- iii. M/s. Inner Eye (Partnership Firm)
- iv. M/s. The Inner Eye (Sole Proprietorship Firm)

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the terms “*Group companies*”, includes (i) such companies (other than Promoters) with which the relevant issuer company had related party transactions, had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the issuer company.

Accordingly, for (i) above, all such companies with which there were related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, shall be considered as ‘Group Companies’ of the Company in terms of the SEBI ICDR Regulations.

Further, for (ii) above, the Board pursuant to the Materiality Policy, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Financial Statements) shall be considered “material” and will be disclosed as a ‘group company’ in the offer documents, and the Company has entered into one or more transactions with such company during the last completed Financial year (or relevant sub period, if applicable), which individually or cumulatively in value exceeds 10% of the Revenue of the Company for the last completed Financial as per the Restated Financial Statements.

There are no companies falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group companies/entities.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The declaration of dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company and any other factors considered by our Board of Directors. The Articles of Association also provides discretion to our Board to declare and pay interim dividends. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer section titled “*Financial Indebtedness*” beginning on page **187** of this Draft Prospectus.

All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Draft Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors and shall pay dividends in accordance with the provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association and other Applicable Laws.

Our Company has not declared and/or paid any dividend on the Equity Shares since incorporation.

SECTION VI - FINANCIAL STATEMENTS
RESTATED FINANCIAL STATEMENTS

[The Remainder of this Page has intentionally been left blank]



INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL STATEMENTS

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,

**The Board of Directors,
KAHALI CRAFTISTICS LIMITED**

Dear Sir,

Report on Restated Financial Statements

We have examined the Restated Audited Financial information of Kahali Craftistics Limited (hereinafter referred as “the Company”), which comprise of the Restated Audited Financial Statement of Assets and Liabilities, Restated Audited Statement of Profit and Loss and the Restated Audited Statement of Cash Flows for the period ended on March 31, 2023 (Stub Period) and the year ended on February 18, 2023, March 31 2022 and March 31, 2021 and the Summary of the Significant accounting policies and other explanatory Information (Collectively the Restated Financial Information) as approved by the Board of Directors in their meeting held on 21.01.2023 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:-

- a) Section 26 of part I of chapter III of the Companies Act, 2013 (hereinafter referred to as the “Act”), read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto from time to time;
- c) The terms of reference to our engagements with the Company requesting us to examine financial statements referred to above and proposed to be included in the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE (“IPO” or “SME IPO”);
- d) The (Revised 2019) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India as amended from time to time and
- e) In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts, I, M/s. Vishal H. Shah & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid **Certificate No. 014036 dated February 09, 2022** issued by the “Peer Review Board” of the ICAI.

The Restated Financial information of the Company have been prepared by the management from the Audited Financial Statements of the Company for the Period ended on March 31, 2023 and Period ended on February 18, 2023, and of the proprietorship concern for the year ended March 31, 2022 and March 31, 2021, on the basis of preparation stated in Annexure-4 to the Restated Financial Information. The Board of Directors of the company’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information.



Information of the Proprietorship concern of Mr Sanjeev Kahali are for the year ended on 31 March 2022 and March 2021 which have been audited by **M/s R. Bhandari & Co., Chartered Accountants (F.R. No. 005937C)** and books of account underlying those financial Statements and other records of the Proprietorship, to the extent considered necessary by us, have been examined for the presentation of the Restated Financial Statements under the requirements of Schedule III of the Act.

We have examined such Restated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 22/01/2023 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and,
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

These Restated Financial Information have been compiled by the management from:

- a) Audited financial statements of Company as at March 31, 2023 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended and other accounting principles generally accepted in India.
- b) Audited Financial Statement of Proprietorship Concern for the period ended on February 18, 2023 and Financial Year ended March 31, 2022 and March 31, 2021 prepared in accordance with the Income Tax Act, 1961, as amended from time to time, and other accounting principles generally accepted in India.

For the purpose of our examination, we have relied on:

- a) Auditors' Report issued by Tax Auditor, R. Bhandari & Co. dated 29/09/2022, and dated 05/01/2022 for the Financial Year ended March 31, 2022 and March 31, 2021 respectively.
- b) Auditors' Report issued by us, being Statutory Auditor, dated 21/06/2023 for the period covering January 19, 2023 to March 31, 2023.

The modification in restated financials were carried out based on the modified reports, if any, issued by Previous Auditor which is giving rise to modifications on the financial statements as at and for the year ended March 31, 2022, and March 31, 2021. No qualification were issued by previous auditor for the proprietorship concern for the Financial Statement of 31st March 2022 and March 31st, 2021.

The audit reports on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the year / period ended on March 31, 2023, February 18, 2023, March 31, 2022 and March 31, 2021:-

- a) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, ***except for charging depreciation pursuant to the notification of Schedule II to the Companies Act, 2013, on Property, Plant and Equipment under the Straight Line Method over the useful lives of assets as prescribed under Part C of Schedule II to the Companies Act,***



2013 pertaining to Proprietary concern for the period February 18, 2023, March 31, 2022 and March 31, 2021 if any;

- b) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
- c) Extra-ordinary items, if any that needs to be disclosed separately in the accounts has been disclosed wherever required;
- d) **We have qualified our Auditors Report on the financial statements of the Company for the period ended 31st March, 2023 in respect of the following matter:**

Referring to Note No 4(B)(c) and 4 (B)(e) of Summary of significant accounting policies forming part of Annexure -4 of Statement of Notes to Restated Financial Information:

Gross Block as 18-02-2023, Accumulated Depreciation as on 18-02-2023 and consequential WDV as on 18-02-2023 is computed in a manner that value of all the assets will be exhausted depending on the useful life of the assets from the date of Acquisition. Charging of Depreciation is not in accordance with AS-10” Property Plant and equipment”

No adjustments are made for the above qualifications in this Restated Financial Statements of the Company;

- e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and re-groupings as in our opinion are appropriate ***except for qualifications mentioned in point no. d) above*** and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in ANNEXURE - 4 to this report;
- f) Adjustments in Restated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies ***except for the matter mentioned in point “a” above;***
- g) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Information or Restated Summary Financial Statement ***except for the matter mentioned in point “a” above;***
- h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement
- i) The Company has not paid any dividend since its incorporation

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- a) The **“Restated Statement of Assets and Liabilities”** as set out in **Annexure I** to this report, of the Company as at March 31, 2023, March 18, 2023, March 31, 2022, and March 31, 2021 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- b) The **“Restated Statement of Profit and Loss”** as set out in **Annexure II** to this report, of the Company for the period ended March 31, 2023, March 18, 2023, March 31, 2022, and March 31, 2021 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in



Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.

- c) The “**Restated Standalone Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for the period ended March 31, 2023, March 18, 2023, March 31, 2022, and March 31, 2021 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.



Other Financial Information:

We have also examined the following other financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period ended as on March 31, 2023 and February 18, 2023 and for the financial year ended on March 31, 2022, and March 31, 2021

Restated Standalone Employee Benefits Disclosure	Annexure-4(II)
Restated Standalone Statement of Contingent Liability	Annexure-4C
Restated Standalone Segment Report	Annexure-4D
Restated Standalone Statement of Foreign Currency Transaction	Annexure-4E to H
Restated Standalone Statement of Significant Accounting Ratios	Annexure-4J
Restated Standalone Statement of Share Capital	Annexure-5
Restated Standalone Statement of Reserves And Surplus	Annexure-6
Restated Standalone Statement of Long Term and Short Term Borrowings	Annexure-7
Restated Standalone Statement of Principal Term of Secured Loans and Assets Charged as Security	Annexure-7
Restated Standalone Statement of Principal Term of Unsecured Loans and Assets	Annexure-7
Restated Standalone Statement of Deferred Tax Asset/(Liability)	Annexure-8
Restated Standalone Statement of Trade Payables	Annexure-9
Restated Standalone Statement of Other Current Liabilities	Annexure-10
Restated Standalone Statement of Long term and Short Term Provisions	Annexure-11
Restated Standalone Statement of Fixed Assets	Annexure-12
Restated Standalone Statement of Non -Current Investments	Annexure-13
Restated Standalone Statement of Short Term Loans and Advances	Annexure-14
Restated Standalone Statement of Trade Receivables	Annexure-15
Restated Standalone Statement of Inventories	Annexure-16
Restated Standalone Statement of Cash and Cash Equivalents	Annexure-17
Restated Standalone Statement of Revenue from Operation	Annexure-18
Restated Standalone Statement of Other Income	Annexure-19



Restated Standalone Statement of Purchase of Stock In Trade	Annexure-20
Restated Standalone Statement of Changes In Inventories of Finished Goods, Work-In-Progress and Stock In Trade	Annexure-20
Restated Standalone Statement of Employee Benefit Expenses	Annexure-21
Restated Standalone Statement of Finance Costs	Annexure-22
Restated Standalone Statement of Depreciation and Amortisation Expense	Annexure-23
Restated Standalone Statement of Other Expenses	Annexure-24
Restated Standalone Statement of Accounting and Ratios	Annexure-25
Restated Standalone Statement of Dividend Declared	Annexure-26
Restated Standalone Statement of Related Party Transactions	Annexure-27
Restated Standalone Statement of Tax Shelters	Annexure-28
Restated Standalone Statement of Capitalisation As At 31 ST March, 2023	Annexure-29
Restated Standalone Statement of Other Notes	Annexure-30

Opinion

In our opinion and to the best of information and explanation provided to us, the Restated Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE - 4 are prepared after providing appropriate adjustments and regroupings as considered appropriate.

I, Vishal H. Shah and Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI valid up to 28 FEBRUARY, 2025

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.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in ANNEXURE - 1 to J of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE - 4 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.



Vishal H. Shah & Associates
Chartered Accountants

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

FOR VISHAL H. SHAH & ASSOCIATES
Chartered Accountants
(F.R.N.116422W)

sd/-

VISHAL H. SHAH

Proprietor

(M. No. 101231)

Place-Mumbai

Date: 14th August, 2023

UDIN-23101231BGWVJQ7494

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 1: Restated Summary Statement of Assets and Liabilities

(INR in Lakhs)

Particulars	Annexure	Sanjeev Kahali (Proprietorship)			
		As at March 31, 2023	As at Feb 18, 2023	As at March 31,	
				2022	2021
Equity and liabilities					
Shareholders' funds					
Share capital	5	45.90	278.88	223.57	564.11
Reserves and surplus	6	329.37	-	-	-
		375.27	278.88	223.57	564.11
Non-current liabilities					
Long-term borrowings	7	149.18	255.16	395.73	371.67
Deferred tax liabilities (net)	8	1.88	-	-	-
Long-term provisions	11	30.37	-	-	-
		181.43	255.16	395.73	371.67
Current liabilities					
Short-term borrowings	7	169.18	154.67	8.72	384.78
Trade payables	9	144.27	168.63	261.10	339.97
Other current liabilities	10	37.33	42.33	65.01	53.48
Short-term provisions	11	56.60	42.00	-	-
		407.38	407.63	334.82	778.23
Total		964.07	941.66	954.12	1,714.01
Assets					
Non-current assets					
Property, plant and equipment	12	128.26	133.53	156.43	733.22
Non-current investments	13	0.34	0.34	0.35	0.35
		128.60	133.88	156.78	733.57
Current assets					
Trade receivables	15	275.33	225.99	186.12	287.97
Inventories	16	487.35	512.10	443.28	466.51
Cash and bank balances	17	5.97	8.06	12.87	8.42
Short-term loans and advances / other current assets	14	66.82	61.63	155.08	217.54
		835.47	807.78	797.34	980.43
Total		964.07	941.66	954.13	1,714.01

Note:

The above statement should be read with the Statement of Notes to the Restated Financial Information in Annexure 4.

For CA Vishal H Shah & Associates

Chartered Accountants
Firm Registration No:0116422W

SD/-

Vishal H. Shah
Proprietor
M. No: 101231
UDIN:23101231BGWVJQ7494

For and on behalf of the Board of Directors

Kahali Craftistics Limited

SD/-

Sanjeev Kahali
Chairman Managing Director
DIN: 09863344

SD/-

Lipika Kahali
Whole-Time Director
DIN: 09863345

SD/-

Dashrath Singh
Chief Financial Officer

SD/-

Deepak Kewalia
Company Secretary

Place : Mumbai
Date : 14-08-2023

Place : JODHPUR
Date : 14-08-2023

Place : JODHPUR
Date : 14-08-2023

[The Remainder of this Page has intentionally been left blank]

KAHALI CRAFTISTICS LIMITED

Sanjeev Kahali (Proprietorship)

45, Golf Course, Air Force Area Jodhpur Jodhpur Jodhpur RJ 342011

CIN: U36900RJ2023PLC085926

Annexure 2: Restated Summary Statement of Profit and Loss

(INR in Lakhs)

Particulars	Annexure	Sanjeev Kahali (Proprietorship)			
		For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	For the year ended March 31,	
				2022	2021
Revenue					
Revenue from operations	18	115.31	393.17	798.26	705.27
Other income	19	8.49	72.18	27.82	14.99
Total revenue		123.80	465.35	826.08	720.26
Expenses					
Cost of Raw Materials consumed	20	18.83	271.19	611.94	513.26
Changes in Inventory	20	13.75	(58.44)	11.61	80.52
Employee benefits expense	21	18.13	39.04	54.42	48.58
Finance costs	22	4.91	34.09	48.26	60.66
Depreciation and amortisation expense	23	5.25	17.66	21.09	47.73
Other expenses	24	19.96	39.22	404.37	68.54
Total expenses		80.82	342.76	1,151.68	819.30
Profit before tax		42.98	122.59	(325.60)	(99.04)
Tax expense		42.99	156.68	(277.35)	(38.37)
Current tax		14.00	42.00	-	-
Deferred tax (credit)/charge		1.88	-	-	-
Profit for the period / year		27.10	80.59	(325.60)	(99.04)

Note:

The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company in

For CA Vishal H Shah & Associates
Chartered Accountants
Firm Registration No:0116422W

For and on behalf of the Board of Directors
Kahali Craftistics Limited

SD/-
Vishal H. Shah
Proprietor
M. No: 101231
UDIN:23101231BGWVJQ7494

SD/-
Sanjeev Kahali
Chairman
DIN: 09863344

SD/-
Lipika Kahali
Whole-Time Director
DIN: 09863345

SD/-
Dashrath Singh
Chief Financial Officer

SD/-
Deepak Kewalia
Company Secretary

Place : Mumbai
Date : 14-08-2023

Place : JODHPUR
Date : 14-08-2023

Place : JODHPUR
Date : 14-08-2023

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 3: Restated Summary Statement of Cash Flows

(INR in Lakhs)

Particulars	Sanjeev Kahali (Proprietorship)			
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	For the year ended March 31,	
			2022	2021
A. Cash flow from operating activities				
Profit before tax, as restated	42.98	122.59	(325.60)	(99.04)
Adjustments for :				
Depreciation and amortisation expense	5.25	17.66	21.09	47.73
Finance costs	4.91	34.09	48.26	60.66
Provision for income Tax written off	-	-	-	-
Dividend income	-	-	-	-
Interest income on deposits	-	-	-	-
Operating profit before working capital changes	53.14	174.33	(256.26)	9.36
Changes in working capital:				
(Increase) / decrease in Inventories	(487.35)	(68.82)	23.22	(466.51)
(Increase) / decrease in trade receivables	(275.33)	(39.87)	101.85	(217.79)
(Increase) / decrease in loans and advances and other assets	-	-	-	-
(Increase) / decrease in other current assets	(66.82)	93.44	62.46	576.19
Increase / (decrease) in trade payables, liabilities and provisions	181.60	(115.14)	(67.35)	(8.85)
Cash generated from / (utilised in) operations	(594.77)	43.94	(136.07)	(107.60)
Less : Income tax paid	(14.00)	(42.00)	-	-
Net cash flow generated from/ (utilised in) operating activities (A)	(608.77)	1.94	(136.07)	(107.60)
B. Cash flow from investing activities				
Purchase/Sale of property, plant and equipment (including intangible assets and intangible assets under development)	(133.51)	-	-	(40.69)
Sale/Deletion of Fixed Assets	-	5.24	555.70	-
Investment in securities	(0.34)	0.01	-	-
Increase / Decrease in Share Capital	-	-	-	-
Net cash flow utilised in investing activities (B)	(133.85)	5.25	555.70	(40.69)
C. Cash flow from financing activities				
Proceeds from issue of share capital	348.17	(25.28)	(14.94)	77.17
Repayment and Proceeds of long-term borrowings	149.18	(140.57)	24.05	(255.22)
Dividend paid	-	-	-	-
Proceeds from / (repayment of) short-term borrowings (net)	169.18	145.95	(376.06)	384.78
Interest paid	(4.91)	(34.09)	(48.26)	(60.66)
Short Term Provisions	56.60	42.00	-	(17.50)
Long Term Provisions	30.37	-	-	-
Net cash flow generated from/ (utilised in) financing activities (C)	748.59	(11.99)	(415.20)	128.57
Net (decrease)/ increase in cash & cash equivalents (A+B+C)	5.97	(4.79)	4.44	(19.72)
Cash and cash equivalents at the beginning of the period/ year	-	12.87	8.42	28.14
Cash and cash equivalents at the end of the period/ year	5.97	8.07	12.86	8.42
Cash and cash equivalents comprise:				
Cash on hand	3.53	3.17	4.25	0.91
Balances with banks in current accounts	2.44	4.89	8.62	7.50
Total	5.97	8.06	12.87	8.42

Note:

- The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company in Annexure 4.
- The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013.
- Figure mentioned in respect of period commencing from 19th Jan 2023 to 31st March 2023 is of the newly incorporated company viz. Kahali Craftistics Limited. Figures reported in the Cash Flow of the company represents takeover of existing business of proprietary concern on " As is where is basis".

For CA Vishal H Shah & Associates
Chartered Accountants
Firm Registration No:0116422W

SD/-
Vishal H. Shah
Proprietor
M. No: 101231
UDIN:23101231BGWVJQ7494

For and on behalf of the Board of Directors
Kahali Craftistics Limited

SD/-
Sanjeev Kahali
Chairman Managing Director
DIN: 09863344

SD/-
Lipika Kahali
Whole-Time Director
DIN: 09863345

SD/-
Dashrath Singh
Chief Financial Officer

SD/-
Deepak Kewalia
Company Secretary

Place : Mumbai
Date : 14-08-2023

Place:JODHPUR
Date : 14-08-2023

Place:JODHPUR
Date : 14-08-2023

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 4: Statement of Notes to Restated Financial Information

A. Background of the Company

Kahali Craftistics Limited is a renowned company in the field of designing handicraft items such as furniture, gift items, wall clock, hangings etc. Further, the Company has taken over the business of Mr. Sanjeev Kahali's Proprietorship of dealing in Handicrafts and others. The firm was taken over by the Newley formed Company under the provision of Income Tax Act 1961 as per the Business Takeover Agreement made on 18th Feb 2023 between the Erstwhile Propertior and the Newly formed company. Financial statements of the Company is drawn for the period commencing from 19th January 2023 to 31st March 2023. Comparative figures of previous years for the period as on 18th February 2023, 31st March 2022 and 31st march 2021 is of a proprietary concern of Mr. Sanjeev Kahali.

B. Summary of significant accounting policies

a) Basis of preparation of financial statements

The Restated Summary Statement of Assets and Liabilities of the Company as at 31 March 2023, 18 Feb 2023 , 31 March 2022, and March 2021 , the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for the period/ years ended 31 March 2023, 18 February 2023, 31 March 2022 and 2021, and the annexures thereto (herein collectively referred to as 'Restated Financial Information') have been compiled by the management of the Company from the audited financial statements of the proprietorship firm for the period/ years ended, 18 February 2023, 31 March 2022 and 2021 , and have been prepared specifically for the purpose of inclusion in the Offer Document to be filed by the Company with the SME portal of Bombay Stock Exchange of India Limited ('BSE')

These aforementioned audited financial statements were prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis. These audited financial statements have been prepared to comply in all material aspects with the Accounting Standards prescribed by the Central Government, Section 133 of the Companies Act, 2013 (the "Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Act/ Companies Act, 2013, as applicable.

The Restated Financial Information have been prepared to comply in all material aspects with the requirements of Section 26(1)(b) of the Act read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time).

All assets and liabilities have been classified / reclassified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III to the Companies Act, 2013. Based on nature of products/services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The aforementioned Restated Financial Information have been prepared in Indian Rupee (INR)

b) Use of estimates

The preparation of Restated Financial Information in conformity with GAAP requires that the management of the Company to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of property, plant and equipment, provision for doubtful debts/ advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

c) Depreciation

Company provides pro-rata depreciation on additions and disposals made during the year.

