





Draft Prospectus
Dated: March 23, 2023
Please read section 26 and 32 of the Companies Act, 2013
Fixed Price Issue



KELSON FOODS LIMITED
CIN: U15136GJ2003PLC043382
Incorporated on December 23, 2003 at Ahmedabad

REGISTER OFFICE		CONTACT PERSON	
B-1222, 12th Floor, Sun Westbank, Opp City Gold Cinema, Ashram Road, Ahmedabad - 380009, Gujarat, India.		Shivani Mittal Company Secretary and Compliance Officer	
EMAIL	TELEPHONE NO.	WEBSITE	
office@kelsongroup.in	Tel No.: +91 9825008570	www.kelsongroup.in	
OUR PROMOTERS OF THE COMPANY			
Kishan Tekchandani and Raina Tekchandani			
Type	Fresh Issue Size (₹In Lakhs)	Eligibility 229(1) / 229(2) & Share Reservation among NII &RII	
Fresh Issue	₹ 1500.00 Lakhs	The Issue is being made pursuant to Regulation 229(2) of SEBI (ICDR) Regulations. As the Company's post issue paid up capital is more than ₹ 10.00 Crores and upto ₹ 25.00 Crore	
RISK IN RELATION TO THE FIRST ISSUE			
This being the first public issue of our company, there has been no formal market for the securities of our company. The face value of the shares is ₹10.00 per equity shares and the issue price is 3 times of the face value. The issue price (is determined by our company in consultation with the lead manager) as stated in the chapter titled on "Basis for Issue Price" beginning on page no. 54 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 of our company nor regarding the price at which the equity shares will be traded after listing.			
GENERAL RISKS			
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this 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 issue. 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 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 section titled "Risk Factors" beginning on page no.13 of this Draft Prospectus.			
ISSUER'S ABSOLUTE RESPONSIBILITY			
The Issuer, 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 the 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 an In Principal Approval Letter dated [●] from BSE Limited (BSE) for using its name in this offer document for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").			
LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
	INTERACTIVE FINANCIAL SERVICES LIMITED Address: 612, 6th Floor, Shree Balaji Heights, Kokilaben Vyas Marg, Ellisbridge, Ahmedabad – 380 009, Gujarat, India Tel No.: 079 46019796 (M) +91-9898055647 Web Site: www.ifinservices.in Email: mbd@ifinservices.in Investor Grievance Email: info@ifinservices.in Contact Person: Pradip Sandhir SEBI Reg. No.: INM000012856		BIGSHARE SERVICES PRIVATE LIMITED Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093 Tel No.: +91 22-62638200 Fax No.: +91 22-62638299 Website: www.bigshareonline.com E-Mail: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Contact Person: Aniket Chindarkar SEBI Reg. No.: INR000001385
ISSUE PROGRAMME			
ISSUE OPENS ON: [●]		ISSUE CLOSES ON: [●]	



KELSON FOODS LIMITED
CIN: U15136GJ2003PLC043382

Our Company was originally incorporated as “Swami Shantiprakash Agro Private Limited” under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated December 23, 2003 bearing Corporate Identification Number U15136GJ2003PTC43382 issued by the Deputy Registrar of Companies, Gujarat. Subsequently, the name of company was changed to “Kelwin Food Industries Private Limited” and a fresh certificate of incorporation was issued by Registrar of Companies, Ahmedabad on August 09, 2022. After that, name of company was further changed to “Kelson Foods Private Limited” and a fresh certificate of incorporation was issued by Registrar of Companies, Ahmedabad on January 18, 2019. Subsequently, our Company was converted from Private limited to Public Limited pursuant to a special resolution passed by our shareholders at the EGM held on January 05, 2023 and consequently the name of our Company was changed as “Kelson Foods Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated March 15, 2023. The CIN of the Company is U15136GJ2003PLC043382. For further details, please refer the chapter titled “History and Certain Corporate Matters” beginning on page 88 of this Draft Prospectus.

Registered office: B-1222, 12th Floor, Sun Westbank, Opp City Gold Cinema, Ashram Road,
Ahmedabad - 380009, Gujarat, India.

Tel No.: +91 9825008570; **Website:** www.kelsongroup.in; **E-Mail:** office@kelsongroup.in

Contact Person: Shivani Mittal, Company Secretary and Compliance Officer

PROMOTER OF THE COMPANY: MR. NARENDRAKUMAR PATEL AND MRS. SUSHILABAHEN PATEL

THE ISSUE

INITIAL PUBLIC ISSUE OF 50,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF KELSON FOODS LIMITED (“KFL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹30/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹20/- PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹1500.00 LACS (“THE ISSUE”), OF WHICH 2,56,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹30/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 20/- PER EQUITY SHARE AGGREGATING TO ₹76.80 LACS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 47,44,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A PRICE OF ₹30/- PER EQUITY SHARE AGGREGATING TO ₹1423.20 LACS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 40.26% AND 38.20% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE NO. 169 OF THIS DRAFT PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS 3.0 TIMES OF THE FACE VALUE

This issue is being made through Fixed Price Process in terms of Chapter IX of the Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI (ICDR) Regulations”) and allocation in the net issue to the public will be made in terms of regulation 253 of the SEBI ICDR Regulations. In terms of the Regulation 19(2)(B)(I) of the Securities Contracts (Regulations) Rules, 1957, as amended (the “SCRR”), the issue is being made for at least 25% of the post-paid up Share capital of our Company. All the bidders, shall participate in the issue through the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective bank account (including UPIID for RIIs using UPI Mechanism) wherein the bid amount will be blocked by the SCSBs or under the UPI mechanism, as the case may be, to the extent of respective Bid amounts. For details Please refer to chapter titled “Issue Procedure” beginning on Page 178 of this Draft Prospectus.

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account and UPI ID in case of RIIs, if applicable, in which the application amount shall be blocked by the Self-Certified Syndicate Banks (“SCSBs”) or under UPI Mechanism as the case may be. For details in this regard, specific attention is invited to chapter titled “Issue Procedure” on page 178 of this Draft Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹10/- per Equity Shares and the Issue price is 3 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager) as stated in the chapter titled on “Basis for Issue Price” beginning on page no. 54 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this 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 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 section titled “Risk Factors” beginning on page no.13 of this Draft Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LEAD MANAGER



INTERACTIVE FINANCIAL SERVICES LIMITED
Address: 612, 6th Floor, Shree Balaji Heights, Kokilaben Vyas Marg, Ellisbridge, Ahmedabad – 380 009, Gujarat, India
Tel No.: 079 46019796
(M) +91-9898055647
Web Site : www.ifinservices.in
Email : mbd@ifinservices.in
Investor Grievance Email: info@ifinservices.in
Contact Person: Mr. Pradip Sandhir
SEBI Reg. No.: INM000012856

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED
Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093
Tel No: +91 22-62638200
Fax No +91 22-62638299
Website: www.bigshareonline.com
E-Mail: ipo@bigshareonline.com
Investor Grievance Email: investor@bigshareonline.com
Contact Person: Mr. Aniket Chindarkar
SEBI Reg. No.: INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, 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 the meaning ascribed to such terms under SEBI (ICDR) Regulations, 2018 the Companies Act, 2013, the SCRA, the Depositories Act, 1996 and the rules & regulations made there under.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “Statement of Tax Benefits”, “Restated Financial Statements”, “Outstanding Litigation and Material Developments” and section titled “Main Provisions of Articles of Association” beginning on page nos. 56, 104, 152 and 206, respectively, shall have the meanings ascribed to such terms in the respective sections.