In the audited financial statements of proprietary concern (prior to 18 February 2023), depreciation on Property, Plant and Equipment was provided on written down value method at the rates and in the manner specified in Schedule V to the Income Tax Act, 1961.

In the restated financial statements of the company pursuant to the notification of Schedule II to the Companies Act, 2013, depreciation on Property, Plant and Equipment is provided under the Straight Line Method over the useful lives of assets as prescribed under Part C of Schedule II to the Companies Act, 2013.

In the Audited Financial statement of the company Gross Block as 18-02-2023, Accumulated Depreciation as on 18-02-2023 and consequential WDV as on 18-02-2023 is computed in a manner that value of all the assets will get exhausted depending on the useful life of the assets from the date of acquisition.

For the period under review depreciation on the all the assets except motor car is not charged to the profit and loss account as the same is provided for prior to 18-02-2023.

Annexure 4: Statement of Notes to Restated Financial Information

d) Revenue recognition

- i) Sales are recognized, net of taxes, returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.
- ii) Revenue from services is recognised when the provision of services is complete and there is either no unfulfilled obligations on the Company or unfulfilled obligations are inconsequential or perfunctory and will not affect the customer's final acceptance of the services.
- iii) Rent Income, Interest income and Other Income is recognised on its receipt.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment (if any). The cost of a property, plant and equipment comprises its purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation in respect of all tangible assets is provided on straight line method over the useful lives of assets based on the evaluation, as specified in part C of schedule II of Companies Act, 2013 for the period 18 Feb 2023 to 31 March 2023.

Depreciation in respect of all tangible assets is provided on Written down value method as per rates specified under Income Tax Act 1961 for the year ended March, 31 2021, March 31 2022 and February 18, 2023.

Entire block of assets is taken over in lieu of transfer of business of the proprietary concern of Mr. Sanjay Kahali on 18th of february 2023 on "As is where is basis".

WDV of assets as on 31-03-2016 is considered as cost of assets for the assets purchased before 2016.

All the addition to fixed assets post 31-03-2016 are considered at cost of acquisition.

Gross Block as 18-02-2023, Accumulated Depreciation as on 18-02-2023 and consequential WDV as on 18-02-2023 is computed in a manner that value of all the assets will get exhausted depending on the useful life of the assets from the date of acquisition.

For the period under review depreciation on the all the assets except motor car is not charged to the profit and loss account as the same is provided for prior to 18-02-2023.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books and theresultant profit or loss (including capital profit), if any, is reflected in the statement of profit and loss.

The estimated useful life and residual value is reviewed at the end of each reporting period, with the effect of any changes inestimate being accounted for on a prospective basis.

f) Inventories

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, is valued at cost. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

In the absence of adequate stock records management has carried out physical verification of inventory and determined valuation on the basis of methods prescribed above.

g) Foreign currency transactions

The reporting currency of the Company is Indian Rupee.

- i) Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rates prevailing at the date of the transaction.
- ii) Monetary assets and monetary liabilities denominated in foreign currencies are converted at rate of exchange prevailing on the date of the Balance Sheet except for the monetary assets and liabilities pertaining to proprietary concern
- iii) Exchange differences on settlement/conversion are included in the Statement of Profit and Loss in the period in which they arise.

Annexure 4: Statement of Notes to Restated Financial Information

h) Employee benefits

I. Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences etc. are recognised in the period in which the employee renders the related service.

II. Post-employment benefits:

i) Defined contribution plans:

As informed, the provisions of Provident fund and ESIC are not applicable to the company.

j) Gratuity and Leave encashment

Provision of Gratuity and Leave encashment is made in accordance with AS-15 "Employee Benefits"

Company does not have any policy for unutilization of leave.

Gratuity benefits in India are governed by the Payment of Gratuity Act, 1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

The following table summaries the gratuity benefits recognized in the statement of profit and loss and in the balance sheet, based on the actuarial valuation as at the yearend:

The details of the Company's Gratuity Fund for its employees are given below which is certified by the actuary and relied upon by the auditors.

Gratuity benefits in India are governed by the Payment of Gratuity Act, 1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

The following table summaries the gratuity benefits recognized in the statement of profit and loss and in the balance sheet, based on the actuarial valuation as at the yearend:

The details of the Company's Gratuity Fund for its employees are given below which is certified by the actuary and relied upon by the auditors.

Gratuity benefits in India are governed by the Payment of Gratuity Act, 1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

The following table summaries the gratuity benefits recognized in the statement of profit and loss and in the balance sheet, based on the actuarial valuation as at the yearend:

The details of the Company's Gratuity Fund for its employees are given below which is certified by the actuary and relied upon by the auditors.

Particulars	Mar-23
	Unfunded
Components of employer expenses	
1 a.) Current Service Cost	4,20,948
1 b.) Past Service Cost	-
2) Interest Cost	1,84,437
3) Expected Return on Plan Assets	-
4) Net Actuarial (Gain) /Loss	-968
5) Total expense/(Gain) recognized in the Profit and Loss Account	6,04,417
Net Assets /Liability recognised in Balance Sheet	
1) Present Value of Defined benefit obligation	-
2) Fair Value of plan assets	-
3) Assets/ (Liability) recognized in Balance Sheet.	-
Change in Present Value of the Defined Benefit Obligation	
1) Opening Present Value of obligation	24,92,397
2) Interest Cost	1,84,437
3 a.) Past Service Cost	-
b.) Current Service Cost	4,20,948
4) Benefits Paid	-
5) Actuarial (Gain) /Loss	- 968

Annexure 4: Statement of Notes to Restated Financial Information

6) Closing Present Value of obligation.	30,96,814
Change in the fair value of plan Assets	
1) Opening Value of plan assets	-
2) Expected return on plan Assets	-
3) Actual Company Contribution	-
4) Benefits Paid	-
5) Closing Fair Value of plan assets	-
Actuarial Assumption	
Discount rate (per annum)	7.40%
Salary escalation rate*	7%
Mortality Rate	100% of IALM 2012-14
Withdrawal Rate	5% to 1%

k) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Statement of Profit and Loss in the period in which they are incurred.

l) Taxes on income

The provision for current taxation is computed in accordance with the relevant tax regulations. Deferred tax is recognised on timing differences between the accounting and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as at the Balance Sheet date.

m) Provisions and contingent liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to their present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Annexure 4: Statement of Notes to the Restated Financial Information

(INR in Lakhs)

C. Contingent liabilities and commitments

(i) Contingent liabilities	Sanjeev Kahali (Proprietorship)				
	Particulars	As at March 31, 2023	As at Feb 18, 2023	As at March 31,	
				2022	2021
Claims against the Company not acknowledged as debt	Nil	Nil	Nil	Nil	
	Nil	-	-	-	

(ii) Commitments

As informed, no capital commitments to be fulfilled by the company.

D. Segment reporting

There are no reportable segments and therefore nothing to report under segmental reporting.

E. Expenditure in foreign currency on accrual basis

Particulars	As at March 31, 2023	Sanjeev Kahali (Proprietorship)		
		As at Feb 18, 2023	For the year ended March 31,	
			2022	2021
	Nil			
	-			
	-			
	-			
	Nil			

#Respective figures for Proprietorship Firm not available as the same were not maintained as per the requirements of Financial Statements

F. Earning in foreign currency on accrual basis

Particulars	As at March 31, 2023	Sanjeev Kahali (Proprietorship)		
		As at Feb 18, 2023	For the year ended March 31,	
			2022	2021
Export of products and services	-			

#Respective figures for Proprietorship Firm not available as the same were not maintained as per the requirements of Financial Statements

The Company has entered into operating lease agreements for office facilities and such leases are basically cancellable in nature. The lease payments under operating leases have been recognised as an expense in the Restated Summary Statement of Profit and Loss.

Particulars	As at March 31, 2023	Sanjeev Kahali (Proprietorship)		
		As at Feb 18, 2023	As at March 31,	
			2022	2021
Lease rent				

#Respective figures for Proprietorship Firm not available as the same were not maintained as per the requirements of Financial Statements

H. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at March 31, 2023	Sanjeev Kahali (Proprietorship)		
		As at Feb 18, 2023	As at March 31,	
			2022	2021
Receivables (Amounts in USD)				
Receivables (Amounts in)				

#Respective figures for Proprietorship Firm not available as the same were not maintained as per the requirements of Financial Statements

Annexure 4: Statement of Notes to the Restated Financial Information

I. Corporate Social Responsibility (CSR)

The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order relating to CSR is not applicable

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)

45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011

CIN: U36900RJ2023PLC085926

Annexure 4: Statement of Notes to the Restated Financial Information

J. Accounting Ratios

Notes to and forming part of Balance Sheet as at 31-Mar-2023

Ratios	Numerator	Denominator	As at		% of Change
			31-Mar-23	19-Jan-23	
Debt Equity Ratio	Debt Capital	Shareholder's Equity	0.85	1.47	42.27%
Debt Service coverage ratio	EBITDA-CAPEX	Debt Service (Int+Principal)	5.50	4.25	-29.65%
Return on Equity Ratio	Net Profit for the year	Average Shareholder's Equity	14.44%	0.32	54.97%
Inventory Turnover Ratio	COGS	Average Inventory	0.08	0.57	86.39%
Trade Receivables turnover ratio	Net Sales	Average trade receivables	0.84	1.91	56.10%
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Closing Trade Payables	0.02	0.61	96.04%
Net capital turnover ratio	Sales	Working capital (CA-CL)	0.27	0.98	72.59%
Net profit ratio	Net Profit	Sales	0.24	0.20	-14.67%
Return on Capital employed	Earnings before interest and tax	Capital Employed	0.09	0.29	70.68%
Return on investment	Net Profit	Investment	N/A	N/A	N/A

Notes to and forming part of Balance Sheet as at 19-Jan-2023

Ratios	Numerator	Denominator	As at		Done
			19-Jan-23	31-Mar-22	
Debt Equity Ratio	Debt Capital	Shareholder's Equity	1.47	1.81	18.77%
Debt Service coverage ratio	EBITDA-CAPEX	Debt Service (Int+Principal)	4.25	-1.01	519.61%
Return on Equity Ratio	Net Profit for the year	Average Shareholder's Equity	0.32	-82.67%	138.80%
Inventory Turnover Ratio	COGS	Average Inventory	0.57	1.35	57.80%
Trade Receivables turnover ratio	Net Sales	Average trade receivables	1.91	3.37	43.34%
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Closing Trade Payables	0.61	1.27	52.04%
Net capital turnover ratio	Sales	Working capital (CA-CL)	0.98	1.73	43.07%
Net profit ratio	Net Profit	Sales	0.20	-0.41	150.25%
Return on Capital employed	Earnings before interest and tax	Capital Employed	0.29	-0.45	165.51%
Return on investment	Net Profit	Investment	N/A	N/A	N/A

Notes to and forming part of Balance Sheet as at 31-Mar-2022

Ratios	Numerator	Denominator	As at		% of Change
			31-Mar-22	31-Mar-21	
Debt Equity Ratio	Debt Capital	Shareholder's Equity	1.81	1.34	-34.91%
Debt Service coverage ratio	EBITDA-CAPEX	Debt Service (Int+Principal)	-1.01	0.03	4134.25%
Return on Equity Ratio	Net Profit for the year	Average Shareholder's Equity	-0.83	-0.17	-380.04%
Inventory Turnover Ratio	COGS	Average Inventory	1.35	2.20	38.87%
Trade Receivables turnover ratio	Net Sales	Average trade receivables	3.37	4.90	31.25%
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Closing Trade Payables	1.27	1.78	28.84%
Net capital turnover ratio	Sales	Working capital (CA-CL)	1.73	3.49	50.52%
Net profit ratio	Net Profit	Sales	-0.41	-0.14	-190.47%
Return on Capital employed	Earnings before interest and tax	Capital Employed	-0.45	-0.04	-992.06%
Return on investment	Net Profit	Investment	N/A	N/A	N/A

KAHALI CRAFTISTICS LIMITED

Sanjeev Kahali (Proprietorship)

45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011

CIN: U36900RJ2023PLC085926

Annexure 4: Statement of Notes to the Restated Financial Information

K. Restatement adjustments, Material regroupings and Non-adjusting items

(a) Impact of restatement adjustments

Below mentioned is the summary of results of restatement adjustments made to the audited financial statements of the respective period/years and its impact on profits.

(INR in Lakhs)

Particulars	Sanjeev Kahali (Proprietorship)			
	As at March 31, 2023	As at Feb 18, 2023	As at March 31,	
			2022	2021
Profit before tax as per audited financial statements	42.98	122.59	(325.60)	(99.04)
Adjustments to net profit as per audited financial statements				
Depreciation	-	-	-	-
Current tax on above items (refer note (b)(vi) below)	(14.00)	-	-	-
Deferred tax on above items (refer note (b)(vii) below)	(1.88)	-	-	-
Total adjustments				
Restated profit before tax for the period/ years	27.10	122.59	(325.60)	(99.04)

Note:

A positive figures represents addition and negative figures represents deletion in the corresponding head in the audited financial statements for respective reporting periods to arrive at the restated numbers.

(b) Explanatory notes for the restatement adjustments

- (i) In the audited financial statements for the period / year ended 31 March 2023, 18 February 2023, 31 March 2022, 31 March 2021 and 31 March 2020 the Company had not accounted for any transactions as prior period items. And accordingly, in the preparation of the Restated Financial Information, adjustment to the results of the respective year/s / period/s in respect of the the effect of prior period items do not arise / cosidered.
- (ii) In the Audited Financial statement of the company Gross Block as 18-02-2023, Accumulated Depreciation as on 18-02-2023 and consequential WDV as on 18-02-2023 is computed in a manner that value of all the assets will get exhausted depending on the useful life of the assets from the date of acquisition.
- (iii) The audited financial statments of proprietary concern (prior to 18 February 2023), depreciation on Property, Plant and Equipment was provided on written down value method at the rates and in the manner specified in Schedule V to the Income Tax Act, 1961.
- (iv) During the years ended 31 March 2023, 18 February 2023, 31 March 2022, 31 March 2021 and 31 March 2020 , the Company is of the considered view that all debtors are though unsecured but recoverable fully and therefor proviiosn of doubtful debts is not necessary for the purpose of the Restated Financial Information.

Annexure 4: Statement of Notes to the Restated Financial Information

(c) Material regrouping

- i. With effect from April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956 became applicable to the Company from April 1, 2012, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. Further, there is no significant impact on the presentation and disclosures made in the financial statements
- ii. Appropriate adjustments have been made in the Restated Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the year / period ended on 31 March 2023, 18 February 2023, 31 March 2022, 31 March 2021 and 31 March 2020 prepared in accordance with Schedule III and the requirements of the
- d) There are no modifications in the auditor's report and statements/comments included in the Annexures to the Audit Report on the audited financial statements of the Company for the period/years ended on 31 March 2023, 18 February 2023, 31 March 2022, 31 March 2021 and 31 March 2020 , which do not require any corrective adjustments in the Restated Standalone Financial Information are as follows:**

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 5: Restated Statement of Share capital

(INR in Lakhs)

Particulars	Sanjeev Kahali (Proprietorship)			
	As at	As at	As at March 31,	
	March 31, 2023	Feb 18, 2023	2022	2021
Authorised share capital				
Equity shares of 10 each	10.00	-	-	-
- Number of shares	50,00,000	-	-	-
- Amount in Lacs	500.00	-	-	-
Issued, subscribed and fully paid up				
Equity shares of 10 each issues at Par	10.00	-	-	-
- Number of shares	50,000.00	-	-	-
- Amount in	5.00	-	-	-
Equity shares of 10 each issued at a share premium of Rs.80 each	10.00	-	-	-
- Number of shares	4,08,989.00	-	-	-
- Amount in	40.90	-	-	-
Proprietor's Capital				
Opening Balance as per Audited Financial		223.57	564.11	585.97
Add: Profit earned till the reporting period as per Restated		80.59	-	-
Add: Capital Introduced During the Year		51.60	10.21	81.29
Less: Investment in Compnay (Cancelled during Takeover)		2.50	-	-
Less: Capital Withdrawn During the Year		74.38	25.15	4.12
Less: Loss During the Year			325.60	99.04
Closing Balance	-	278.88	223.57	564.11
	45.90	278.88	223.57	564.11

a) Reconciliation of equity share capital

Particulars	Sanjeev Kahali (Proprietorship)			
	As at	As at	As at March 31,	
	March 31, 2023	Feb 18, 2023	2022	2021
Balance at the beginning of the period/year				
- Number of shares	-	-	-	-
- Amount INR in Lakh	-	-	-	-
Add: Shares issued during the period/year				
- Number of shares	4,58,989	-	-	-
- Amount INR in Lakh	45.90	-	-	-
Balance at the end of the period/year				
- Number of shares	4,58,989	-	-	-
- Amount INR in Lakh	45.90	-	-	-

b) Shareholders holding more than 5% of the shares of the Company

₹ Particulars	Sanjeev Kahali (Proprietorship)			
	As at	As at	As at March 31,	
	March 31, 2023	Feb 18, 2023	2022	2021
Equity shares of 10 each				
Sanjeev Kahali				
- Number of shares	3,38,138	0	0	0
- Percentage holding (%)	73.67%	-	-	-
Lipika Kahali				
- Number of shares	78,852	0	0	0
- Percentage holding (%)	17.18%	-	-	-

c) Shareholders holding Promoters and Promoter Group of the Company

₹ Particulars	Sanjeev Kahali (Proprietorship)			
	As at	As at	As at March 31,	
	March 31, 2023	Feb 18, 2023	2022	2021
Equity shares of 10 each				
Sanjeev Kahali				
- Number of shares	3,38,138	-	-	-
- Percentage holding (%)	73.67%	-	-	-
Lipika Kahali				
- Number of shares	78,852	-	-	-
- Percentage holding (%)	17.18%	-	-	-
Anirbaan Kahali				
- Number of shares	11,500	-	-	-
- Percentage holding (%)	2.51%	-	-	-
Kamla Kahali				
- Number of shares	5,555	-	-	-
- Percentage holding (%)	1.21%	-	-	-

e) Rights, preferences and restrictions attached to equity shares

The Company has equity shares, having par value of 10 per share. Each holder of equity share is entitled for one vote per share and has a right to receive dividend as recommended by the Board of Directors subject to the necessary approval from the shareholders.