GENERAL TERMS

Term	Description
“KFL”, “Kelson”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Kelson Foods Limited, a public limited company incorporated under the Companies Act, 1956 and having Registered Office at B-1222, 12 th Floor, Sun Westbank, Opp. City Gold Cinema, Ashram Road Ahmedabad, Gujarat-380009, India.
Promoters	Kishan Tekchandani and Raina Tekchandani
Promoter Group	Companies, individuals and entities (other than companies) as defined under Regulation 2 sub-regulation (pp) of the SEBI ICDR Regulations,2018.
“you”, “your” or “yours”	Prospective Investors in this Issue

COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company as amended from time to time
Auditors and Peer Review Auditors	The Statutory auditors of our Company, being M/s. D G M S & Co., Chartered accountants
Audit Committee	Audit Committee of our Company constituted in accordance Section 177 of the Companies Act, 2013 and as described in the chapter titled “Our Management” beginning on page 91 of this Draft Prospectus.
Associate Companies	A body corporate in which our company has a significant influence and includes a joint venture company.
Board of Directors / Board	The Board of Directors of our Company or a committee constituted thereof
Act or Companies Act	Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time.
CIN	Corporate Identification Number
CMD	Chairman and Managing Director
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Kelson Foods Limited unless otherwise specified
Equity Shares	Equity Shares of our Company having Face Value of ₹ 10 each unless otherwise specified in the context thereof
ED	Executive Director
Fresh Issue	The fresh issue of 50,00,000 Equity Shares at a price of Rs. 30 per equity share aggregating to Rs. 1500.00 lakhs to be issued by our Company as part of the Offer, in terms of the Draft Prospectus.

Group Companies	Companies (other than our Corporate Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “Financial Information of Our Group Companies” on page 159 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 chapter titled “Our Management” beginning on page 91 of this Draft Prospectus
Indian GAAP	Generally Accepted Accounting Principles in India
IT	Information Technology
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “Our Management” on page no. 91 of this Draft Prospectus
MD	Managing Director
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Registered Office	The Registered office of our Company, located at B-1222, 12 th Floor, Sun Westbank, Opp. City Gold Cinema, Ashram Road Ahmedabad, Gujarat-380009, India.
ROC / Registrar of Companies	Registrar of Companies, Ahmedabad.
PLC	Public Limited Company
PTC	Private Limited Company
WTD	Whole Time Director

ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Applicant	Any prospective investor who makes an application for Equity Shares in terms of the Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
Allottee(s)	The successful applicant to whom the Equity Shares are being / have been issued
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the section “Issue Procedure - Basis of allotment” on page no. 201 of this Draft Prospectus.
Bankers to our Company	HDFC Bank Limited
Bankers to the Issue	[•]
CAN /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.

UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
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 Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
ISIN	International Securities Identification Number. In this case being [●]
Issue Opening Date	The date on which the Issue opens for subscription
Issue Closing date	The date on which the Issue closes for subscription.
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application.
IPO	Initial Public Offering
Issue / Issue Size / Public Issue	The Public Issue of 50,00,000 Equity Shares of Face Value of ₹ 10 each at ₹30 (including premium of ₹20) per Equity Share aggregating to ₹1500.00 Lacs by Kelson Foods Limited.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being ₹30
LM / Lead Manager	Lead Manager to the Issue, in this case being Interactive Financial Services Limited
Listing Agreement	The Listing Agreement to be signed between our Company and SME Platform of BSE Limited ("BSE SME")
NBFC	Non- Banking Financial Companies
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 47,44,000 Equity Shares of ₹ 10 each at ₹30 per Equity Share aggregating to ₹1423.20 Lacs by Kelson Foods Limited.
Prospectus	The Prospectus dated [●] issued in accordance with Companies Act filed with the SME Platform of BSE Limited ("BSE SME") under SEBI (ICDR) Regulations, 2018.
Public Issue Account	An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors.
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Registrar / Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
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 Rs 2,00,000.
R & D	Research and Development
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html Intermediaries.
SME Platform of BSE	The SME platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter IX of the SEBI ICDR Regulations.

Sponsor Bank	A Banker to the Offer which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company and the Selling Shareholder, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●].
Underwriters	Underwriters to the issue is Interactive Financial Services Limited.
Underwriting Agreement	The Agreement entered into between the Underwriters and our Company dated March 21, 2023.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in the Prospectus are open for business. 1. However, in respect of announcement of price band and Bid/ Offer period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Prospectus are open for business. 2. In respect to the time period between the Bid/ Offer closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Sundays and bank holidays in accordance with circular issued by SEBI.

TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
ASI	Annual Survey of Industries
B.B. Q	Barbeque
FPI	Food Processing Industries
FISIM	Financial Intermediation Services Indirectly Measured
FICSI	Food Industry Capacity and Skill Initiative
FMCG	Fast-Moving Consumer Goods
FICCI	Federation of Indian Chambers of Commerce & Industry
GVA	Gross Value Added
GM	Gram
MOFPI	Ministry of Food Processing Industries
NABARD	National Bank for Agriculture and Rural Development
PMA	Program Management Agency
PMKSY	PM Kisan Sampada Yojana
SQ. MTR.	Square Meter
UGVCL	Uttar Gujarat Vij Compnay Limited
UT	Union Territory

CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A/c	Account
AGM	Annual General Meeting
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year
Bn	Billion
BG	Bank Guarantee
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CDSL	Central Depository Services (India) Limited

CIN	Corporate Identity Number
Depositories	NSDL and CDSL
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
DCA	Department of corporate affairs
DIN	Director's Identification Number
DP/ Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996
DP ID	Depository Participant's Identification Number
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FDI	Foreign Direct Investment
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/Government/GOI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
INR/ Rs. / Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
Ltd.	Limited
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.
MOF	Minister of Finance, Government of India
MOU	Memorandum of Understanding
MSMEs	Micro, Small & Medium Enterprises
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR/ Non-Residents	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
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 allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAT	Security Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI ICDR Regulations /ICDR Regulations/SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI ICDR Regulations, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time.
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small And Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the BSE Limited
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TIN	Tax payer Identification Number
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.

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.

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:

- ❖ General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- ❖ Competition from existing and new entities may adversely affect our revenues and profitability;
- ❖ Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- ❖ Our business and financial performance is particularly based on market demand and supply of our products;
- ❖ The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- ❖ Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- ❖ Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- ❖ The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages nos. 13, 67 and 143 of this Draft Prospectus, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although 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 LM, 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 to “India” contained in this Draft Prospectus are the Republic of India.

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 audited financial statements for the period ended November 30, 2022 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP which are included in this Draft Prospectus, and set out in the section titled ‘Restated Financial Information’ beginning on page no. 104 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.

There are significant differences between Indian GAAP, IFRS 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 the Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled ‘Risk Factors’, ‘Business Overview’ and ‘Management's Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page nos. 13, 67 and 143 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.

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.

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’ 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,

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’.

SUMMARY OF ISSUE DOCUMENT

SUMMARY OF BUSINESS

Initially we have started selling variety of breads, rusk and khari. We added cookies and cream rolls in our cart after connecting with the customer in breads, rusk and khari. Currently at our outlets we offer, variety of breads, dry products like cookies, cream rolls, rusk and khari, we also offers the cakes, pastries, muffins and chocolates. Addition of cakes, pastries, muffins and chocolates in our outlets impacted the sales positively which resulted in higher sales. As on date of the draft prospectus, Currently Our Company have 7 Outlets in Ahmedabad and all our 7 outlets are on franchisee basis. Our all 7 outlets are at a prime location of Ahmedabad like, Neharunagar Cross Road, Paldi, Kakaria, Maninagar, Bapunagar, Bopal, Gota and Nikol. Our all outlets are in the name of Our Brand name “BREADMAN”. Our outlets are working from Morning 09:00 to late Evening 11:00. In addition to this our company has 365 days operational for dedicated customer support. our business expansion is located in different cities of Gujarat and Rajasthan. Our Company has just started new line of business by entering into the MOU for “Pizza Franchisee” on the name “Uncle Donald’s Pizza” in Ahmedabad.

For more details, please refer chapter titled “Business Overview” on page 67 of this Draft Prospectus.