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 6: Restated Statement of Reserves and surplus

(INR in Lakhs)

Particulars	Sanjeev Kahali (Proprietorship)			
	As at March 31, 2023	As at Feb 18, 2023	As at March 31,	
			2022	2021
A. Securities premium account				
Balance at the beginning of the period / year	-	-	-	-
Add : On shares issued	327.19	-	-	-
4,08,989 Share of Rs. 10 each issued at premium of Rs 80 each	-	-	-	-
Less : Utilisation of premium for redemption of preference shares	-	-	-	-
Balance at the end of the period/year	327.19	0	0	0
B. Surplus in the Restated Summary Statement of Profit and Loss				
Balance at the beginning of the period/year	-	-	-	-
Add: Transitional adjustment on account of Schedule II to Companies Act, 2013	-	-	-	-
Restated Balance at the beginning of the period	-	-	-	-
Add : Transferred from the Restated Summary Statement of Profit and Loss	27.10	80.59	325.60	99.04
Add : Reversal of Last year provision of income tax	-	-	-	-
Less: Transferred from the Restated Summary Statement of Profit and Loss (Loss)	24.92	80.59	325.60	99.04
Balance at the end of the period/year	2.18	-	-	-

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 7: Restated Statement of Long- term borrowings

(INR in Lakhs)

Particulars	Sanjeev Kahali (Proprietorship)							
	As at March 31, 2023		As at Feb 18, 2023		As at March 31,			
	Long-term	Short-term	Long-term	Short-term	2022		2021	
				Long-term	Short-term	Long-term	Short-term	
Secured								
(a) Term loans from others								
Term Loans from Bank	149.18	-	168.44	-	321.36	-	150.29	-
TL from Bank Current Maturities	-	19.24	-	3.50	-	8.72	-	8.88
(b) Loans repayable on demand								
Kotak Mahindra Bank OD	-	149.94	-	151.17	-	-	-	375.90
	149.18	169.18	168.44	154.67	321.36	8.72	150.29	384.78
Unsecured								
(a) Loans from related parties								
	-	-	64.72	-	72.37	-	33.87	-
(b) Loans from Others								
	-	-	22.00	-	2.00	-	187.52	-
(c) Loans repayable on demand								
BoB Credit Card								
(d) Term loans								
From banks								
From others								
	-	-	86.72	-	74.37	-	221.38	-
TOTAL	149.18	169.18	255.16	154.67	395.73	8.72	371.67	384.78

From Bank and Financial Institutions	Current year (March 2022)	Previous year (March 2021)	Interest Rate (%)	Security Details
Bank of Baroda (Car Loan I)	4.82	5.80	9.80%	Secured Against Hypothecation of Car
Bank of Baroda (Car Loan II)	24.10	29.03	9.80%	Secured Against Hypothecation of Car
Bank of Baroda EPC	-	107.96	9.25%	Secured Against Book Debts and Hypothecation of Plant and Machinery (Both present and future)
Bank of Baroda C/A	-	6.52		
Bank of Baroda C/C	-	100.58		
Bank of Baroda FITL	-	0.15		
Bank of Baroda CC Credit Card	-	4.50	NA	Proprietor Personal Credit Card
Kotak Bank (Overdraft Facility)	-	149.79	8.10%	Primary Stock and Book Debts Secondary Mortgage over property situated at Plot No. 45, UIT, Golf Course Scheme, Tehsil and District Jodhpur in the name of Mr. Sanjeev Kahalli.
Kotak Bank Term Loan-1	-	70.83	8.60%	
Kotak Bank Term Loan-2	-	47.50	8.60%	
Indusind Credit Card	-	6.55	NA	Proprietor Personal Credit Card
YES Bank (Term Loan)	298.28		8.80%	Mortgage over property situated at Plot No. 45, UIT, Golf Course Scheme, Tehsil and District Jodhpur in the name of Mr. Sanjeev Kahalli.
HDFC (Vehicle Loan)	2.88	5.86		Secured Against Mortgage of Vehicle

F.Y. 2022-23 (01.04.2022 TO 18.02.2023)				
From Bank and Financial Institutions	Current year (18th Feb 2023)	Previous year (March 2022)	Interest Rate (%)	Security Details
Kotak Bank (Overdraft Facility)				Common Securities for Term Loan and Cash Credit Primary First and exclusive charge on all existing and future current assets of the firm. Secondary - Equitable Mortgage over property situated at Plot No. 45, UIT, Golf Course Scheme, Tehsil and District Jodhpur in the name of Mr. Sanjeev Kahalli. Personal gurantee of Miss. Lipika Kahalli
Kotak Bank (EPC/PCFC-Sub limit of Overdraft)	151.17	-	8.10%	
Kotak Bank (FBD/FBP/PFCF-Sub limit of Overdraft)				
Kotak Bank (Drop Line Overdraft)				
Kotak Bank (Term Loan I)	139.37	-	8.10%	
Kotak Bank (Term Loan II)	9.47	-	8.10%	
Bank of Baroda (Car Loan I)	3.85	4.82	9.80%	Secured Against Mortgage of Vehicle
Bank of Baroda (Car Loan II)	19.24	24.10	9.80%	Secured Against Mortgage of Vehicle
YES Bank (Overdraft)	-	298.28	8.80%	Mortgage over property situated at Plot No. 45, UIT, Golf Course Scheme, Tehsil and District Jodhpur in the name of Mr. Sanjeev Kahalli.
HDFC (Vehiicle Loan)	-	2.88		Secured Against Mortgage of Vehicle
FY 2022-23 (19.02.2023 TO 31.03.2023)				
From Bank and Financial Institutions	Current year (March 2023)	Previous year (18th Feb 2023)	Interest Rate (%)	Security Details
Bank of Baroda (Car Loan I) - 3805	0.00	3.85	9.80%	Secured Against Hypothecation of Car
Bank of Baroda (Car Loan II) -3506	15.08	19.24	9.80%	Secured Against Hypothecation of Car
Kotak Bank (Overdraft Facility)				Common Securities for Term Loan and Cash Credit Primary First and exclusive charge on all existing and future current assets of the firm. Secondary - Equitable Mortgage over property situated at Plot No. 45, UIT, Golf Course Scheme, Tehsil and District Jodhpur in the name of Mr. Sanjeev Kahalli. Personal gurantee of Miss. Lipika Kahalli, Mr. Sanjeev Kahalli and Mr. Anirbaan Kahalli
Kotak Bank (EPC/PCFC-Sub limit of Overdraft)	149.94	151.17	8.10%	
Kotak Bank (FBD/FBP/PFCF-Sub limit of Overdraft)				
Kotak Bank (Drop Line Overdraft)				
Kotak Bank (Term Loan I)	153.34	139.37	8.10%	
Kotak Bank (Term Loan II)	-	9.47	8.60%	

KAHALI CRAFTISTICS LIMITED**Sanjeev Kahali (Proprietorship)**

45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011

CIN: U36900RJ2023PLC085926

Annexure 8: Deferred tax assets

(INR in Lakhs)

Particulars	Sanjeev Kahali (Proprietorship)			
	As at March 31, 2023	As at Feb 18, 2023	As at March 31,	
			2022	2021
Deferred Tax Assets / (Liabilities)				
Depreciation and amortisation	0.56	-	-	-
Opening	-	-	-	-
Charged to Profit and Loss Statement	1.32	-	-	-
Closing	1.88	-	-	-
Deferred tax assets / (Liabilities)	1.88	-	-	-

KAHALI CRAFTISTICS LIMITED

Sanjeev Kahali (Proprietorship)

45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011

CIN: U36900RJ2023PLC085926

Annexure 9 : Restated Statement of Trade payables

(INR in Lakhs)

Particulars	Sanjeev Kahali (Proprietorship)			
	As at March 31, 2023	As at Feb 18, 2023	As at March 31,	
			2022	2021
Dues of micro and small enterprises (refer note below)	-	-	-	-
Dues other than micro and small enterprises	144.27	168.63	261.10	339.97
	144.27	168.63	261.10	339.97

Note: Micro and Small Enterprises

Particulars	Sanjeev Kahali (Proprietorship)			
	As at March 31, 2023	As at Feb 18, 2023	As at March 31,	
			2022	2021
(1) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year.	-	-	-	-
(2) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-	-
(3) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-
(4) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-	-
(5) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-

Note: Under the Micro, Small & Medium Enterprises Development Act, 2006 which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprises. The Company is in the process of compiling relevant information from its customers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts. This has been relied upon by the auditors. Management believes that the figures for disclosures, if any, will not be significant.

Annexure 10: Restated Statement of Other current liabilities

Particulars	Sanjeev Kahali (Proprietorship)			
	As at March 31, 2023	As at Feb 18, 2023	As at March 31,	
			2022	2021
ESIC and Professional Tax Payable	-	-	1.07	-
GST Payable	17.63	4.25	-	0.16
TDS / TCS Payable	1.39	1.22	1.23	1.09
Outstanding expenses	11.74	18.22	15.24	18.32
Other Current Liabilities	6.56	18.65	47.47	33.91
	37.33	42.33	65.01	53.48

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 11: Restated Statement of Provisions

(INR in Lakhs)

Particulars	Sanjeev Kahali (Proprietorship)							
	As at March 31, 2023		As at Feb 18, 2023		As at March 31,			
	Long-term	Short-term	Long-term	Short-term	2022		2021	
					Long-term	Short-term	Long-term	Short-term
Provision for employee benefits								
Provision for Wages and Salaries	-	-	-	-	-	-	-	-
Gratuity	30.37	0.60	-	-	-	-	-	-
Others								
Provision for tax for Current Period (net of advance tax)	-	56.00	-	42.00	-	-	-	-
Provision for tax for Preious Period (net of advance tax)	-	-	-	-	-	-	-	-
	30.37	56.60	-	42.00	-	-	-	-

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 12: Restated Statement of Property, plant and equipment

(INR in Lakhs)

Tangible assets (Owned for own use)	WDV as on 01-04-2020				Depreciation				WDV as on 31-03-2021		
	Balance as at April 1, 2020	Addition	Disposal	Balance as at March 31, 2021	Balance as at April 1, 2020	ELIMINATED ON DISPOSAL OF ASSETS	DEPRICIATION /AMORTISATION EXPENDITURE OF THE YEAR	Balance as at March 31, 2021	Balance as at March31, 2021	Balance as at March31, 2020	
Land / Plot (Agricultural)	359.76	30.00	-	389.76	-	-	-	-	389.76	359.76	
Plant & Machinery & Office Equipm	141.91	4.37	-	146.28	-	-	21.74	-	124.54	141.91	
Furniture & Fixture	230.45	6.32	-	236.77	-	-	23.43	-	213.33	230.45	
Computers & other Equipment	1.15	-	-	1.15	-	-	0.46	-	0.69	1.15	
Motor Vehicles	6.97	-	-	6.97	-	-	2.09	-	4.88	6.97	
TOTAL RS.	740.24	40.69	-	780.93	-	-	47.73	-	733.20	740.24	

Intangible assets Self Generated	WDV as on 01-04-2020				Depreciation				WDV as on 31-03-2021		
	Balance as at April 1, 2020	Addition	Disposal	Balance as at March 31, 2021	Balance as at April 1, 2020	ELIMINATED ON DISPOSAL OF ASSETS	DEPRICIATION /AMORTISATION EXPENDITURE OF THE YEAR	Balance as at March 31,2021	Balance as at March 31,2021	Balance as at March 31, 2020	
Patient	0.02	-	-	0.02	-	-	0.01	0.02	0.02	0.02	
Trademark	0.00	-	-	0.00	-	-	0.00	0.00	0.00	0.00	
TOTAL RS.	0.02	-	-	0.02	-	-	0.01	0.02	0.02	0.02	

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

(INR in Lakhs)

Tangible assets (Owned for own use)	WDV as on 01-04-2021				Depreciation			WDV as on 31-03-2022		
	Balance as at April 1, 2021	Addition	Disposal	Balance as at March 31, 2022	Balance as at April 1, 2021	ELIMINATED ON DISPOSAL OF ASSETS	DEPRICIATION /AMORTISATION EXPENDITURE OF THE YEAR	Balance as at March 31, 2022	Balance as at March 31, 2022	Balance as at March31, 2021
Land / Plot (Agricultural)	389.76		359.76	30.00	-	-	-	-	30.00	389.76
Plant & Machinery & Office Equipm	124.54	4.71	13.79	115.46	-	-	17.10	-	98.36	124.54
Furniture & Fixture	213.33	9.95	196.81	26.47	-	-	2.25	-	24.23	213.33
Computers & other Equipment	0.69			0.69	-	-	0.28	-	0.42	0.69
Motor Vehicles	4.88			4.88		-	1.46	-	3.41	4.88
TOTAL RS.	733.20	14.66	570.36	177.50	-	-	21.09	-	156.41	733.20

Intangible assets Self Generated	WDV as on 01-04-2021				Depreciation			WDV as on 31-03-2022		
	Balance as at April 1, 2021	Addition	Disposal	Balance as at March 31, 2022	Balance as at April 1, 2021	ELIMINATED ON DISPOSAL OF ASSETS	DEPRICIATION /AMORTISATION EXPENDITURE OF THE YEAR	Balance as at March 31, 2022	Balance as at March 31, 2022	Balance as at March31, 2021
Patient	0.02	-	-	0.02	-	-	0.00	-	0.01	0.02
Trademark	0.00	-	-	0.00	-	-	0.00	-	0.00	0.00
TOTAL RS.	0.02	-	-	0.02	-	-	0.00	-	0.02	0.02

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

(INR in Lakhs)

Tangible assets (Owned for own use)	WDV as on 01-04-2022				Depreciation				WDV as on 18-02-2023	
	Balance as at April 1, 2022	Addition	Disposal	Balance as at Feb 18, 2023	Balance as at April 1, 2022	ELIMINATED ON DISPOSAL OF ASSETS	DEPRICIATION /AMORTISATION EXPENDITURE OF THE YEAR	Balance as at Feb 18, 2023	Balance as at Feb 18, 2023	Balance as at March 31, 2022
Land / Plot (Agricultural)	30.00	-	-	30.00	-	-	-	-	30.00	30.00
Plant & Machinery & Office Equipments	98.36	-	5.26	93.09	-	-	4.06	-	89.04	98.36
Furniture & Fixture	24.23	0.03	-	24.26	-	-	2.28	-	21.98	24.23
Computers & other Equipment	0.42	-	-	0.42	-	-	0.17	-	0.25	0.42
Motor Vehicles	3.41	-	-	3.41	-	-	11.15	-	7.74	3.41
TOTAL RS.	156.41	0.03	5.26	151.19	-	-	17.65	-	133.53	156.41

Intangible assets Self Generated	WDV as on 01-04-2022				Depreciation				WDV as on 18-02-2023	
	Balance as at April 1, 2022	Addition	Disposal	Balance as at Feb 18, 2023	Balance as at April 1, 2022	ELIMINATED ON DISPOSAL OF ASSETS	DEPRICIATION /AMORTISATION EXPENDITURE OF THE YEAR	Balance as at Feb 18, 2023	Balance as at Feb 18, 2023	Balance as at March 31, 2022
Patient	0.01	-	0.01	0.00	-	-	0.00	-	0.00	0.01
Trademark	0.00	-	-	0.00	-	-	0.00	-	0.00	0.00
TOTAL RS.	0.01	-	0.01	0.00	-	-	0.00	-	0.00	0.01

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Tangible assets (Owned for own use)	WDV as on 18-02-2023				Depreciation				WDV as on 31-03-2023		
	Balance as at Feb 18, 2023	Addition	Disposal	Balance as at March 31, 2023	Balance as at Feb 18, 2023	ELIMINATED ON DISPOSAL OF ASSETS	DEPRICIATION /AMORTISATION EXPENDITURE OF THE PERIOD	Balance as at March 31, 2023	Balance as at March 31, 2023	Balance as at Feb 18, 2023	
Land / Plot (Agricultural)	30.00	-	-	30.00	-	-	-	-	30.00	30.00	
Plant & Machinery	72.67	-	-	72.67	28.18	-	-	28.18	44.49	44.49	
Other Assets (Written Off)	0.53	-	-	0.53	0.53	-	-	0.53	-	-	
Office Equipments	57.89	-	-	57.89	55.29	-	-	55.29	2.61	2.61	
Furniture & Fixture	29.58	-	-	29.58	10.39	-	-	10.39	19.19	19.19	
Computers & other Equipment	-	-	-	-	-	-	-	-	-	-	
Motor Vehicles	99.31	-	-	99.31	62.09	-	5.25	67.34	31.98	37.23	
TOTAL RS.	289.99	-	-	289.99	156.48	-	5.25	161.73	128.26	133.51	

KAHALI CRAFTISTICS LIMITED**Sanjeev Kahali (Proprietorship)**

45, Golf Course, Air Force Area Jodhpur Jodhpur Jodhpur RJ 342011

CIN: U36900RJ2023PLC085926

Annexure 13: Non-Current Investments

(INR in Lakhs)

Particulars	Sanjeev Kahali (Proprietorship)			
	As at March 31, 2023	As at Feb 18, 2023	As at March 31, 2022	As at March 31, 2021
Sovereign Gold Bonds - at Cost	0.34	0.34	0.35	0.35
	0.34	0.34	0.35	0.35

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 14: Restated Statement of Loans and advances

(INR in Lakhs)

Particulars	As at		As at		Sanjeev Kahali (Proprietorship)			
	March 31, 2023		Feb 18, 2023		As at March 31,			
	Long-term	Short-term	Long-term	Short-term	2022		2021	
				Long-term	Short-term	Long-term	Short-term	
Unsecured, considered good (unless otherwise stated)								
Security deposits for Rent	-	9.91	-	9.91	-	10.39	-	11.45
Balance with Revenue Authorities	-	6.07	-	7.88	-	58.29	-	111.90
Prepaid Expenses	-	-	-	-	-	3.12	-	3.58
Advance to Suppliers	-	50.84	-	43.83	-	53.82	-	59.64
TDS Receivable	-	-	-	0.02	-	2.47	-	9.50
Other Advances	-	-	-	-	-	26.98	-	21.48
	-	66.82	-	61.63	-	155.08	-	217.54

KAHALI CRAFTISTICS LIMITED

Sanjeev Kahali (Proprietorship)

45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011

CIN: U36900RJ2023PLC085926

Annexure 15: Restated Statement of Trade receivables

(INR in Lakhs)

Particulars	Sanjeev Kahali (Proprietorship)			
	As at March 31, 2023	As at Feb 18, 2023	As at March 31,	
			2022	2021
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	275.33	225.99	186.12	287.97
Unsecured, considered doubtful	-	-	-	-
	275.33	225.99	186.12	287.97
Less Provision for doubtful debts				
	275.33	225.99	186.12	287.97
Other debts				
Unsecured, considered good	-	-	-	-
	275.33	225.99	186.12	287.97

Annexure 16: Restated Statement of Inventories

Particulars	As at March 31, 2023	As at Feb 18, 2023	As at March 31,	
			2022	2021
Inventory	-	-	-	-
Raw Material	121.92	132.92	122.54	134.15
Work In progress	124.29	126.85	97.63	103.44
Finished Goods	241.14	252.33	223.11	228.92
Total	487.35	512.10	443.28	466.51

Annexure 17: Restated Statement of Cash and bank balances

Particulars	As at March 31, 2023	As at Feb 18, 2023	As at March 31,	
			2022	2021
Cash and cash equivalents				
Cash on hand	3.53	3.17	4.25	0.91
Balances with banks				
- in current accounts	2.44	4.89	8.62	7.50
	5.97	8.06	12.87	8.42
Other bank balances				
Balance in escrow accounts	-	-	-	-
Margin Money	-	-	-	-
	-	-	-	-
Total	5.97	8.06	12.87	8.42

KAHALI CRAFTISTICS LIMITED

Sanjeev Kahali (Proprietorship)

45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011

CIN: U36900RJ2023PLC085926

Annexure 18: Restated Statement of Revenue from operations

(INR In Lakhs)

Particulars	Sanjeev Kahali (Proprietorship)			
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	For the year ended March 31,	
			2022	2021
Revenue from operations				
Sale of Manufactured Goods				
Domestic	115.31	179.84	195.78	315.22
Export	-	213.33	602.48	390.05
	115.31	393.17	798.26	705.27

Annexure 19: Restated Statement of Other income

Particulars	Sanjeev Kahali (Proprietorship)			
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	For the year ended March 31,	
			2022	2021
Foreign Exchange Gain		3.11	7.10	0.60
Interest Income Others	0.00	0.00	0.01	0.01
Duty Drawback		2.86	7.65	5.16
Discount Received	6.34	0.03	11.84	0.02
Other Miscellaneous Income	2.15	66.18	1.24	9.20
	8.49	72.18	27.82	14.99
Profit before tax	42.98	122.59	325.60	99.04
% of other income to profit before tax	19.75%	58.88%	-8.54%	-15.14%

Note:

- (a) All the items of other income are related to business activities. Further, out of all the items of other income only interest income from deposits and gain on foreign currency translations and transactions are recurring and the remaining are non-recurring in nature.
- (b) The classification of 'Other income' as recurring or non-recurring and related or non-related to business activity is based on the current operations and business activities of the Company, as determined by the management.