SUMMARY OF INDUSTRY

A well-developed food processing sector with higher level of processing helps in the reduction of wastage, improves value addition, promotes crop diversification, ensures better return to the farmers, promotes employment as well as increases export earnings. This sector is also capable of addressing critical issues of food security, food inflation and providing wholesome, nutritious food to the masses. Over the year’s agricultural production in India has consistently recorded higher output. India ranks third in cereals, first in pulses, second in vegetable primary, second in fruit primary, first in milk, third in eggs primary, etc. in World Agriculture in 2018. An abundant supply of raw materials, increase in demand for food products and incentives offered by the Government has impacted food processing sector positively. During the last 5 years ending 2019-20, Food Processing sector has been growing at an Average Annual Growth Rate (AAGR) of around 11.18 per cent as compared to around 4.19 per cent in Agriculture (at 2011-12 prices). Food Processing Sector has also emerged as an important segment of the Indian economy in terms of its contribution to GDP, employment and investment. The sector constituted as much as 9.87 per cent and 11.38 per cent of GVA in Manufacturing and Agriculture sector respectively in 2019-20 (at 2011-12 prices).

For more details, please refer chapter titled “Industry Overview” on page 59 of this Draft Prospectus.

PROMOTERS

The Promoters of our Company are Kishan Tekchandani and Raina Tekchandani.

For detailed information please refer chapter titled, “Our Promoters” and “Our Promoter Group” on page number 100 of this Draft Prospectus.

ISSUE SIZE

Initial Public Issue of 50,00,000 Equity Shares of face value of ₹10/- each of Kelson Foods Limited (“KFL” or the “Company” or the “Issuer”) for cash at a price of ₹30/- per Equity Share including a share premium of ₹20/- per equity share (the “issue price”) aggregating to ₹1500.00 lacs (“the issue”), of which 2,56,000 Equity Shares of face value of ₹10/- each will for cash at a price of ₹ 30/- per Equity Share including a share premium of ₹20/- per equity share aggregating to ₹76.80 lacs will be reserved for subscription by market maker to the issue (the “Market Maker Reservation Portion”). The issue less the Market Maker Reservation Portion i.e. Net Issue of 47,44,000 Equity Shares of face value of ₹10/- each at a price of ₹30/- per equity share aggregating to ₹ 1423.20 lacs is herein after referred to as the “Net Issue”. The issue and the net issue will constitute 40.26 % and 38.20% respectively of the post issue paid up equity share capital of our company. For further details, please refer to section titled “Terms of The Issue” beginning on page no. 169 of this Draft Prospectus.

OBJECTS OF THE ISSUE

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

Net Proceeds

The details of the proceeds of the issue are summarized in the table below:

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Gross proceeds from the issue	1500.00
2.	Less: Issue related expenses	160.00
Net proceeds of the issue		1340.00

Requirement of funds and utilization of Net Proceeds

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Long term Working capital requirement	1010.00
2.	General corporate purposes	330.00
Total utilization of net proceeds		1340.00

PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

Sr. No	Name of share holder	Pre-issue		Post Issue	
		No of equity shares	As a % of Issued Capital	No of equity shares	As a % of Issued Capital
(i) Promoter					
1.	Kishan Tekchandani	22,19,000	29.91	22,19,000	17.87
2.	Raina Tekchandani	52,00,950	70.09	52,00,950	41.88
	TOTAL (A)	74,19,950	100.00	74,19,950	59.74
(ii) Promoter Group					
3.	Harish Tekchandani	10	0.00	10	0.00
4.	Omprakash Tekchandani	10	0.00	10	0.00
	TOTAL (B)	20	0.00	20	0.00
(iii) Public					
5.	Bhavesh Tekchandani	10	0.00	10	0.00
6.	Pratik Tekchandani	10	0.00	10	0.00
7.	Vinay Tekchandani	10	0.00	10	0.00
	IPO	-	-	50,00,000	40.26
	TOTAL (C)	30	0.00	50,00,030	40.26
	TOTAL (A+B+C)	74,20,000	100.00	1,24,20,000	100.00