Annexure 20: Cost of materials consumed and Changes in Inventory

Particulars	Sanjeev Kahali (Proprietorship)			
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	For the year ended March 31,	
			2022	2021
Opening Stock of RM	132.92	122.54	134.15	166.51
Add. Purchases of RM	1.73	130.53	380.65	302.54
Add. Direct Expenses	6.09	151.04	219.68	178.37
Less. Closing Stock of RM	(121.92)	(132.92)	(122.54)	(134.15)
	18.83	271.19	611.94	513.26

Particulars	Sanjeev Kahali (Proprietorship)			
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	For the year ended March 31,	
			2,022	2,021
Opening Stock of WIP	126.85	97.63	103.44	145.49
Opening Stock of FG	252.33	223.11	228.92	267.39
Less. Closing Stock of WIP	(124.29)	(126.85)	(97.63)	(103.44)
Less. Closing Stock of FG	(241.14)	(252.33)	(223.11)	(228.92)
	13.75	(58.44)	11.61	80.52

Annexure 21: Restated Statement of Employee benefits expense

Particulars	Sanjeev Kahali (Proprietorship)			
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	For the year ended March 31,	
			2022	2021
Salaries, wages and bonus	2.07	37.04	38.92	36.86
Directors Remuneration	9.92	-	-	-
Contribution to ESIC and other funds	-	-	12.27	8.70
Staff welfare expenses	0.10	2.00	3.23	3.02
Gratuity	6.04	-	-	-
	18.13	39.04	54.42	48.58

Annexure 22: Restated Statement of Finance costs

Particulars	Sanjeev Kahali (Proprietorship)			
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	For the year ended March 31,	
			2022	2021
Interest expense	4.63	26.88	38.84	54.32
~On Overdraft Facility	2.32	18.92	24.92	22.01
~On Other Loans	2.31	7.96	13.92	32.31
Finance Charges	0.21	2.98	1.59	1.06
Bank charges	0.07	4.23	7.83	5.28
	4.91	34.09	48.26	60.66

Annexure 23: Restated Statement of Depreciation and amortisation expense

Particulars	Sanjeev Kahali (Proprietorship)			
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	For the year ended March 31,	
			2022	2021
Depreciation and amortisation expense (Refer Annexure 12)	5.25	17.66	21.09	47.73
	5.25	17.66	21.09	47.73

KAHALI CRAFTISTICS LIMITED

Sanjeev Kahali (Proprietorship)

45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011

CIN: U36900RJ2023PLC085926

Annexure 24: Restated Statement of Other expenses

(INR in Lakhs)

Particulars	For the period from Jan 19, 2023 to March 31, 2023	Sanjeev Kahali (Proprietorship)		
		For the period from April 1, 2022 to Feb 18, 2023	For the year ended March 31,	
			2022	2021
Auditor's remuneration (Refer note below)	0.40	-	0.50	0.40
Short Term Capital Loss(on sale building)	-	-	75.49	-
Long Term Capital Loss(Factory Land)	-	-	254.94	-
Conveyance Expenses	0.37	3.06	3.75	3.80
Discount	-	-	4.33	0.76
Bad Debts	-	6.20	-	11.84
Commission	-	-	0.20	-
Factory expenses	-	-	1.35	0.70
Freight expenses	-	9.11	15.12	12.51
Incorporation Expenses	6.56	-	-	-
Legal, Professional and Technical Fees	11.51	0.46	1.53	2.71
Information Technology Expenses	-	0.55	0.98	1.08
Membership Fees	-	0.11	0.12	0.12
Miscellaneous expenses	-	0.51	0.44	1.09
Office expenses	0.03	0.55	0.87	0.93
Insurance Charges	-	7.93	4.25	4.65
Postage and telephone	0.09	1.04	3.94	1.53
Printing and stationery	0.03	0.32	0.73	0.29
Rent, Rates and Taxes	-	-	24.26	14.82
Repairs and maintenance	0.09	2.37	4.90	4.10
Selling and Sales Promotion expenses	0.20	4.47	3.63	3.07
Security Charges	0.28	1.41	2.45	3.88
Travelling Expenses	0.40	1.15	0.61	0.26
	19.96	39.22	404.37	68.54

Note: Auditor's remuneration (excluding tax)

Particulars	For the period from Jan 19, 2023 to March 31, 2023	Sanjeev Kahali (Proprietorship)		
		For the period from April 1, 2022 to Feb 18, 2023	For the year ended March 31,	
			2022	2021
As auditor				
Statutory audit	0.40	-	0.50	-
	0.40	-	0.50	-

Annexure 25: Restated Statement of Accounting and other ratios

(INR in Lakhs except per Share data)

Sr. no.	Particulars	Sanjeev Kahali (Proprietorship)			
		For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	As at March 31,	
				2022	2021
	₹				
A	Net worth, as restated () ₹	375.27	198.29	549.17	663.15
B	Profit after tax, as restated ()	27.10	80.59	325.60	99.04
	Weighted average number of equity shares outstanding during the period/ year				
C	For Basic earnings per share	56,925			
D	For Diluted earnings per share	56,925			
	Earnings per share ₹				
E	Basic earnings per share () (B/C)	47.61			
F	Diluted earnings per share () (B/D)	47.61			
G	Return on Net Worth (%) (B/A*100)	7.22%			
H	Number of shares outstanding at the end of the period/ year	4,58,989			
I	Net asset value per equity share of 10 each () (A/H)	81.76			
J	Face value of equity shares ()	10.00			

Notes :-

1) The ratios have been computed in the following manner :

a) Basic and Diluted earnings per share ()

$$\frac{\text{Restated Profit after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period/year}}$$

b) Return on net worth (%) =

$$\frac{\text{Restated Profit after tax}}{\text{Restated Net worth as at period/ year end}}$$

c) Net asset value per share ()

$$\frac{\text{Restated Net Worth as at period/ year end}}{\text{Total number of equity shares as at period/ year end}}$$

2) The figures disclosed above are based on the Restated Financial Information of the Company.

3) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted for the number of equity shares issued during the period/year multiplied by the time weightage factor. The time weightage factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

4) Net worth for the ratios represents sum of share capital and reserves and surplus (share premium and surplus in the Restated Summary Statement of Profit

5) The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company in Annexure 4.

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 26: Statement of dividend declared

(INR in Lakhs except per share data)

Particulars	Sanjeev Kahali (Proprietorship)			
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	As at March 31,	
			2022	2021
Equity shares				
Equity share capital ()	-	-	-	-
Number of equity shares	-	-	-	-
Face value per share ()	-	-	-	-
Dividend on equity shares				
Final dividend rate	-	-	-	-
Dividend paid on equity shares				
Final dividend ()	-	-	-	-
Tax on dividend including surcharge ()	-	-	-	-

1. The above statement should be read with the Statement of Notes to the Restated Financial Information in Annexure 4.

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 27: Restated Statement of Related party disclosures

(a) Names of related parties and description of relationship:

Nature of related parties	Description of relationship
Director and Key Management Personnel	
Sanjeev Kahali	Managing Director and CMD
Lipika Kahali	Whole Time Director
Anirbaan Kahali	Whole Time Director
Dashrath Singh	Chief Financial Officer
Relative of Key Managerial Personnel	
Kamala Kahali	Relative of KMP/ Director
Entities in which Director, KMP or their relatives having significant influence	
Inner Eye(Partnership Firm)	-
The Inner Eye(Sole Proprietorship Firm)	-

b) Transactions with related parties:

(INR in Lakhs)

Particulars	Sanjeev Kahali (Proprietorship)			
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	For the year ended March 31,	
			2022	2021
Share Capital Issued				
Sanjeev Kahali	283.92	-	-	-
Lipika Kahali	60.97	-	-	-
Anirbaan Kahali	1.15	-	-	-
Dashrath Singh	0.01	-	-	-
Kamala Kahali	5.00	-	-	-
Loan taken				
Kamala Kahali	-	5.00	5.00	-
Lipika Kahali	-	34.85	33.50	-
The Inner eye	-	24.87	33.87	33.87
Remuneration Given				
Sanjeev Kahali	6.40	-	-	-
Lipika Kahali	1.30	-	-	-
Anirbaan Kahali	1.90	-	-	-
Dashrath Singh	0.32	-	-	-
Trade payables/Advance to supplier				
The inner eye	(21.53)	(21.53)	(21.13)	(21.84)
Trade Receivables				
Inner Eye	10.18	10.18	10.18	10.35
Sales				
Inner Eye	Nil	Nil	(0.17)	95.57

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 28 : Statement of tax shelter

(INR in Lakh)

Particulars	Sanjeev Kahali (Proprietorship)			
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	As at March 31,	
			2022	2021
Profit before tax, as restated (A)	42.98	122.59	(325.60)	(99.04)
Tax rate (%) (B)	25.17%			
Tax expense at nominal rate [C= (A*B)]	10.82	-	-	-
Adjustments				
Permanent differences				
	-			
	-			
Adjustment on account of Section 40 a(ia) under Income tax Act, 1961	3.15			
Total permanent differences (D)	3.15	-	-	-
Timing differences				
Depreciation difference as per books and as per tax	(2.21)			
Adjustment on account of Section 35D under Income tax Act, 1961 (Disallowed 1/5 of Incorporation Expenses)	5.25			
Total timing differences (E)	3.04	-	-	-
Deduction under Chapter VI-A (F)	-	-	-	-
Net adjustments(G)=(D+E-F)	6.19			
Tax impact of adjustments (H)=(G)*(B)	1.56			
Tax expenses (I= H+C) (derived)	12.38			
Current tax expense as per Restated Summary Statement of Profit and Loss	14.00			

Notes:

1. The above statement is in accordance with Accounting Standard - 22, "Accounting for Taxes on Income" prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended).
2. The permanent/timing differences for the years ended 31 March 2023 has been given as the Company was a proprietorship firm till Feb 18, 2023.
3. Statutory tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.
4. The above statement should be read with the Statement of Notes to the Standalone Financial Information of the Company.

KAHALI CRAFTISTICS LIMITED

Sanjeev Kahali (Proprietorship)

45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011

CIN: U36900RJ2023PLC085926

Annexure 29: Restated Statement of Capitalisation

(INR in Lakh)

Particulars	For the period from Jan 19, 2023 to March 31, 2023	Post Issue
Borrowings		
Short- term	169.18	[•]
Long- term (including current maturities) (A)	149.18	[•]
Total Borrowings (B)	318.36	[•]
Shareholders' funds		
Share capital	45.90	[•]
Reserves and surplus	329.37	[•]
Total Shareholders' funds (C)	375.27	[•]
Long- term borrowings/ equity* {(A)/(C)}	0.45	[•]
Total borrowings / equity* {(B)/(C)}	0.85	[•]

* equity= total shareholders' funds

Notes:

- 1 Short-term borrowings implies borrowings repayable within 12 months from the Balance Sheet date. Long-term borrowings are debts other than short-term borrowings and also includes the current maturities of long-term borrowings (included in other current liabilities).
 - 2 The above ratios have been computed on the basis of the Restated Standalone Summary Statement of Assets and Liabilities of the Company.
 - 3 The above statement should be read with the Statement of Notes to the Restated Standalone Financial Information of the Company in Annexure IV.
- [•] The corresponding post issue figures will be calculated on finalisation of issue price and the number of shares on conclusion of the book building process.

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 30: Other Notes

- (i) The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (ii) The quarterly returns and statement of current assets filled by the company with Banks are generally in agreement with the books of account.
- (iii) The Proprietorship Firm of **Sanjeev Kahali** was enjoying Working capital loan and Term Loans facilities from Kotak Bank Limited. Consequent to conversion and registration of Proprietorship Firm in to Private Limited Company (now Public Limited) under Part I Chapter XXI of the Companies Act, 2013, the loan liabilities are deemed to be transferred to newly converted Company i.e. **Kahali Craftistics Limited**. However, pending the execution of securities documents in the name of the Company, the Company has not registered relevant charges before the Registrar of the Companies. As informed to us, As soon as the documents are executed, the relevant charge will be registered by the Company.
- (iv) The company have not traded or invested in Crypto currency or Virtual Currency during the period/year.
- (v) The company have not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The company have not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.
- (ix) There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 15.1: Restated Statement of Ageing Schedule

Trade receivables as March 31, 2023 (INR in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	153.32	43.67	26.82	44.91	6.60	275.33
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Trade receivables as February 18, 2023 (INR in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	<i>#Respective figures for Proprietorship Firm not available as the same were not maintained as per the requirements of Financial Statements</i>					
(ii) Undisputed Trade Receivables – considered doubtful						
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful						

Trade receivables as March 31, 2022 (INR in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	<i>#Respective figures for Proprietorship Firm not available as the same were not maintained as per the requirements of Financial Statements</i>					
(ii) Undisputed Trade Receivables – considered doubtful						
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful						

Trade receivables as March 31, 2021 (INR in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	<i>#Respective figures for Proprietorship Firm not available as the same were not maintained as per the requirements of Financial Statements</i>					
(ii) Undisputed Trade Receivables – considered doubtful						
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful						

KAHALI CRAFTISTICS LIMITED
Sanjeev Kahali (Proprietorship)
45, Golf Course, Air Force Area Jodhpur Jodhpur RJ 342011
CIN: U36900RJ2023PLC085926

Annexure 9.1: Restated Statement of Ageing Schedule

Trade Payables Classification For the Reporting Period March 31, 2023 (INR in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	-	-	-	-
Others	80.88	16.87	37.71	8.82	144.27
Dispute dues-MSME	-	-	-	-	-
Dispute dues - Others	-	-	-	-	-
Total	80.88	16.87	37.71	8.82	144.27

Trade Payables Classification For the Reporting Period Feb 18, 2023 (INR in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	More than 3 Years
MSME	#Respective figures for Proprietorship Firm not available as the same were not maintained as per the requirements of Financial Statements				
Others					
Dispute dues-MSME					
Dispute dues - Others					
Total	-	-	-	-	Done
#Respective figures for Proprietorship Firm not available					
					Done

Trade Payables Classification For the Reporting Period March 31, 2022 (INR in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	More than 3 Years
MSME	-	-	-	-	-
Others	#Respective figures for Proprietorship Firm not available as the same were not maintained as per the requirements of Financial Statements				
Dispute dues-MSME					
Dispute dues - Others					
Total					
#Respective figures for Proprietorship Firm not available					

Trade Payables Classification For the Reporting Period March 31, 2021 (INR in Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	More than 3 Years
MSME	#Respective figures for Proprietorship Firm not available as the same were not maintained as per the requirements of Financial Statements				
Others					
Dispute dues-MSME					
Dispute dues - Others					
Total	-	-	-	-	-
#Respective figures for Proprietorship Firm not available					

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

You should read the following discussion in conjunction with our restated financial statements attached in the section titled “**Financial Statements**” beginning on page 138. You should also read the section titled “**Risk Factors**” on page 24 and the section titled “**Forward Looking Statements**” on page 15 of this Draft Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated Financial Statements.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor 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.

BUSINESS OVERVIEW

We are primarily engaged in manufacturing and exporting of handicraft products. The business activities of our Company comprise of studying, visualizing, designing, manufacturing and selling the end product domestically in India as well as Internationally. Our product includes decorative (table and wall), lighting, mirror, furniture and items of regular utility with a design element to it. The business was primarily focused on exports to various countries like the USA, European countries, the Middle Eastern countries, Japan and Australia. The unique selling propositions (USP) of our Company is designing components of these products and our Managing Director & Promoter, Sanjeev Kahali is a designer engaged in product designing and manufacturing since 1990.

FINANCIAL SNAPSHOT

For the period ending March 31, 2023 our total revenue as per Restated Financial Statements was ₹ 115.31 lakhs. Further, our profit after tax for the period ending March 31, 2023 as per Restated Financial Statements was ₹ 27.10 lakhs.

(₹ in lakhs except percentages and ratios)

Key Performance Indicator	Kahali Craftistics Limited	M/s. Sanjeev Kahali*		
	For the period from Jan 19, 2023 to March 31, 2023	For the period from April 1, 2022 to Feb 18, 2023	March 31, 2022	March 31, 2021
Revenue from Operations ⁽¹⁾	115.31	393.17	798.26	705.27
EBITDA ⁽²⁾	44.65	102.15	(284.07)	(5.64)
EBITDA Margin ⁽³⁾	38.72%	25.98%	(35.59%)	(0.80%)
Restated Profit After Tax for the Year	27.10	80.59	(325.60)	(99.04)
PAT Margin ⁽⁴⁾	23.50%	20.49%	(40.79%)	(14.04%)
Net Worth ⁽⁵⁾	375.27	278.88	223.57	564.11
Capital Employed	693.63	688.71	628.02	1,320.56
ROE% ⁽⁶⁾	14.44%	32.08%	(82.67%)	(17.22%)
ROCE% ⁽⁷⁾	6.90%	22.75%	(44.16%)	(2.91%)

*Our Company has acquired the running business of “M/s. Sanjeev Kahali”, sole proprietorship concern of our Promoter Sanjeev Kahali

Notes:

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

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to **Annexure 4 of “Restated Financial Statements”** beginning on page 138 of this Draft Prospectus.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 24 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Changes in laws and regulations relating to the sectors/areas in which we operate;
3. Increased competition in our industry;
4. Our ability to successfully implement our growth strategy and expansion plans;
5. Our ability to meet our further working capital requirements;
6. Our ability to attract and retain skilled professional as well as worker;
7. Changes in consumer demand;
8. Other factors beyond our control; and
9. Our ability to manage risks that arise from these factors.

MAIN COMPONENTS OF OUR PROFIT AND LOSS ACCOUNT

Total Income

Our total income comprises of revenue from operations and other income.

Revenue from operations:

Revenue from operations mainly consists of (i) domestic sales and (ii) export.

Other Income:

Our other income primarily comprises of foreign exchange gain, interest income, duty drawback, discount received and other miscellaneous income.

Expenses:

Company’s expenses consist of cost of material purchased, change in inventories, employee benefits expense, finance costs, depreciation and amortization expenses and other expenses.

Cost of material Consumed

Cost of material consumed comprises of the cost of material purchased like wood, iron, MDF, glass, stone, etc.

Employee benefits expense:

Our employee benefits expense primarily comprises of salaries, wages & bonus expenses, director remuneration, contribution to esic and other funds, gratuity expenses and staff welfare expenses.

Finance Costs:

Our finance cost includes interest expense on borrowings, finance charges and bank charges.

Depreciation and Amortization Expenses:

Depreciation includes depreciation on plant & machinery, office equipment, furniture & fixture and motor vehicles.

Other Expenses:

Our other expenses consists of auditor's remuneration, short term capital loss, long term capital loss, conveyance expenses, discount, bad debts, commission, factory expenses, freight expenses, incorporation expenses, legal, professional and technical fees, information technology expenses, membership fees, miscellaneous expenses, office expenses, insurance charges, postage and telephone, printing and stationery, rent, rates and taxes, repairs and maintenance, selling and sales promotion expenses, security charges and travelling expenses.

DISCUSSION ON RESULT OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the period January 19, 2023 to March 31, 2023.

(₹ in lakhs)

Particulars	Kahali Craftistics Limited		M/s. Sanjeev Kahali					
	For the period from Jan 19, 2023 to March 31, 2023	Percentage (%)	For the period from April 1, 2022 to Feb 18, 2023	Percentage (%)	March 31, 2022	Percentage (%)	March 31, 2021	Percentage (%)
Revenue								
Revenue from operations	115.31	93.14%	393.17	84.49%	798.26	96.63%	705.27	97.92%
Other income	8.49	6.86%	72.18	15.51%	27.82	3.37%	14.99	2.08%
Total revenue	123.80	100.00%	465.35	100.00%	826.08	100.00%	720.26	100.00%
Expenses								
Cost of Raw materials consumed	18.83	26.31%	271.19	45.72%	611.94	75.48%	513.26	82.44%
Changes in inventory	13.75		(58.44)		11.61		80.52	
Employee benefits expense	18.13	14.64%	39.04	8.39%	54.42	6.59%	48.58	6.74%
Finance costs	4.91	3.97%	34.09	7.33%	48.26	5.84%	60.66	8.42%
Depreciation and amortisation expense	5.25	4.24%	17.66	3.79%	21.09	2.55%	47.73	6.63%
Other expenses	19.96	16.12%	39.22	8.43%	404.37	48.95%	68.54	9.52%
Total expenses	80.82	65.28%	342.76	73.66%	1,151.68	139.42%	819.30	113.75%
Profit before tax	42.98	34.72%	122.59	26.34%	(325.60)	(39.42%)	(99.04)	(13.75%)
Tax expense								
Current tax	14.00	11.31%	42.00	9.03%	-	-	-	-
Deferred tax (credit)/charge	1.88	1.52%	-	-	-	-	-	-
Profit for the period / year	27.10	21.81%	80.59	17.32%	(325.60)	(39.42%)	(99.04)	(13.75%)

FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD JANUARY 19, 2023 TO MARCH 31, 2023 (BASED ON RESTATED FINANCIAL STATEMENTS)

Total Income:

Total income for the period stood at ₹ 123.80 lakhs. The total income consists of revenue from the domestic sales and export of manufactured products and the other income.

Revenue from Operations

During the period, the revenue from operation of our Company was ₹ 115.31 lakhs which constitutes 93.14% of total revenue. The main contribution to the revenue from operations is the domestic sales & export of manufactured handicraft goods.

Other Income:

During the period, the other income of our Company stood at ₹ 8.49 lakhs which constitutes 6.86% of total revenue. The main components of the other income are discount received.

Expenditure

Cost of Material Purchased

Cost of Material Purchased comprises of the cost of goods consumed like wood, metal, iron, MDF, glass, stone, etc. During the period, the purchase of material of our Company stood at ₹ 32.57 lakhs which constitutes 26.31% of total revenue.

Employee benefits expense:

During the period, the employee benefit expenses of our Company stood at ₹ 18.13 lakhs which constitutes 14.64% of total revenue. The main components of the employee benefit expenses are salaries, wages & bonus expenses, director remuneration, gratuity expenses and staff welfare expenses.

Finance costs:

During the period, the finance cost of our Company stood at ₹ 4.91 lakhs which constitutes 3.97% of total revenue. The main components of the finance cost include interest expenses.

Depreciation and Amortization Expenses:

During the period, the Depreciation and amortization charges of our Company stood at ₹ 5.25 lakhs which constitutes 4.24% of total revenue.

Other Expenses:

During the period, the Other Expenses of our Company stood at ₹ 19.96 lakhs which constitutes 16.12% of total revenue. The main components are incorporation expenses and legal, professional and technical fees.

Tax expense

During the period, Tax Expenses of our Company was ₹ 15.88 lakhs which constitutes 12.83% of the profit before tax.

Our tax expenses comprised (i) current tax amounting to ₹ 14.00 lakhs, and (ii) deferred tax amounting to ₹ 1.88 lakhs.

Restated profit after tax:

The Company reported Restated profit after tax for period of ₹ 27.10 lakhs which constitutes 21.89% of the profit before tax.

FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD APRIL 01, 2022 TO FEBRUARY 18, 2023 (BASED ON RESTATED FINANCIAL STATEMENTS)

Total Income:

Total income for the period stood at ₹ 465.35 lakhs. The total income consists of revenue from the sale of manufactured products and the other income.

Revenue from Operations

During the period, the revenue from operation of our Company was ₹ 393.17 lakhs which constitutes 84.49% of total revenue. The main contribution to the revenue from operations is the sale of manufactured handicraft goods.

Other Income:

During the period, the other income of our Company stood at ₹ 72.18 lakhs which constitutes 15.51% of total revenue. The main components of the other income are foreign exchange gain, duty drawback, discount received, other miscellaneous income which majorly includes balances written off.

Expenditure

Cost of Material Purchased

Cost of Material Purchased comprises of the cost of goods consumed like wood, metal, etc. During the period, the purchase of material of our Company stood at ₹ 212.75 lakhs which constitutes 45.72% of total revenue.

Employee benefits expense:

During the period, the employee benefit expenses of our Company stood at ₹ 39.04 lakhs which constitutes 8.39% of total revenue. The main components of the employee benefit expenses are salaries, wages & bonus expenses, director remuneration, gratuity expenses and staff welfare expenses.

Finance costs:

During the period, the finance cost of our Company stood at ₹ 34.09 lakhs which constitutes 7.33% of total revenue. The main components of the finance cost include interest expenses.

Depreciation and Amortization Expenses:

During the period, the Depreciation and amortization charges of our Company stood at ₹ 17.66 lakhs which constitutes 3.79% of total revenue.

Other Expenses:

During the period, the Other Expenses of our Company stood at ₹ 39.22 lakhs which constitutes 8.43% of total revenue. The main components are conveyance expenses, bad debts, freight expenses, insurance charges, repairs and maintenance and selling and sales promotion expenses.

Tax expense

During the period, Tax Expenses of our Company was ₹ 42.00 lakhs which constitutes 9.03% of the profit before tax.

Restated profit after tax:

The Company reported Restated profit after tax for period of ₹ 80.59 lakhs which constitutes 17.32% of the profit before tax.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 TO FINANCIAL YEAR ENDED MARCH 31, 2021

Total Revenue

Our total revenue increased by 14.69% to ₹ 826.08 lakhs for Fiscal 2022 from ₹ 720.26 lakhs for Fiscal 2021.

Revenue from Operations

Our revenue from operations increased by 13.19% to ₹ 798.26 lakhs for Fiscal 2022 from ₹ 705.27 lakhs for Fiscal 2021. The increase in revenue generation can be attributed to increase in export by ₹ 212.43 Lakhs.

Other Income

Our other income increased by 85.57% to ₹ 27.82 lakhs for Fiscal 2022 from ₹ 14.99 lakhs for Fiscal 2021. The increase is primarily attributable to increase in foreign exchange gain by ₹ 6.49 lakhs due to export and discount received of ₹ 11.84 lakhs.

Expenditure

Cost of Material Purchased and change in inventory

Cost of Material consumed and change in inventory increased by 5.01% to ₹ 623.55 lakhs for Fiscal 2022 from ₹ 593.79 lakhs for Fiscal 2021. The cost of material purchased increased from 302.54 Lakhs in Fiscal 2021 to 380.65 Lakhs in Fiscal 2022. The direct expenses increased from 178.37 Lakhs from Fiscal 2021 to 219.68 Lakhs in Fiscal 2022.

The cost of material purchased is in line with the increase in revenue from operations by 13.19% in Fiscal 2022 as compared to Fiscal 2021.

Employee Benefits Expenses

The employee benefits expense increased by 12.02% to ₹ 54.42 lakhs for Fiscal 2022 from ₹ 48.58 lakhs for Fiscal 2021. This was primarily attribute to increase in contribution to ESIC and other funds by ₹ 3.57 lakhs in Fiscal 2022 as compared to Fiscal 2021.

Finance Cost

The finance cost decreased by 20.45% to ₹ 48.26 lakhs for Fiscal 2022 from ₹ 60.66 lakhs for Fiscal 2021. This was primarily attribute to repayment of overdraft facility lakhs and in place of same availing Term loan to reduce the cost of interest in Fiscal 2022 as compared to Fiscal 2021.

Depreciation and amortization expense

Our depreciation and amortization expense decreased by 55.82% to ₹ 21.09 lakhs for Fiscal 2022 from ₹ 47.73 lakhs for Fiscal 2021. This decrease is due to the sale of asset.

Other Expenses

Our other expenses increased by 489.97% to ₹ 404.37 lakhs for Fiscal 2022 from ₹ 68.54 lakhs for Fiscal 2021 was due long term capital loss and short term capital loss of ₹ 330.42 Lakhs

The principle attribute was due to below given increase in expenses:

(₹ in lakhs)

Particulars	As at		Difference
	March 31, 2022	March 31, 2021	
Auditor's remuneration	0.50	0.40	0.10
Short Term Capital Loss (on sale building)	75.49	-	75.49
Long Term Capital Loss (Factory Land)	254.94	-	254.94
Conveyance Expenses	3.75	3.80	(0.05)
Discount	4.33	0.76	3.57
Bad Debts	-	11.84	(11.84)
Commission	0.20	-	0.20
Factory expenses	1.35	0.70	0.65
Freight expenses	15.12	12.51	2.61
Legal, Professional and Technical Fees	1.53	2.71	(1.19)
Information Technology Expenses	0.98	1.08	(0.10)
Membership Fees	0.12	0.12	-
Miscellaneous expenses	0.44	1.09	(0.65)
Office expenses	0.87	0.93	(0.06)
Insurance Charges	4.25	4.65	(0.40)
Postage and telephone	3.94	1.53	2.41
Printing and stationery	0.73	0.29	0.44
Rent, Rates and Taxes	24.26	14.82	9.44
Repairs and maintenance	4.90	4.10	0.80
Selling and Sales Promotion expenses	3.63	3.07	0.56
Security Charges	2.45	3.88	(1.43)
Travelling Expenses	0.61	0.26	0.35
Total Other Expenses	404.37	68.54	335.83

Tax expenses

Our tax expenses remained zero in Fiscal 2022 as well as in Fiscal 2021, due to an loss before tax in both the Fiscals.

Profit after Tax (PAT)

For the reasons discussed above, our losses after tax increased by 228.77% to ₹ 325.60 lakhs for Fiscal 2022 from ₹ 99.04 lakhs for Fiscal 2021. Loss has primarily increased due to increase in other expenses of proprietorship.

Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1) Unusual or infrequent events or transactions

There has not been any unusual trend on account of our business activity. Except as disclosed in this Draft Prospectus, there are no unusual or infrequent events or transactions in our Company.

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

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in “*Factors Affecting our Results of Operations*” and the uncertainties described in the chapter entitled “*Risk Factors*” beginning on page 24 of this Draft Prospectus. To our knowledge, except as we have described in this Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 24 of 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

Other than as described in the sections “**Risk Factors**”, “**Business Overview**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 24, 80 and 187 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

5) Total turnover of each major industry segment in which our Company operates

The Company is in the business of manufacturing and exporting of Handicraft Products. The business activities of our Company comprise of studying, visualizing, designing, manufacturing and selling the end product domestically in India as well as Internationally. Our product includes decorative (table and wall), lighting, mirror, furniture and items of regular utility with a design element to it. Relevant industry data, as available, has been included in the section titled “**Industry Overview**” beginning on page 80 of this Draft Prospectus.

6) Status of any publicly announced New Products or Business Segment

Our Company has not announced any new product or service. However, our Company engaged manufacturing of handicraft products and we also manufacture for our clients as per their design and architectural inputs and requirements.

7) Seasonality of business

Our Company’s business is not seasonal in nature.

8) Competitive conditions

Competitive conditions are as described under the Chapters “**Industry Overview**” and “**Business Overview**” beginning on pages 80 and 87 respectively of this Draft Prospectus.

9) Any significant dependence on a single or few suppliers or customers.

The proportion of our revenues have historically been derived from the number of customers. The % contribution of our Company customer and vendor vis a vis the revenue from operations and direct expenses purchased from the period January 19, 2023 to March 31, 2023 and also proprietorship for the financial year ended March 31, 2022, for the financial year ended March 31, 2021 and for the period from April 01, 2022 till February 18, 2023 are tabulated as follows:

Particulars	Kahali Craftistics Limited		M/s. Sanjeev Kahali*					
	For the period from Jan 19, 2023 to March 31, 2023		For the period from April 1, 2022 to Feb 18, 2023		March 31, 2022		March 31, 2021	
	(₹ in lakhs)	%	(₹ in lakhs)	%	(₹ in lakhs)	%	(₹ in lakhs)	%
Top 10 suppliers	1.50	86.37%	29.86	22.88%	63.77	16.75%	40.74	13.47%
Top 10 customers	115.31	100.00%	185.59	47.20%	227.69	28.52%	235.87	33.44%

*Our Company has acquired the running business of “M/s. Sanjeev Kahali”, sole proprietorship concern of our Promoter Sanjeev Kahali

10) Competitive conditions.

Competitive conditions are as described under the section titled “**Industry Overview**” and “**Business Overview**” beginning on pages 80 and 87, respectively of this Draft Prospectus.

11) Market risks

Our operations are affected by market risks, which include pricing volatility risk, interest rate risk liquidity risk, delivery default risk and foreign exchange risk. Each of these risks has been briefly dealt with below.

Interest rate risk: Any increase in the applicable interest rates for our existing debt our interest payment obligations will increase. Fluctuations in interest rates against loan against property may accordingly impact our ability to borrow and also cost of borrowings.

Foreign exchange risk: Changes in currency exchange rates influence our results of operations. We currently do not hedge our foreign exchange exposure. Depreciation of the Indian rupee against the U.S. dollar and other foreign currencies may adversely affect the results of operations by increasing the cost of financing any debt denominated in foreign currency that we may enter into in the future or any proposed capital expenditure in foreign currencies.

Liquidity risk: We may not be able to manage our cash flows and working capital requirements efficiently, which may result in a liquidity crunch and impact our operations.

Delivery default risk: We are exposed to default by our counter-parties (customers or suppliers) in delivery or acceptance of goods or service sold. This could, inter-alia, impact our ability to fulfil our obligations to other third-parties and expose us to monetary and reputational damages.

Details of material developments after the date of last balance sheet i.e., March 31, 2023.

After the date of last Balance sheet i.e., March 31, 2023, the following material events have occurred:

- i. We have allotted 1,000 Equity shares on private placement on July 19, 2023.
- ii. We have appointed to Lipika Kahali and Anirbaan Kahali as Whole Time Director for a term of 5 years with effect from July 01, 2023 by shareholders by way of special resolution vide extra-ordinary general meeting held on July 28, 2023.
- iii. We have changed our registered office on May 31, 2023.
- iv. We have appointed Non-Executive Independent Director for a term of 5 years with effect from April 01, 2023 by board in its meeting held on April 01, 2023 and regularized by shareholders by way of ordinary resolution vide extra ordinary general meeting held on July 28, 2023.
- v. We have appointed Deepak Kumar Kewliya as Company Secretary & Compliance officer w.e.f. April 1, 2023 approved by the Board Resolution vide Board resolution dated April 01, 2023.

FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from various banks for conducting its business.

Set forth below is a brief summary of all the borrowings of our Company as on March 31, 2023 together with a brief description of certain significant terms of such financing arrangements.

(₹ in Lakhs)

Nature of Borrowings	Amount
Secured borrowings	
• Term Loan	168.42
• OCC/OBBD	149.94
Unsecured borrowings	
• Loan and Advance from Directors	Nil
• Loan and Advance from Shareholders	Nil
Total	318.36

A. Secured Borrowings

Sr. No	Name of Lender	Types on Loans	Date of sanction*	Amount Sanctioned	Outstanding Amount as on March 31, 2023	Rate of Interest Per Annum
1.	Kotak Mahindra Bank	Term Loan ⁽ⁱ⁾	June 25, 2022	156.36	153.34/-	8.10%
2.	Kotak Mahindra Bank	Bank Overdraft ⁽ⁱⁱ⁾	June 25, 2022	150.00	149.94/-	8.10%
3.	Bank of Baroda	Vehicle Loan ⁽ⁱⁱⁱ⁾	15.02.2019 15.10.2020	38.38	15.08/-	9.80%

*Our Company has acquired the running business of "M/s. Sanjeev Kahali", sole proprietorship concern of our Promoter Sanjeev Kahali

⁽ⁱ⁾Terms and Condition of Sanction (Term Loan)

Details	
Security	
Facility	Nature of Security
Term Loan	Primary First and exclusive charge on all existing and future current assets of the firm. Collateral Security – Equitable Mortgage over property situated at Plot No. 45, UIT, Golf Course Scheme, Tehsil and District Jodhpur in the name of Mr. Sanjeev Kahalli.
Personal Guarantee	
Guarantors Name	
Lipika Kahali	
Terms & Conditions:-	
1. Type- Non Revolving 2. Max Tenor-84 months 3. Rate of interest-Applicable RPRR plus 3.20%(spread)p.a	

⁽ⁱⁱ⁾Terms and Condition of Sanction (Bank Overdraft)

Details	
Security	
Facility	Nature of Security
OCC/ OBBD	Primary First and exclusive charge on all existing and future current assets of the firm.

Details	
	Secondary - Equitable Mortgage over property situated at Plot No. 45, UIT, Golf Course Scheme, Tehsil and District Jodhpur in the name of Mr. Sanjeev Kahalli.
Personal Guarantee	
Guarantors Name	
Lipika Kahali	
Terms:	
1. Type- Revolving	
2. Purpose –Working capital	
3. Max Tenor Usance 12 months	
4. Rate of interest-Applicable RPRR plus 3.20%(spread)p.a	

(iii) **Terms and Condition of Sanction (Vehicle Loan)**

Details
1. The tenure for the loan is for [84] months and the loan amount should be cleared within this period
2. The repayment date is on the [15th] of every month.
3. The rate of interest charged for this loan is [9.80]% of the principle amount i.e. ₹. 3838124.00.
4. The equated monthly schedule is as per amortization schedule. ₹ 72443.00

B. Unsecured Borrowings

The Company have also availed certain Unsecured Borrowings. Set forth below is a brief summary of Unsecured Borrowings as on March 31, 2023.

		<i>(Rs. in Lakhs)</i>
Sr. No	Particulars	Amount
1.	From Directors & Relatives	Nil
2.	From Shareholders & others	Nil
	Total	Nil

CAPITALISATION STATEMENT

Particulars	For the period from Jan 19, 2023 to March 31, 2023	
	Pre-Issue	Post-Issue*
Borrowings		
Short Term Debt (A)	169.18	[●]
Long Term Debt (B)	149.18	[●]
Total Debt (C)	318.36	[●]
Shareholders' funds		
Equity Share Capital	45.90	[●]
Reserve and Surplus – as restated	329.37	[●]
Total shareholders' funds	375.27	[●]
Long Term Debt/ Shareholders' funds (in ₹)	0.45	[●]
Total debt / shareholders' fund (in ₹)	0.85	[●]

(*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Notes:

- 1) Short term Debts represent which are expected to be paid/payable within 12 months and includes installment of term loans repayable within 12 months.
- 2) Long term Debts represent debts other than Short term Debts and current maturities of long term debts grouped under current liabilities.
- 3) The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at March 31, 2023.

SECTION VII – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPEMENT

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoters or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoters or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoters 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.

For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Draft Prospectus:

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- b) All pending litigation involving our Company, Promoters, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 10% of the Revenue as per latest restated financial statements of the Company; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoters, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at <https://www.kahalicraftistics.com/>*
- c) Notices received by our Company, Promoters, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoters / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

Our Company, our Promoters and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

OUTSTANDING LITIGATION & TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTERS AND GROUP COMPANIES

PART 1: LITIGATION RELATING TO OUR COMPANY

A. FILED AGAINST OUR COMPANY

- 1) Litigation involving Criminal Laws**
NIL
- 2) Litigation Involving Actions by Statutory/Regulatory Authorities**
NIL
- 3) Disciplinary Actions by Authorities**
NIL
- 4) Litigation involving Tax Liability**
Direct Tax – NIL

Indirect Tax – NIL

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

B. CASES FILED BY OUR COMPANY

- 1) **Litigation involving Criminal Laws**
NIL
- 2) **Litigation involving Tax Liability**
NIL
- 3) **Other Pending Litigation based on Materiality Policy of our Company**
NIL

PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTERS OF THE COMPANY

A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS

- 1) **Litigation involving Criminal Laws**
NIL
- 2) **Litigation Involving Actions by Statutory/Regulatory Authorities**
NIL
- 3) **Disciplinary Actions by Authorities**
NIL
- 4) **Litigation involving Tax Liability**
NIL
- 5) **Other Pending Litigation based on Materiality Policy of our Company**
NIL

B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS

- 1) **Litigation involving Criminal Laws**
NIL
- 2) **Litigation involving Tax Liability**
NIL
- 3) **Other Pending Litigation based on Materiality Policy of our Company**
NIL

PART 3: LITIGATION RELATING TO OUR GROUP COMPANIES

A. LITIGATION AGAINST GROUP COMPANIES

- 1) **Litigation involving Criminal Laws**
NIL
- 2) **Litigation Involving Actions by Statutory/Regulatory Authorities**
NIL
- 3) **Disciplinary Actions by Authorities**
NIL

4) **Litigation involving Tax Liability**

NIL

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

NIL

B. LITIGATION FILED BY OUR SUBSIDIARIES

1) **Litigation involving Criminal Laws**

NIL

2) **Litigation involving Tax Liability**

NIL

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

NIL

DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTERS, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors, Group Companies and Promoter Group during the last 5 financial years.

PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this Draft Prospectus in the case of our Company, Promoters, Directors and Group Companies. 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

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.

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.

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.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters, nor Group Companies and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

DISCLOSURES PERTAINING TO FRAUDULENT BORROWER

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page **187** there have been no material developments that have occurred after the Last Balance Sheet Date.

OUTSTANDING DUES TO CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on March 31, 2023:

(Rs. in lakhs)

Name	Number of Creditors	For the period from January 19, 2023 to March 31, 2023
Total Outstanding dues to Material Creditors	1	20.00
Total Outstanding dues to Micro and Small & Medium Enterprises	-	-
Total Outstanding dues to Other Creditors	86	124.27
Total	87	144.27

**Above mentioned amount is derived after giving effect to debit balances standing in creditors ledger.*

***As certified by M/s. Vishal H Shah & Associates, Chartered Accountants, pursuant to their certificate dated August 24, 2023.*

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

Approvals In Relation to Our Company's incorporation

1. Certificate of Incorporation dated January 19, 2023 from the Registrar of Companies, Central Registration Centre (issued on behalf of Jurisdictional Registrar of Companies), under the Companies Act, 2013 as "KAHALI CRAFTISTICS LIMITED" (Corporate Identification No.: U36900RJ2023PLC085926);
2. The Company acquired the existing business of M/s. SANJEEV KAHALI, a proprietorship firm of Mr. Sanjeev Kahali S/o. Mr. Kshitish Ranjan Kahali vide the Business Transfer Agreement dated February 18, 2023.

Approvals in relation to the Issue

Corporate Approvals

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on July 6, 2023 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated July 28, 2023, under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated August 24, 2023 and [●] authorized our Company to take necessary action for filing the Draft Prospectus and Prospectus respectively with BSE SME.

Approvals from Stock Exchange

1. Our Company has received in-principle listing approval from the BSE SME dated [●] for listing of Equity Shares issued pursuant to the issue.

Other Approvals

1. The Company has entered into a tripartite agreement dated June 8, 2023 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated July 7, 2023 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.

Approvals/ Licenses/ Permissions in relation to our Business

Tax Related Approvals

Sr. No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	NA	AAKCK0466D	Income Tax Department	January 19, 2023	Valid till Cancelled

2.	Tax Deduction Account Number (TAN)	KAHALI CRAFTISTICS LIMITED 45, Golf Course, Air Force Area, Jodhpur-342011, Rajasthan	JDHK08324B	Income Tax Department	January 19, 2023	Valid till Cancelled
3.	GST Registration Certificate	KAHALI CRAFTISTICS LIMITED 45, Golf Course, Air Force Area, Jodhpur-342011, Rajasthan	08AAKCK0466D1ZM	Goods and Service Tax Department, Regional Office, Jodhpur	April 05, 2021	Valid till Cancelled

Registrations related to Labour Laws:


Sr. No.	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration under the Employees Provident fund (EPF) RAJASTHAN	KAHALI CRAFTISTICS LIMITED 45, Golf Course, Air Force Area, Jodhpur-342011, Rajasthan	RJJOD2850818000	EFPO, Regional Office	January 19, 2013	Valid till Cancelled
2.	Registration under State Insurance Act (ESIC) RAJASTHAN	KAHALI CRAFTISTICS LIMITED 45, Golf Course, Air Force Area, Jodhpur-342011, Rajasthan	27000566430000999	EMPLOYEES' STATE INSURANCE CORPORATION, Sub Regional Office, Jodhpur	January 19, 2013	Valid till Cancelled
3.	Shram Pehchaan Sankhya / Labour Identification Number	--	1-8657-3713-3	Shram Suvidha- Unified Portal, Ministry of Labour & Employment	February 01, 2023	Valid till Cancelled
4.	Registration & license to work a Factory	KAHALI CRAFTISTICS LIMITED A 48 A, Basni, Jodhpur, Rajasthan	RJ/34226	Deputy Chief Inspector Factories and Boilers, Jodhpur, Rajasthan	Renewed on May 31, 2023	March 31, 2025
5.	Udyam Registration Certificate	KAHALI CRAFTISTICS LIMITED 45, Golf Course Air Force Area, Jodhpur-342011, Rajasthan	UDYAM-RJ-22-0081148	Ministry of Micro Small and Medium Enterprise	March 27, 2023	Valid till Cancelled

Other Approvals

Sr. No.	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Certificate of Importer-Exporter Code (IEC)	KAHALI CRAFTISTICS LIMITED A 48 A, Basni, Jodhpur, Rajasthan	AAKCK0466D	Director General of Foreign trade	March 28, 2023	Valid till Cancelled
2.	Membership with Export Promotion council for Handicrafts	KAHALI CRAFTISTICS LIMITED 45, Golf Course, Air Force Area, Jodhpur-342011, Rajasthan	RCMC/EPCH/01731/2023-2024	Export Promotion Council for Handicrafts (EPCH) New Delhi	June 01, 2023	May 31, 2024

Intellectual Property

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

Sr. No	Brand Name/Logo Trademark	Class	Application number and Date of Application	Owner	Authority	Current Status
1.		20	Application no. 5964500 Date: June 03, 2023	Kahali Craftistics Limited	Registrar of Trademark, Ahmedabad	Formalities Check Pass

Domain Name

Sr. No	Domain Name and ID	Registry Domain ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	https://www.kahalicraftistics.com/about-us	2768528396_DOMAIN_COM-VRSN	Mr. Sanjeev Kahali, 45 Golf Course, Jodhpur	March 28, 2023	March 28, 2024

Licenses applied for:

Sr. No.	Description	Address of Place of Business / Premises	Registration Number if any	Applied With	Purpose of Application	Date and acknowledgement Number
1	GST Registration Certificate	A 48 A, Basni, Jodhpur, Rajasthan	08AAKCK0466D1ZM	Goods and Service Tax Department, Regional Office, Jodhpur	Change of Address	July 28, 2023
2	Registration under State Insurance Act	A 48 A, Basni, Jodhpur, Rajasthan	27000566430000999	Employees' State Insurance Corporation, Sub	Change of Address	July 28, 2023

	(ESIC) RAJASTHAN			Regional Office, Jodhpur		
3	Application For Consent Under The Water (Prevention & Control Of Pollution) Act, 1974 And The Air (Prevention & Control Of Pollution) Act, 1981 For Small Scale / Tiny Industries Under Green Category Upto An Investment Of ₹ 5.00 Crores.	A 48 A, Basni, Jodhpur, Rajasthan	--	Rajasthan State Pollution Control Board, Jodhpur	Fresh Application for NOC	August 18, 2023 vide acknowledgement no. 348432

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities except that for change of address due to shifting of the registered office of the Company from 45, Golf Course, Air Force Area, Jodhpur-342011, Rajasthan to A 48 A, Basni, Jodhpur, Rajasthan.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on July 06, 2023 subject to the approval of shareholders of our Company through a special resolution to be passed, pursuant to Section 62(1) (c) of the Companies Act, 2013.

The members of our Company have approved this Issue by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM of our Company held on July 28, 2023.

Our Board has approved this Draft Prospectus through its resolution dated August 24, 2023.

Our Board has approved the Prospectus through its resolution dated [●], 2023.

We have received In-Principle Approval from SME Platform of BSE Limited vide their letter dated [●] to use the name of BSE Limited in the Prospectus for listing of our Equity Shares on SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange.

PROHIBITION BY SEBI

Our Company, Promoters, Promoter Group, Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

ASSOCIATION WITH SECURITIES MARKET

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

PROHIBITION BY RBI

Neither our Company, our Promoters, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as a wilful defaulter or a fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the section titled “*Outstanding Litigations and Material Developments*” beginning on page 198 of this Draft Prospectus.

COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, Promoters and members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 as amended (“**SBO Rules**”), to the extent applicable to each of them as on the date of this Draft Prospectus.

ELIGIBILITY FOR THE ISSUE

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations, 2018.

Our Company is eligible for the Issue in accordance with Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital is less than or equal to ten crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”), in this case being the SME Platform of BSE India. Our Company also complies with eligibility conditions laid by BSE SME India for listing of Equity Shares.

We confirm that:

- a. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, 2018, the Lead Manager shall ensure that the Issuer shall file copy of the Draft Prospectus / Prospectus with SEBI along with Due Diligence certificate including additional confirmations as required at the time of filing the Draft Prospectus / Prospectus to SEBI.
- b. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Issue has been one hundred (100) percent underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please see “*General Information*” on page 45 of this Draft Prospectus.

- c. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Applicants, in accordance with the SEBI ICDR Regulations and applicable law
- d. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see “**General Information**” on page 45 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Platform of BSE Limited which states as follows:

In terms of Regulation 229(3) and other provisions of Chapter IX of the SEBI (ICDR) Regulations of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for SME Platform of BSE, which are as under

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

Our Company is incorporated under the Companies Act, 2013 on January 19, 2023.

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

The present paid-up capital of our Company is ₹ 45.99 lakhs and we are proposing issue of 2,58,000 Equity Shares of ₹ 10/- each at Issue price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, aggregating to ₹ [●] Lakh. Hence, our post issue paid up capital will be ₹ 71.79 lakhs which is less than ₹ 10.00 crore..

3. Track Record

Our Company has a track record of less than three years; however, our Promoter Sanjeev Kahali owned a proprietary concern viz. M/s. Sanjeev Kahali which was in existence since FY2007 and thus our Promoter has experience of more than 15 years in the same line of business as that of our Company. Sanjeev Kahali shall hold 73.51% of the pre issue paid up capital of our Company. Further, M/s. Sanjeev Kahali, proprietary concern, is acquired by our Company vide agreement dated February 18, 2023.

4. The Company/entity should have positive cash accruals (earnings before depreciation and tax) from operations in any of the year out of last three years and its net worth should be positive

Cash Accruals

(₹ in lakhs)

Particulars	Kahali Craftistics Limited	M/s. Sanjeev Kahali*		
	For the Period from January 19, 2023 to March 31, 2023	As at February 18, 2023	As on March 31, 2022	As on March 31, 2021*
Profit Before Tax as per Restated Financial Statements	42.98	122.58	(325.60)	(99.04)
Add – Depreciation	5.25	17.66	21.09	47.73
Add – Interest	4.91	34.09	48.26	60.66
Less - Other Income	(8.49)	(72.18)	(27.82)	(14.99)
Operating profit (earnings before interest, depreciation and tax) from operation	44.65	102.15	(284.07)	(5.64)
Net Worth as per Restated Financial Statements	375.27	278.88	223.57	564.11

*Our Company has acquired the running business of “M/s. Sanjeev Kahali”, sole proprietorship concern of our Promoter Sanjeev Kahali

5. Our net tangible assets as on March 31, 2023 is ₹ 375.27 in lakhs.
6. The net-worth as on the as on March 31, 2023 is positive.
- 7. The Company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company's shares bear an ISIN No: INE0Q4B01010

8. Company shall mandatorily have a website.

Our Company has a live and operational website www.kahalicraftistics.com.

9. Other Listing Condition:

- a) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- b) There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.
- c) There has been no change in the promoters of the Company in preceding one year from the date of filing application to BSE for listing on SME Platform of BSE Limited.
- d) No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
- e) Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
- f) None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.
- g) The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE Limited.

SEBI DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS / PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS / PROSPECTUS. THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS / PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS / PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 24, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT PROSPECTUS / PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO, TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS AND PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, JAIPUR, IN TERMS OF SECTION 26, 32, 33(1) AND 33(2) OF THE COMPANIES ACT, 2013.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of the above-mentioned entities and that anyone placing on any other source of information, including our website: www.kahalicraftistics.com and www.fedsec.in would be doing so at his or her own risk.

None amongst our Company is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Applications Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

DISCLAIMER IN RESPECT OF JURISDICTION

This issue is being made in India to persons resident in India including Indian Nationals Resident in India who are not companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Commercial Banks, Regional Rural Banks, Co-Operative Banks (subject to RBI permission), or Trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII Sub - Account registered with SEBI which is a Foreign Corporate or Foreign Individual, Permitted Insurance Companies and Pension Funds and to FIIs and Eligible NRIs. This Draft Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Jodhpur, Rajasthan, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Draft Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED

As required, a copy of this Draft Prospectus has been submitted to BSE Limited. The Disclaimer Clause as intimated by the BSE Limited to us, post scrutiny of this Draft Prospectus will be produced by our Company in the Prospectus.

DISCLAIMER CLAUSE OF THE U.S. SECURITIES ACT.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act).

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

LISTING

Our Company has obtained In-Principle Approval from BSE Limited vide letter dated [●] to use name of BSE Limited in this offer document for listing of equity shares on SME Platform of BSE Limited. In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018,

there is requirement of obtaining In-principle approval from SME Platform of BSE Limited. Application will be made to the SME Platform of BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within such time prescribed by SEBI or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the BSE Limited mentioned above are taken within Six Working Days from the Issue Closing Date.

CONSENTS

The written consents of Directors, Company Secretary, Compliance Officer & Chief Financial Officer, Statutory Auditor and Peer Reviewed Auditor, Legal Advisor to the Legal Sections, Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Banker to Issue and Sponsor Bank to act in their respective capacities will be obtained and will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, Peer Review Auditors, of the Company have agreed to provide their written consent to include their report, restated financial statements and statutory auditor to provided their written consent to include their report statement of Tax Benefits dated August 14, 2023 and August 24, 2023 respectively, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Fedex Securities Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Lead Manager at www.fedsec.in.

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED

TABLE 1

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, (+/- % change in closing benchmark)- 30 th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 90 th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark)- 180 th calendar days from listing
1.	Wherrelz IT Solutions Limited	2.01	171	December 29, 2021	173.05	19.88% (-0.92%)	18.13% (-0.37%)	16.96% (-8.11%)
2.	Sunrise Efficient Marketing Limited	16.69	121	April 12, 2022	121.25	0.41% (-7.66%)	-20.00% (-7.14%)	-9.92% (-1.00%)
3.	Le Merite Exports Limited	48.00	75	May 09, 2022	75	-5.13% (0.70%)	-16.00% (7.50%)	-15.27% (273.89%)
4.	Kesar India Limited	15.82	170	July 12, 2022	172.50	47.35% (9.15%)	31.76% (7.62%)	1.18% (12.73%)
5.	Virtuoso Optoelectronics Limited	30.24	56	September 15, 2022	117.00	183.75% (-3.36%)	145.54% (4.34%)	185.80% (-2.83%)
6.	Tapi Fruit Processing Limited	5.21	48	September 22, 2022	52.10	4.38% (-0.30%)	41.67% (4.29%)	201.04% (-3.64%)
7.	Moxsh Overseas Educon Limited	10.42	153	December 30, 2022	131.00	-29.74% (-3.22%)	-50.26% (-6.10%)	-24.84% (4.79%)
8.	Lead Reclaim and Rubber Products Limited	4.88	25	February 21, 2023	27.50	27.80% (-3.79%)	131.20% (2.74%)	95.00% (8.79%)
9.	Pattech Fitwell Tube Components Limited	12	50	April 21, 2023	55	52.00% (3.29%)	27.90% (12.53%)	Not Applicable
10.	Yasons Chemex Care Limited	20.57	40	August 03, 2023	32	Not Applicable	Not Applicable	Not Applicable

Sources: All share price data is from www.bseindia.com and www.nseindia.com

Note:

1. Opening price information as disclosed on the website of the Designated Stock Exchange.
2. Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.

3. For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
4. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
5. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
6. This disclosure is restricted to last 10 issues handled by the Lead Manager.

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds Raised (₹ Cr)	Nos of IPOs trading at discount on 30 th Calendar Day from listing date			Nos of IPOs trading at premium on 30 th Calendar Day from listing date			Nos of IPOs trading at discount on 180 th Calendar Day from listing date			Nos of IPOs trading at premium on 180 th Calendar Day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less Than 25%
2020-21	*2	49.64	-	-	1	-	-	1	-	-	1	1	-	-
2021-22	**5	153.99	1	-	2	1	-	1	1	1	-	-	1	2
2022-23	***7	131.26	-	1	1	1	2	2			3	3		1
2023.-24	****2	32.57	-	-	-	1	-	-	-	-	-	-	-	-

*The script of Atam Valves Limited and Rangoli Tradecomm Limited were listed on October 06, 2020 and March 22, 2021 respectively.

** The script of Rajeshwari Cans Limited, Kuberan Global Edu Solutions Limited, Aashka Hospitals Limited, Euro Panel Products Limited and Wherrelz IT Solutions Limited were listed on April 15, 2021, May 05, 2021, September 01, 2021, December 24, 2021 and December 29, 2021 respectively.

*** The scripts of Sunrise Efficient Marketing Limited, Le Merite Exports Limited, Kesar India Limited, Virtuoso Optoelectronics Limited, Tapi Fruit Processing Limited, Moxsh Overseas Educon Limited and Lead Reclaim and Rubber Products Limited were listed on April 12, 2022, May 09, 2022, July 12, 2022, September 15, 2022, September 22, 2022, December 30, 2022 and February 21, 2023 respectively.

**** The scripts of Pattech Fitwell Tube Components Limited was on listed April 21, 2023 has not completed 180 calendar days. The scripts of Yasons Chemex Care Limited was listed on August 03, 2023 has not completed 30, 90 and 180 calendar days.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided. Track Record of past issues handled by Fedex Securities Private Limited.

Track Record of past issues handled by Fedex Securities Private Limited

For details regarding track record of the Lead Manager to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: www.fedsec.in.

EXPERT OPINION

Except for

- (a) Peer Review Auditors' reports dated August 14, 2023 on the Restated Financial Statements by M/s. Vishal H Shah & Associates, Chartered Accountants;
- (b) Statement of Tax Benefits dated August 24, 2023 by M/s. Vishal H Shah & Associates, Chartered Accountants; and
- (c) Chartered Engineer Certificate dated August 02, 2023 by M/s. Orbit Consultants and Valuers; we have not obtained any other expert opinions.

PREVIOUS PUBLIC OR RIGHTS ISSUE

Except as stated in the section titled "*Capital Structure*" beginning on page 53 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last Five (5) years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations.

COMMISSION OR BROKERAGE

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

CAPITAL ISSUE DURING THE PREVIOUS THREE (3) YEARS BY ISSUER, LISTED GROUP COMPANIES AND SUBSIDIARIES OF OUR COMPANY

Except as disclosed in section titled "*Capital Structure*" on page 53 and below, our Company has not made any capital issue during the previous three (3) years. Further Our Company do not have any listed group Companies/ Subsidiaries / Associates.

PERFORMANCE VIS-À-VIS objects;

Except as stated in the section titled "*Capital Structure*" beginning on page 53 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

None of our Group Companies have their equity shares listed on any stock exchange.

STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

SEBI, by way of its circular dated March 16, 2021 as amended by its circulars dated June 2, 2021 and April 20, 2022, has identified the need to put in place measures, in order to streamline the processing of ASBA applications through the UPI Mechanism and redressal of investor grievances arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Applicants for blocking of funds due to systemic issues faced by Designated Intermediaries / SCSBs and failure to unblock funds in cases of partial allotment / non allotment within prescribed timelines and procedures. Pursuant to the circular dated March 16, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks / unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid / Batch; and (v) mandating SCSBs to ensure that the unblock process for non-allotted / partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid / Issue Closing Date, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid / Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Applicant whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. The following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Lead Manager shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The processing fees for applications made by UPI Applicants using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Our Company, the LMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company will obtain authentication on the SCORES in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI Circular (CIR/OIAE/1/2014) dated December 18, 2014, and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be ten (10 working days) from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on April 04, 2023 comprising of Avijit Vasu as the Chairman, Chetan Chhangani and Lipika Kahali as members. For further details, please refer the section titled **“Our Management”** on page 115 of Draft Prospectus.

Our Company has also appointed Deepak Kumar Kewliya as the Company Secretary and Compliance Officer of our Company, for this Issue she may be contacted in case of any pre-issue or post-issue related problems at the following address:

KAHALI CRAFTISTICS LIMITED

A-48 A, Marudhar Industrial Area Phase-II,
Basni, Jodhpur-342005, Rajasthan, India.

Tel No: +91 0291 2977099

Email: compliance@kahalcraftistics.com

Website: www.kahalcraftistics.com

STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Exemptions from complying with any provision of securities laws, if any, granted by SEBI

Our Company has not been applied for an exemption from complying with any provisions of securities laws by SEBI.

SECTION VIII – ISSUE INFORMATION

TERMS OF ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, our Memorandum and Articles of Association, SEBI Listing Regulation, the terms of this Draft Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circular”) in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application for Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Authority for the Issue

The present Public Issue of 2,58,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on July 06, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-ordinary General Meeting held on July 28, 2023 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued and transferred in the issue shall be subject to the provisions of the Companies Act 2013 and our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “*Main Provisions of the Articles of Association*” beginning on page 254 of this Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

We shall pay dividends as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to sections titled “*Dividend Policy*” and “*Main Provisions of Articles of Association*” beginning on pages 137 and 254 respectively of this Draft Prospectus.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10.00/- each and the Issue Price is ₹ [●]/- per Equity Share (including premium of ₹ [●]/- per Equity Share).

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “*Basis for Issue Price*” beginning on page 70 of this Draft Prospectus. 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, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

1. Right to receive dividend, if declared;
2. Right to receive Annual Reports and notices to members;
3. Right to attend general meetings and exercise voting rights, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy in accordance with the provisions of the Companies Act, 2013;
5. Right to receive offer/ issue for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
7. Right of free transferability subject to applicable law, including any RBI rules and regulations; and
8. Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page 254 of this Draft Prospectus.

Minimum Application Value; Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by SME Platform of BSE Limited i.e. BSE SME from time to time by giving prior notice to investors at large.

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

In accordance with Regulation 267(2) of the SEBI (ICDR) Regulations 2018 the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

In accordance with Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be fifty (50) shareholders failing which the entire application monies shall be refunded forthwith, in accordance with the SEBI ICDR Regulations and other applicable laws. In case of delay, if any, in unblocking the ASBA accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Jodhpur, Rajasthan, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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 Issue may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Joint Holders

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

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first applicant, along with other joint applicant, may nominate any one (1) person in whom, in the event of the death of sole applicant or in case of Joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

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

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

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

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

Period of Operation of Subscription List of Public Issue

ISSUE OPENS ON	[●]
ISSUE CLOSSES ON	[●]
FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	[●]
INITIATION OF REFUNDS / UNBLOCKING OF FUNDS FROM ASBA ACCOUNT	[●]
CREDIT OF EQUITY SHARES TO DEMAT ACCOUNTS OF ALLOTTEES	[●]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE	[●]

On the Issue Closing Date, the Applications shall be uploaded until:

1. Until 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and
2. Until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by LM to the Stock Exchange.
3. In case of UPI Mandate, the end time and date shall be 5:00 P.M. on [●].

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 [●] taken within six (6) Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval

from [●]. The Commencement of trading of the Equity Shares will be entirely at the discretion of [●] and in accordance with the applicable laws.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Applicant shall be compensated in accordance with applicable law by the intermediary responsible for causing such delay in unblocking, which period shall start from the day following the receipt of a complaint from the Applicant. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Applicant shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 shall be deemed to be incorporated in the deemed agreement of the Bank with the SCSBs to the extent applicable, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable.

The processing fees for applications made by UPI Applicants using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022

SEBI has vide circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, introduced a framework for reduction in timelines for listing of shares in public issues from six Working Days from public issue closure to three Working Days from public issue closure. The circular is voluntarily applicable for public issues opening on or after September 1, 2023 and mandatorily applicable for public issues opening on or after December 1, 2023. The provisions of the circular will be suitably incorporated in the Prospectus depending upon the timelines for Issue Period.

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band 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.

In terms of the UPI Circulars, in relation to the Issue, the LM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Issue Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay.

SEBI is in the process of streamlining and reducing the post Issue timeline. Any circulars or notifications from SEBI after the date of this Draft Prospectus may result in changes to the above-mentioned timelines. Further, the issue procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Application Forms:

Issue period (except the Issue Closing Date)	
Submission and Revision of Application Form	Only between 10.00 a.m. to 5.00 p.m. IST
Issue Closing Date	
Submission and Revision of Application Form	Only between 10.00 a.m. to 3.00 p.m. IST

On the Issue Closing Date, the Applications shall be uploaded until:

1. Until 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and
2. Until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Retail Individual Investors through UPI, where the Application Amount is up to ₹ 500,000
3. UPI mandate end time and date shall be at 5.00 p.m. on Issue Closing Date i.e., [●].

Due to limitation of time available for uploading the application forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in the Draft Prospectus are Indian Standard Time (IST). Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

Minimum Subscription

In accordance with Regulation 260(1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Draft Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received within four days from the closure of the issue. If there is a delay beyond such time, our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable laws.

The minimum number of allottees in this Issue shall be fifty (50) shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within four (4) working days of closure of issue.

In accordance with Regulation 260(1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this Draft Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangements for Disposal of Odd Lots

The trading of the equity shares will happen in the minimum contract size of [●] Equity shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the BSE SME.

Withdrawal of the Issue

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

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

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the Pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the section titled "**Capital Structure**" beginning on page 53 of this Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details, please refer to the section titled "**Main Provisions of the Articles of Association**" beginning on page 254 of this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

New Financial Instruments

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Allotment of Equity Shares Only in Dematerialized Form

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be Allotted only in dematerialized form. As per the existing SEBI ICDR Regulations, 2018 the trading of the Equity Shares shall only be in dematerialized form for all investors.

In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Prospectus:

1. Tripartite agreement dated June 08, 2023 among CDSL, our Company and the Registrar to the Issue; and
2. Tripartite agreement dated July 07, 2023 among NSDL, our Company and the Registrar to the Issue

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchange.

Migration to Main Board

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board of BSE from the SME Platform of BSE on a later date subject to the following:

1. If the paid-up capital of the Company is likely to increase above ₹ 25 crores by virtue of any further offer of capital by way of rights, preferential offer, bonus offer etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE 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
2. If the paid-up capital of the Company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this issue is proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the BSE SME for a minimum period of three (3) years from the date of listing of shares on BSE SME. For further details of the market making arrangement please refer the section titled “*General Information*” beginning on page **45** of this Draft Prospectus.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue Face value capital is less than or equal to ₹ 10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME platform of BSE Limited i.e. BSE SME). For further details regarding the salient features and terms of such an issue please refer to the sections titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on pages 217 and 226 respectively of this Draft Prospectus.

Issue Structure

Fresh issue of 2,58,000 equity shares of face value of ₹ 10.00/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the “issue price”) aggregating to ₹ [●] lakhs (“the issue”) by our company.

The Issue comprises a reservation of upto [●] Equity Shares of face value of ₹ 10.00 each fully paid for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh for subscription by the designated Market Maker (Market Maker Reservation Portion) and a Net Issue to Public of upto [●] Equity Shares of face value of ₹ 10.00 each fully paid for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh (the Net Issue). The Issue and the Net Issue will constitute [●] % and [●] % respectively of the Post Issue Paid-up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process.

Particulars	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares	[●]	[●]
Percentage of Issue Size available for allocation	[●]	[●]
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of [●] Equity Shares and Further allotment in multiples of [●] Equity Shares each.	Firm Allotment
Mode of Application	Retail Individual Applicant may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI ID) shall apply through ASBA process only.	Through ASBA mode Only.
Minimum Application Size	For Other than Retail Individual Investors: Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2,00,000 For Retail Individuals: Such number of equity Shares so that the Application Value does not exceed ₹ 2,00,000/-	[●] Equity Shares
Maximum Application Size	For Other than Retail Individual Investors: The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable. For Retail Individuals: Such number of equity Shares so that the Application Value does not exceed ₹ 2,00,000/-	[●] Equity Shares
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
Trading Lot	[●] Equity Shares	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of payment	In case of ASBA, the entire application amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant.	
Application Lot Size	[●] Equity Shares thereafter Equity Shares and in multiples of [●]	

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to “*Issue Structure*” on page 224 of the Draft Prospectus.

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

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

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

Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue, after the Issue Opening Date but before the Allotment, without assigning any reason thereof. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the BSE SME on which the Equity Shares are proposed to be listed.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the BSE SME, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed and/or submitted with the RoC and the BSE SME.

Issue Programme:

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application centres mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the Issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by Lead Manager to BSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular applicant, the details as per physical application form of that Applicant may be taken as the final data for the purpose of allotment.

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public issues, 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 this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays).

ISSUE PROCEDURE

All Applicants should read “the General Information Document for investing in Public Issues” prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the SEBI UPI Circulars (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the Lead Manager. The document will be updated to reflect the enactments and regulations including then Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue especially in relation to the process for Bids by UPI Applicants through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc. shall be applicable to Public Issue opening on or after January 1, 2022 and October 1, 2021 respectively.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note 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 bids in cases of individual, multiple bids 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 (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, 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 RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by 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 and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual applicants in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of this circular are deemed to form part of this Draft Prospectus.

Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The Lead Manager shall be the nodal entity for any issues arising out of public issuance process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the 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, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced

the timelines for refund of Application money to four days. The Lead Manager shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 244(5) and Regulation 271 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and Lead Manager shall continue to coordinate with intermediaries involved in the said process.

Our Company and the 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 Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Prospectus and the Prospectus.

Further, our Company and the members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the Full Application Amount along with the Application Form.

FIXED PRICE ISSUE PROCEDURE

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI (ICDR) Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via Fixed Price Issue method. In terms of Regulation 253(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, 50% of the Net Issue to public is being offered to the Retail Individual Applicants and the balance shall be issued to Non Retail Category i.e. QIBs and Non Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at Issue Price, allocation to all categories in the Net 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 spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange. However, if the retail individual investor category is entitled to more than fifty per cent of the net Issue on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchange or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI.

In case of QIB Applicants, our Company, in consultation with the Lead Manager, may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, amongst others equity shares. Pursuant to the SEBI UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days 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 SEBI UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019, until March 31, 2019, or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchange and NPCI in order to facilitate collection of requests and/or payment instructions of the Retail Individual Applicants using the UPI Mechanism.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Applicants to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the Lead Manager will be required to compensate the concerned investor.

For further details, refer to the General Information Document available on the website of the Stock Exchange and the Lead Manager.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Designated Intermediary may register the Application using the online facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Fixed Process on a regular basis before the closure of the Issuer.
2. On the Application/Issuer Closing Date, the Designated Intermediaries may upload the Applications till such time as may be permitted by the Stock Exchange and as disclosed in the Draft Prospectus.
3. Only Applications that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 p.m. IST on the next Working Day following the Application/Issuer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Application/Issuer Period after which the Stock Exchange send the information to the Registrar to the Issue for further processing.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

AVAILABILITY OF DRAFT PROSPECTUS, PROSPECTUS AND APPLICATION FORMS

Copies of the Application Form and the Abridged Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Prospectus / Prospectus. All the Applicants (other than Anchor Investor and Retail Individual Investor using UPI Payment Mechanism) shall mandatorily participate in the Issue only through the ASBA process for application. ASBA applicants must provide bank account details

and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians / Eligible NRIs applying on a non-repatriation basis (ASBA)	White*
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)	Blue*

*Excluding electronic Application Form.

Notes: (1) Electronic Bid cum Application forms and the abridged prospectus were available for download on the respective websites at www.bseindia.com.

In case of ASBA Forms, Designated Intermediaries shall upload the relevant Application details in the electronic Bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIIs using UPI mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RIIs using the UPI mechanism) to the respective SCSBs, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds.

Application Forms will also be available on the website of the BSE (www.bseindia.com). Same Application Form applies to all ASBA Applicants/ Retail Individual Investors applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

Non-Institutional bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. UPI applicants bidding using the UPI Mechanism.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Applicants Bidding using the UPI Mechanism) to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI Applicants using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such UPI Applicants for blocking of funds. The Sponsor Bank(s) 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 RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the LMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Applicants with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date (“Cut-Off Time”). Accordingly, UPI Applicants should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the LMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid / Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks / unblocks, performance of apps and UPI handles, down-time / network latency (if any) across intermediaries and any such processes having an impact / bearing on the Offer Bidding process.

SUBMISSION AND ACCEPTANCE OF APPLICATION FORM

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “Designated Intermediaries”).

Sr No.	Designated Intermediaries
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.	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)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries shall submit Application Forms to SCSBs only.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by 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 exchanges(s) and may by 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 stock exchange(s). 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 Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:	After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s). Stock Exchange shall share bid 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. 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

Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID/ClientID 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.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Application are deemed to have authorised our Company to make the necessary changes in the Draft prospectus, without prior or subsequent notice of such changes to the Applicants.

WHO CAN APPLY?

In addition to the category of Applicants set forth under General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
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 the Equity Shares under their respective constitutional and charter documents;
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 Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;

21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRI)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and 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

For Retail Individual Applicants

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹ 2,00,000.

For Other than Retail Individual Investors (Non-Institutional Investors and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Investor cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Bid Amount upon submission of Bid.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Participation by associates/affiliates of Lead Manager

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-

Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Option to Subscribe to the Issue

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialized subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

Application By HUF

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Applicant/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

Application made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one (1) scheme of the mutual fund will not be treated as multiple Applications, provided, that the Applications clearly indicate the scheme concerned for which the Application has been made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors (other than minor having valid depository accounts as per demographic details provided by the depository), Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

Application by Eligible NRIs/FII's on Repatriation Basis

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") ASBA 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. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such Application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme (“PIS”) is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company.

Application by FPIs

In terms of the FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 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 upto the sectoral cap by way of a resolution passed by our Board followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

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 FPI Regulations, an FPI, by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the 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 recognized 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’ nor 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. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated Depository Participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

Application by SEBI registered VCFs, AIFs and FVCIs

SEBI VCF Regulations and SEBI FVCI Regulations inter alia prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one (1) 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, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their corpus in one (1) investee company. A category III AIF cannot invest more than 10% of their investible funds in one (1) investee company. A venture capital fund registered as a category I AIF, as defined in 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 SEBI AIF Regulations shall continue to be regulated by SEBI VCF Regulations 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 SEBI AIF Regulations.

Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (1) year from the date of purchase by such VCF or category I AIFs or FVCI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the LM will not be responsible for loss, if any, incurred by the 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.

Application by provident funds/ pension funds

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application, without assigning any reason thereof.

Application by limited liability partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

Application by Banking Companies

In case of Application made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company 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.

Application by Insurance Companies

In case of Application 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 their Application without assigning any reason thereof.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time including the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDA Investment Regulations").

1. Equity shares of a company: the lower of 10% of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a 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 a 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 operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, 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 points (i), (ii) or (iii) above, as the case may be.

The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 ("IRDA Investment Regulations").

Application by SCSBs

SCSBs participating in the Issue are required to comply with the terms of 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.

Application by Systemically Important Non-Banking Financial Companies

In case of Application made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Application under Power of Attorney

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹ 2,500 lakhs and pension funds with a minimum corpus of ₹ 2,500 lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

1. With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
2. 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 along with the Application Form.
3. With respect to Applications made by provident funds with a minimum corpus of ₹ 2500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 lakhs, 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.
4. With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
5. 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 and the Lead Manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

Application by OCBs

In accordance with RBI regulations, OCBs cannot participate in this Issue.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

ASBA Process and Electronic Registration of Application

Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

APPLICATION FORM SHALL BEAR THE STAMP OF THE SYNDICATE MEMBER/SCSBS/REGISTRAR AND SHARE TRANSFER AGENTS/DEPOSITORY PARTICIPANTS/STOCK BROKERS AND IF NOT, THE SAME SHALL BE REJECTED.

Who can apply?

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

Terms of payment

The entire Issue price of ₹ [●]/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment Mechanism

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the bid Amount (issue price) in the bank account specified in the Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Applicant, as the case may be.

PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)

In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.

Who can apply through UPI Mode?

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

Process

Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: www.sebi.gov.in.

Blocking of Funds:

1. Investors shall create UPI ID
2. Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form
3. Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
4. Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
5. Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
6. Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

Unblocking of funds:

1. After the issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.

2. Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public issue escrow account and unblocking of excess funds
3. Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.

REJECTION GROUNDS UNDER UPI PAYMENT MECHANISM

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

LIST OF BANKS PROVIDING UPI FACILITY

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018).

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange.
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be

considered for allocation.

6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
 1. Name of the Applicant;
 2. IPO Name;
 3. Application Form number;
 4. Investor Category;
 5. PAN (of First Applicant, if more than one Applicant);
 6. DP ID of the demat account of the Applicant;
 7. Client Identification Number of the demat account of the Applicant;
 8. UPI ID (RIIs applying through UPI Mechanism)
 9. Numbers of Equity Shares Applied for;
 10. Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 11. Bank account number
 12. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
 13. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
 14. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
 15. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
 16. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
 17. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

WITHDRAWAL OF APPLICATIONS

RIIs can withdraw their applications until Issue Closing Date. In case a RII wishes to withdraw the applications during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

FILING OF THE DRAFT PROSPECTUS/ PROSPECTUS

For filing details, please refer to the section titled “*General Information*” beginning on page 45 of this Draft Prospectus.

PRICE DISCOVERY AND ALLOCATION OF EQUITY SHARES

1. The Issue is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
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 Investors 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.

ISSUANCE OF ALLOTMENT ADVICE

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.

1. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
2. Issuer will ensure that: (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicant’s Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.
3. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

INFORMATION FOR APPLICANTS

The relevant Designated Intermediary will enter a maximum of three Applications at different price levels opted in the Application Form and such options are not considered as multiple Applications. It is the Applicant’s responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When an Applicant revises his or her Applicant, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Application.

In relation to electronic registration of Applications, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the LM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus or Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges

GENERAL INSTRUCTIONS

Applicants are requested to note the additional instructions provided below.

Do’s:

1. Check if you are eligible to apply as per the terms of the Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their bids through the ASBA process only;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, UPI ID (if applicable), DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic for Retail Individual Investors using UPI mechanism, may submit their ASBA forms with Designated Intermediary and ensure that it contains the stamp of such Designated Intermediary;
5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
6. If the first applicant is not the ASBA account holder (or the UPI- linked bank account holder as the case may be), ensure that the Application Form is signed by the ASBA account holder (or the UPI- linked bank account holder as the case may be). Ensure that you have mentioned the correct bank account number and UPI ID in the Application Form;
7. All Applicants (other than Anchor Investors and RII using UPI Mechanism) should apply through the ASBA process only. RII not using UPI mechanism, should submit their application form directly with SCSB's and not with any designated intermediary.
8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner.
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the central or the state government and officials appointed by the courts and for Applicants residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected.
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the eighth schedule to the Constitution of India are attested by a magistrate or a notary public or a special executive magistrate under official seal;
16. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint 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;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;

20. Since the allotment will be in dematerialised form only, Applicants should note that in case the DP ID, the Client ID, UPI ID (where applicable) and the PAN mentioned in the Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, match with the DP ID, Client ID (where applicable) and PAN available in the Depository database otherwise liable to be rejected; Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
21. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Draft Prospectus;
22. 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 equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
23. Ensure that you have mentioned the correct ASBA Account number (for all Applicants other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;
24. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
25. Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
26. Applicants, other than Retail Individual Investors using the UPI Mechanism, shall ensure that they have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form to the relevant Designated Intermediaries;
27. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;
28. In case of ASBA Applicants (other than Retail Individual Investors using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
29. Once the Sponsor Bank Issues the UPI Mandate Request, the Retail Individual Investors would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;
30. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
31. Retail Individual Investors who wish to revise their applications using the UPI Mechanism, should submit the revised Application with the Designated Intermediaries, pursuant to which Retail Individual Investors should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in the Retail Individual Investors ASBA Account.
32. Retail Individual Investors using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;

33. Retail Individual Investors applied using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Application Form;
34. Retail Individual Investors using the UPI Mechanism who have revised their applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of Allotment in a timely manner;
35. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Draft Prospectus;
36. Ensure that ASBA applicants shall ensure that bids above ₹500,000, are uploaded only by the SCSBs;
37. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;
38. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.

Don'ts:

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
4. Do not apply by another Application Form after submission of Application to the Designated Intermediary.
5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the LM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. Do not submit the Application Forms to any non-SCSB bank or our Company;
8. Do not apply on a physical Application Form that does not have the stamp of the relevant Designated Intermediary;
9. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
10. If you are a Retail Individual Investor and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
11. Do not submit the Application Forms to any Designated Intermediary that is not authorised to collect the relevant Application Forms or to our Company;
12. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
13. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Draft Prospectus;
14. Do not submit the General Index Register number instead of the PAN;
15. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account and as in the case of Retail Individual Investors using the UPI Mechanism shall ensure that funds equivalent to the entire application amount are available in the UPI linked bank account where funds for making the bids are available.
16. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
17. If you are a Retail Individual Investor and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
18. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;

19. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
20. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
21. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
22. Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
23. Do not withdraw your application or lower the size of your application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise their applications during the Issue Period and withdraw their Applicants on or before the Issue Closing Date;
24. Do not apply for shares more than specified by respective Stock Exchanges for each category;
25. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Individual Investor using the UPI mechanism;
26. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
27. Do not apply if you are an OCB.
28. Do not submit incorrect UPI ID details, if you are a Retail Individual Investors applying through UPI Mechanism;
29. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
30. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
31. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism)

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid / Offer Closing Date, the Applicant shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking / unblocking of funds.

Instructions for completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchange.

Applicant’s Depository Account and Bank Details

Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant's bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Payment by Stock Invest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

OTHER INSTRUCTIONS

JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

MULTIPLE APPLICATIONS

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. 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.
2. 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.
3. 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 its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Lead Manager

reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

PERMANENT ACCOUNT NUMBER (“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 the PAN 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.

Our Company/ Registrar to the Issue, Lead Manager can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB’s in the ASBA system, without any fault on the part of Applicant.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds. It should be noted that RIIs using third party bank account for the payment in the public issue using UPI facility or using third party UPI ID linked bank account are liable to be rejected.

GROUND FOR TECHNICAL REJECTIONS

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document*” Applicants are requested to note that Applications may be rejected on the following additional technical grounds..

- 1) Applications submitted without instruction to the SCSBs to block the entire Application Amount;
- 2) Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
- 3) Applications submitted on a plain paper;
- 4) Applications submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- 5) Applications submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID;
- 6) Applications by HUFs not mentioned correctly as given in the sub-section “Who can Apply?” on page 204 of this Draft Prospectus;
- 7) Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
- 8) Application submitted without the signature of the First Applicant or sole Applicants;
- 9) Applications by person for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
- 10) GIR number furnished instead of PAN;
- 11) Application by Retail Individual Investors with Application Amount for a value of more than ₹ 200,000
- 12) Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
- 13) Applications by Applicants (who are not Anchor Investors) accompanied by cheques or demand drafts;
- 14) Applications accompanied by stock invest, money order, postal order or cash;
- 15) Application by OCB.

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 the Company Secretary and Compliance Officer, see “*General Information*” on page 45 of this Draft Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Applicant shall be compensated in accordance with applicable law. Further,

Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL AND CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

1. A tripartite agreement dated June 08, 2023 with NSDL, our Company and Registrar to the Issue;
2. A tripartite agreement dated July 07, 2023 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN No: INE0Q4B01010

An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.

1. The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
2. Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
3. Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
4. If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
5. The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
6. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
7. The trading of the Equity Shares of our Company would be only in dematerialized form.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

Investors can contact the 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 shares in the respective beneficiary accounts, etc.

<p>KAHALI CRAFTISTICS LIMITED</p> <p>A-48 A, Marudhar Industrial Area Phase-II, Basni, Jodhpur 342005, Rajasthan, India</p> <p>Tel No: 0291 2977099</p> <p>E-mail: compliance@kahalicraftistics.com</p> <p>Website: www.kahalicraftistics.com</p> <p>Contact Person: Deepak Kumar Kewliya</p>	<p>BIGSHARE SERVICES PRIVATE LIMITED</p> <p>Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400 093, Maharashtra, India.</p> <p>Tel No: 022 – 6263 8200</p> <p>Fax No: +91-022-62638299</p> <p>E-mail Id: ipo@bigshareonline.com</p> <p>Website: www.bigshareonline.com</p>
---	--

	Contact Person: Vinayak Morbale
	SEBI Registration No: INR000001385
	Investor Grievance Email: investor@bigshareonline.com

IMPERSONATION

Attention of the Applicant is specifically drawn to the provisions of Sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

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

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50.00 lakhs or with both.

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 Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

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 [●] equity shares the allotment will be made as follows:
 - i. Each successful applicant shall be allotted [●] equity shares; and
 - ii. 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.
 - iii. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
 - iv. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of [●] equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Prospectus.

- v. 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 retail 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 in the manner in this para titled "**Basis of Allotment**" of this Draft Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the listing or trading permission are not obtained from the BSE Ltd for the Equity Shares, our Company, to the extent applicable, shall forthwith refund the entire subscription amount received. If there is a delay beyond four days, our Company, to the extent applicable, shall pay interest at the rate of 15% per annum or such other amount prescribed under applicable law, including the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.

Minimum Number of Allottees

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than fifty (50), failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Applicants. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the LM and the Registrar, shall ensure that the basis of allotment is finalized 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 through the Issue Document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent. of the Issue may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to applicants other than to the Retail Individual Applicants shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Applicants shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Applicants Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. The Allotment to each Non-Institutional Investor shall not be less than the minimum application size [●] Equity Shares, subject

to availability of Equity Shares in the Non-Institutional Portion and the remaining Equity Shares, if any, shall be allocated on a proportionate basis.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will, after registering this Draft Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper). Our Company shall, in the pre-Issue advertisement state the Bid/Issue Opening Date, the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of under the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the LM and the Registrar shall publish an advertisement in relation to Allotment before commencement of trading, disclosing the date of commencement of trading of the Equity Shares, in [●] editions of [●], a widely circulated English national daily newspaper, [●] editions of [●], a widely circulated Hindi national daily newspaper and [●] editions of [●], each with wide circulation.

The above information is given for the benefit of the Applicants/applicants. Our Company and the members **of the Syndicate 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/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations**

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and will enter into an Underwriting Agreement with the Underwriters on or immediately after the finalization of the Issue Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC, in accordance with applicable law. The Prospectus will contain details of the Issue Price and underwriting arrangements and will be complete in all material respects.

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:

1. **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 Applicant as obtained from the Depository;
2. **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' 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 Applicants 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;
3. **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;
4. **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 applicant, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant's 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 LM or the Registrar to the Issue or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
5. Please note that refunds, on account of our Company not receiving the minimum subscription of 100% of the Issue, shall be credited only to the bank account from which the Applicant 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. Applicants may refer to this Draft Prospectus.

COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise as specified by the SEBI from the date of Issue Closing date.

UNDERTAKING BY OUR COMPANY

Our Company undertakes the following:

- 1) the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 2) that if the allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Applicants at the rate prescribed under applicable law for the delayed period;
- 3) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Issue Closing Date or such other time as may be prescribed;
- 4) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- 5) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 6) that if our Company does not proceed with the Issue after the Issue Closing Date but prior to allotment, the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 7) that if our Company, in consultation with the LM, withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh draft Issue document with the stock exchange, in the event our Company subsequently decides to proceed with the Issue thereafter;
- 8) Promoter's contribution, if any, shall be brought in advance before the Issue Opening Date;
- 9) that adequate arrangements shall be made to collect all Application Forms submitted by Applicants
- 10) no further issue of Equity Shares shall be made until the Equity Shares Issued through the Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Utilization of Issue Proceeds

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
2. Details of all monies utilised out of the proceeds from the Issue shall be disclosed, and continue to be disclosed till all the time any part of the proceeds from the Issue remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised, or the form in which such unutilised monies have been invested; and
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 foreign direct investment (“FDI”) through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

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 foreign direct investment policy and transfer does not attract the provisions of the SEBI 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.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

As per the FDI policy, FDI in companies engaged in the wholesale trading sector, which is the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such Company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see *“Issue Procedure”* on page 226 of this Draft Prospectus. Each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Investor shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue/ Period.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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 Issue 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 Investors. Our Company, and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Investors are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Issue and ensure that the number of Equity Shares Issue for do not exceed the applicable limits.

SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013 COMPANY LIMITED BY SHARES ARTICLES OF ASSOCIATION OF KAHALI CRAFTISTICS LIMITED

*The following regulations comprised in these Articles of Association were adopted pursuant to Special resolution passed at the Extra Ordinary General Meeting of the Company held on **28th July 2023** in substitution for and to the entire exclusion of the earlier Articles of Association.

PRELIMINARY

The Regulations contained in Table “F” in the Schedule I to the Companies Act, 2013, shall apply to the Company except in as far as otherwise expressly incorporated hereinafter.

I.(A)	INTERPRETATION		
	(1)	In these regulations	
	(a)	"the Act" means the Companies Act, 2013,	
	(b)	"the seal" means the common seal of the company.	
	(2)	Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.	
		The company is a public company within the meaning of Section 2(71) of the Companies Act 2013 and accordingly a public company means a company which-	
		(a)	is not a private company.
		(b)	has a minimum paid up capital as may per prescribed time to time.
		Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be a public company for the purpose of this Act even where such subsidiary company continues to be a private company in its articles	
	(3)	As per Section-2 (55) of Companies Act, 2013, Member’s in relation to a company, means:	
		(i)	The subscriber to the memorandum of the company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members;
		(ii)	Every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company;
		(iii)	Every person holding shares of the company and whose name is entered as a beneficial owner in the records of a depository.
I.(B)	DEFINITION		
		“ Act ” means the Companies Act, 2013, including any statutory modification or re-enactment or amendment, clarifications and notification 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.	

“**Annual General Meeting**” means a general meeting of the members held as such, in accordance with the provisions of the Act.

“**Articles**” or “**Articles of Association**” mean the articles of association or re-enactment thereof for the time being in force of the Company.

“**Beneficial Owner**” means a person as defined by section 2(1)(a) of the Depositories Act, 1996.

“**The Board**” or the “**Board of Directors**” means the collective body of the Directors of the Company.

“**Capital**” means the share capital, for the time being, raised or authorised to be raised, for purposes of the Company.

“**Debenture**” includes debenture stock, bonds or any other instrument of the Company evidencing the debts whether constituting the charge on the assets of the Company or not.

“**Depositories Act 1996**” means The Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

“**Depository**” means and includes a company as defined under section 2(1)(e) of the Depositories Act, 1996.

“**Directors**” means a director appointed to the Board of the Company.

“**Dividend**” includes any interim dividend.

“**Extra-ordinary General Meeting**” means an extraordinary general meeting of the members, duly called and constituted, and any adjourned holding thereof.

“**In writing**” or “**written**” include printing, lithography and other modes of representing or reproducing words in a visible form.

“**Member**” means member as defined under section 2(55) of the Companies Act, 2013

“**Memorandum of Association**” means the memorandum of association of the Company or re-enactment thereof for the time being in force.

“**Office**” means the registered office, for the time being, of the Company.

“**Paid-up Capital**” means paid up capital as defined under section 2(64) of the Act.

“**Participant**” means individual/institutions as defined under Section 2(1)(g) of the Depositories Act, 1996.

“**Promoters**” means persons identified in accordance with the definition ascribed to such term in the Companies Act, 2013 and the regulations prescribed by SEBI.

“**Register of Members**” means the Register of Members to be kept pursuant to the Act, and includes index of beneficial owners mentioned by a Depository.

“**The Registrar**” means, Registrar as defined under section 2(75) of the Companies Act, 2013.

“**Secretary**” means a Company Secretary, within the meaning of clause (c) of sub section (1) of section 2 of Company Secretaries Act, 1980, who is appointed by the Company to perform the functions of the Company Secretary under this Act

“**Seal**” means the common seal, for the time being, of the Company.

“**SEBI**” shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

“**SEBI Listing Regulations**” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“**Share**” means a Share in the capital of the Company, and includes stock, except where a distinction between Stock and Shares is express or implied.

“**Ordinary Resolution**” and “**Special Resolution**” shall have the same meaning assigned thereto by the Act.

		“Year” means a calendar year and “financial year” shall have the same meaning as assigned thereto by or under the Companies Act, 2013.
II.	SHARE CAPITAL AND VARIATION OF RIGHTS	
(1)	Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time-to-time think fit.	
(2)	(i)	Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:-
		(a) one certificate for all his shares without payment of any charges; or
		(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
	(ii)	Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
	(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
(3)	(i)	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
	(ii)	The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
(4)	Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
(5)	(i)	The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
	(ii)	The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
	(iii)	The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
(6)	(i)	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of

		the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
	(ii)	To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
(7)		The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
(8)		Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
III.	LIEN	
(9)	(i)	The company shall have a first and paramount lien-
		(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
		(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:
		Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
(ii)	The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.	
(10)	The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:	
	Provided that no sale shall be made-	
	(a)	unless a sum in respect of which the lien exists is presently payable; or
	(b)	until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
(11)	(i)	To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
	(ii)	The purchaser shall be registered as the holder of the shares comprised in any such transfer.
	(iii)	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
(12)	(i)	The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
	(ii)	The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

IV.	CALLS ON SHARES	
(13)	(i)	<p>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 the payment of the last preceding call.</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.
	(iii)	A call may be revoked or postponed at the discretion of the Board
(14)	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.	
(15)	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	
(16)	(i)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
	(ii)	The Board shall be at liberty to waive payment of any such interest wholly or in part.
(17)	(i)	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
	(ii)	In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
(18)	The Board-	
	(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
	(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.
V.	TRANSFER OF SHARES	
(19)	(i)	The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
	(ii)	The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

	(20)	The Board may, subject to the right of appeal conferred by section 58 decline to register-	
		(a)	the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
		(b)	any transfer of shares on which the company has a lien.
	(21)	The Board may decline to recognise any instrument of transfer unless	
		(a)	the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
		(b)	the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
		(c)	the instrument of transfer is in respect of only one class of shares.
	(22)	On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:	
		Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.	
	VI.	TRANSMISSION OF SHARES	
(23)	(i)	On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.	
	(ii)	Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	
(24)	(i)	Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-	
		(a)	to be registered himself as holder of the share; or
		(b)	to make such transfer of the share as the deceased or insolvent member could have made.
	(ii)	The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.	
(25)	(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.	
	(ii)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.	
	(iii)	All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.	

	(26)	<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>
VII.	NOMINATION BY SECURITY HOLDER	
	(27)	Every holder of Securities in the Company may, at any time, nominate, in the prescribed manner, a person to whom his Securities in the Company, shall vest in the event of his death.
	(28)	Where the Securities in the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the Securities in the Company shall vest in the event of death of all joint holders
	(29)	Notwithstanding anything contained in these Articles or any other law, for the time being, in force, or in any disposition, whether testamentary or otherwise, in respect of such Securities in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Securities in the Company, the nominee shall, on the death of the Shareholders of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Securities of the Company or, as the case may be, all the joint holders, in relation to such securities in the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
	(30)	In the case of fully paid up Securities in the Company, where the nominee is a minor, it shall be lawful for the holder of the Securities, to make the nomination to appoint in the prescribed manner any person, being a guardian, to become entitled to Securities in the Company, in the event of his death, during the minority.
	(31)	Any person who becomes a nominee by virtue of the provisions of the preceding Article, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either – <ul style="list-style-type: none"> (a) to be registered himself as holder of the Share(s); or (b) to make such transfer of the Share(s) as the deceased Shareholder could have made.
	(32)	If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share(s), himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, and such notice shall be accompanied with the death certificate of the deceased shareholder
	(33)	All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer has been signed by that Shareholder.
	(34)	<p>A person, being a nominee, becoming entitled to a Share by reason of the death of the holder, shall be entitled to the same dividends and other advantages which he would be entitled if he were the registered holder of the Share except that he shall not, before being registered a member in respect of his 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(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share(s) or until the requirements of the notice have been complied with.</p>

VIII.	FORFEITURE OF SHARES	
(35)	If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.	
(36)	The notice aforesaid shall-	
	(a)	name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
	(b)	state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
(37)	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.	
(38)	(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.
(39)	(i)	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
	(ii)	The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
(40)	(i)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
	(ii)	The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
	(iii)	The transferee shall thereupon be registered as the holder of the share; and
	(iv)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
(41)	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.	
(42)	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.	
(43)	Subject to the provisions of section 61, the company may, by ordinary resolution:-	

		(a)	consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
		(b)	convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
		(c)	sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
		(d)	cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
	(44)	Where shares are converted into stock:-	
		(a)	the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
		(b)	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
		(c)	such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.
	(45)	The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law	
		(a)	its share capital;
		(b)	any capital redemption reserve account; or
		(c)	any share premium account.
X.	CAPITALISATION OF PROFITS		
	(46)	(i)	The company in general meeting may, upon the recommendation of the Board, resolve-
		(a)	that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
		(b)	that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
		(ii)	The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-
		A.	paying up any amounts for the time being unpaid on any shares held by such members respectively;

		<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 regulation.</p>
(47)	(i)	<p>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 capitalised 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>
	(ii)	<p>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 authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p>
	(iii)	<p>Any agreement made under such authority shall be effective and binding on such members.</p>
XI.	BUY-BACK OF SHARES	
(48)	<p>Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.</p>	
XII	RIGHTS OF THE EQUITY SHAREHOLDERS	
(49)	<p>The Equity shareholders shall have the right to receive dividend, if declared, right to receive Annual Reports and notices to members, right to attend general meetings and exercise voting rights, unless prohibited by law, right to vote on a poll either in person or by proxy in accordance with the provisions of the Companies Act, 2013, right to receive offer/ issue for rights shares and be allotted bonus shares, if announced, right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied, right of free transferability subject to applicable law, including any RBI rules and regulations; and such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 and the terms of the SEBI Listing Regulations.</p>	
XIII.	GENERAL MEETINGS OF THE BOARD	
(50)	<p>All general meetings other than annual general meeting shall be called extraordinary general meeting.</p>	

	(51)	(i)	The Board may, whenever it thinks fit, call an extraordinary general meeting.
		(ii)	If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
XIV.	PROCEEDINGS AT GENERAL MEETINGS		
	(52)	(i)	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business
		(ii)	Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
	(53)	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.	
	(54)	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	
	(55)	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.	
XV.	ADJOURNMENT OF MEETING		
	(56)	(i)	The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
		(ii)	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
		(iii)	When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
		(iv)	Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
XVI.	VOTING RIGHTS		
	(57)	Subject to any rights or restrictions for the time being attached to any class or classes of shares:-	
		(a)	on a show of hands, every member present in person shall have one vote; and
		(b)	on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
	(58)	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	
	(59)	(i)	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

	(ii)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
	(60)	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.
	(61)	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
	(62)	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
	(63)	(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
		(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
XVII.	PROXY	
	(64)	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
	(65)	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
	(66)	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
		Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used
XVIII.	BOARD OF DIRECTORS	
	(67)	<p>Until otherwise determined by a general meeting of the Company and, subject to the applicable provisions of the Act, the number of Directors) shall not be less than three nor more than fifteen, provided that the Company may appoint more than fifteen directors after passing a special resolution. The Company shall have at the minimum such number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable law. In addition, not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations.</p> <p>The First directors of the Company are:</p> <ol style="list-style-type: none"> 1. Sanjeev Kahali 2. Lipika Kahali 3. Anirbaan Kahali

	(68)	(i)	The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day
		(ii)	In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them
			(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
			(b) in connection with the business of the company
(69)	The Board may pay all the expenses incurred in getting up and registering the company.		
(70)	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.		
(71)	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.		
(72)	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.		
(73)	(i)	Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.	
	(ii)	Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.	
(74)	(i)	The Company shall have such number of Independent Directors on the Board or Committees of the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI Listing Regulations or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations	
	(ii)	The Directors, appointed or nominated under this Article, shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the directors of the Company including payment of remuneration, sitting fees and travelling expenses to such director or directors, as may be agreed by the Company with the appointer	
XIX.	PROCEEDINGS OF THE BOARD		
(75)	(i)	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.	
	(ii)	A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	
(76)	(i)	Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.	

	(ii)	In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
(77)		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.
(78)	(i)	The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
	(ii)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
(79)	(i)	The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
	(ii)	Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
(80)	(i)	A committee may elect a Chairperson of its meetings.
	(ii)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
(81)	(i)	A committee may meet and adjourn as it thinks fit.
	(ii)	Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
(82)		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.
(83)		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.
XX.	CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER	
	(84)	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.
(85)		A provision of the Act or these regulations requiring or authorising 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.	
XXI.	THE SEAL		
	(86)	(i) The Board shall provide for the safe custody of the seal.	
		(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	
XXII.	DIVIDENDS AND RESERVES		
	(87)	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	
	(88)	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	
	(89)	(i)	The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
		(ii)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
	(90)	(i)	Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
		(ii)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
		(iii)	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
	(91)	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.	
	(92)	(i)	Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
(ii)		Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	

	(93)	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.
	(94)	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.
	(95)	No dividend shall bear interest against the company.
	(96)	No unclaimed or unpaid dividend shall be forfeited by the Board and dividends unclaimed or unpaid will be dealt with as per the provisions of Section 123 and 124 or other provisions if any of the Act as may be applicable from time to time.
XXIII.	ACCOUNTS	
	(97)	(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
		(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.
XXIV.	WINDING UP	
	(98)	Subject to the provisions of Chapter XX of the Act and rules made thereunder-
		(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
		(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
		(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability
XXV.	INDEMNITY	
	(99)	Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.
XXVI.	BORROWING POWER	
	(100)	Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures 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 or by mortgaging or charging or pledging any lands,

		buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.
	(101)	The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where 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) exceeds the aggregate of paid up capital of the Company and its free reserves.
	(102)	Subject to the Act and the provisions of these Articles, any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board, who may issue them upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company.

SECTION X - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or to be entered into by our Company.

The contract, copies of which will be attached to the copy of the Prospectus which will be filed with the Registrar of Companies for registration, and also the documents for inspection referred to hereunder may be inspected at our Registered Office referred located at A-48 A, Marudhar Industrial Area Phase-II, Basni, Jodhpur-342005, Rajasthan, India, between 10.00 a.m. and 5.00 p.m. (IST) on all Working Days from the date of the Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material contracts for the Issue

1. Issue Agreement dated August 02, 2023 between our Company and the Lead Manager.
2. Registrar Agreement dated August 07, 2023 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated [●], 2023 amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated [●], 2023 amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated [●], 2023 amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.

B. Material documents for the Issue

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated July 06, 2023 in relation to the Issue and other related matters.
3. Shareholders' resolution dated July 28, 2023 in relation to the Issue and other related matters.
4. Consents of our Promoters, Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory and Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Chartered Engineer and Bankers to our Company to include their names in this Draft Prospectus and to act in their respective capacities.
5. Peer Review Auditors Report dated August 14, 2023 on Restated Financial Statements of our Company for the period ended March 31, 2023.
6. The Report dated August 24, 2023 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Prospectus.
7. Certificate issued with respect to KPIs issued by Vishal H. Shah & Associates, Chartered Accountant dated August 24, 2023.
8. Copy of approval from BSE Limited vide letter dated [●] to use the name of BSE Limited in this Draft Prospectus/ the Prospectus for listing of Equity Shares on SME Platform of BSE Limited.
9. Tripartite agreement dated June 08, 2023 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue.
10. Tripartite agreement dated July 07, 2023 amongst our Company, National Securities Depository Limited and Registrar to the Issue.
11. The certificate issued by Orbit Consultants and Valuers; Chartered Engineer dated July 06, 2023.
12. Due diligence certificate shall be submitted to SEBI by Lead Manager to the Issue.
13. Board Resolution dated August 24, 2023 for approval of this Draft Prospectus

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

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

NAME OF DIRECTOR AND DIN	DESIGNATION	SIGNATURE
Sanjeev Kahali DIN: 09863344	Chairman & Managing Director	Sd/-
Lipika Kahali DIN: 09863345	Whole-Time Director	Sd/-
Anirbaan Kahali DIN: 09863346	Whole-Time Director	Sd/-
Avijit Vasu DINL: 09209383	Non-Executive Independent Director	Sd/-
Chetan Chhangani DIN: 03381299	Non-Executive Independent Director	Sd/-
Vikas Paliwal DIN: 06654299	Non-Executive Independent Director	Sd/-

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Deepak Kumar Kewliya PAN: EGDPK5743M	Sd/-
Dasharath Singh PAN: DDSPS6033K	Sd/-

Date: August 24, 2023

Place: Jodhpur