SUMMARY OF FINANCIAL INFORMATION

Particulars	For the Period ended on November 30, 2022	For the Year ended on March 31, 2022	For the Year ended on March 31, 2021	For the Year ended on March 31, 2020
Share Capital (₹ in Lakhs)	45.00	45.00	45.00	29.50
Net worth (₹ in Lakhs)	255.11	148.39	88.00	-92.64
Revenue from Operation (₹ in Lakhs)	782.74	1,122.05	1,266.21	1,058.56
Other Income (₹ in Lakhs)	1.86	2.83	0.87	1.08
Profit after Tax (₹ in Lakhs)	106.72	60.37	29.68	24.21
Earnings per share (Basic & diluted) (₹)	23.72	13.42	10.05	8.21
Net Asset Value per Equity Share (Basic & diluted) (Pre Bonus Issue) (₹)	56.69	32.97	19.56	(31.40)
Net Asset Value per Equity Share	4.89	2.84	1.69	(1.83)

(Basic & diluted) (Post Bonus Issue) (₹)				
Total borrowings (₹ in Lakhs)	383.51	619.22	423.39	479.88

QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors except as stated below:

The Company has not made an actuarial valuation for provision of Gratuity as per AS 15 and accounted for gratuity when gratuity is claimed by the employee at the time of retirement. To that extent the profit & loss account of the company does not represent true & fair result of the company performance. And the company neither collect nor deposited amount of provided fund and ESIC as per the statutory obligation. To that extent the profit & loss account of the company does not represent true & fair result of the company performance.

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

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

Particular	Nature of cases	No of outstanding cases	Amount involved (₹ in lacs)
Litigation against Company	Income Tax	2	20.22
Litigation against the Director of the Company	-	0	0
Litigation filed by the promoter and directors of the Company	-	0	0
Litigation against Group Company	-	0	0

For further details, please refer chapter titled “Outstanding Litigations & Material Developments” beginning on page 152 of this Draft Prospectus.

RISK FACTORS

For details relating to risk factors, please refer section titled “Risk Factors” on page 13 of this Draft Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As on the date of filing this Draft Prospectus the contingent liabilities on the Company are as follow.

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) Contingent Liabilities				
a. Claims against the company not acknowledged as debts	20.76	20.76	20.76	20.76
b. Guarantees				
c. Other Money for which the company is contingently liable				
(b) Commitments				
Total	20.76	20.76	20.76	20.76

For detailed information of Contingent Liabilities of our Company, please refer chapter titled “Restated Financial Statement” beginning on page 104 of this Draft Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS

For information on the related party transaction executed by our Company, please refer chapter titled “Restated Financial Statement” beginning on page 104 of this Draft Prospectus.

FINANCING ARRANGEMENTS

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

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

The promoters have not acquired any Equity Shares in the last one (1) year preceding the date of this Draft Prospectus other than stated below:

Sr. No	Name of Promoter	No of Equity Shares acquired in the last one year from the date of this Draft Prospectus	Weighted Average Cost of Acquisition (in Rs)
1.	Kishan Tekchandani	20,16,500	8.78
2.	Raina Tekchandani	49,53,500	9.75

AVERAGE COST OF ACQUISITION

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

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition in ₹
1.	Kishan Tekchandani	22,19,000	13.36
2.	Raina Tekchandani	52,00,950	10.25

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 YEAR

Except as set out Below, our Company has not issued Equity Shares for consideration other than cash.

Date of Allotment	No. of Total Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Name of Allottees	No. of Shares Allotted	Nature of Allotment	Benefit Accrued
December 10, 2022	22,00,000	10	30	Kishan Tekchandani	5,90,000	Conversion of Unsecured Loan in to Equity Shares	Improvement in Debt Equity Ratio
				Raina Tekchandani	16,10,000		
December 20, 2022	47,70,000	10	NA	Kishan Tekchandani	14,26,500	Bonus Issue in the ratio of 18:10	Retaining interest of the Shareholders
				Raina Tekchandani	33,43,500		

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken a split or consolidation of the Equity Shares in last one year.

SECTION II – RISK FACTORS

Investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Prospectus, including the risks and uncertainties described below and the Financial Statements incorporated in this Draft Prospectus, before making an investment in the Equity Shares of our Company. Any potential investor in, and subscribers of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For further details, please refer to chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 67 and 143, respectively of this Draft Prospectus, as well as the other financial and statistical information contained in this Draft Prospectus. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.

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

- *Some risks may not be material at present but may have a material impact in the near future.*
- *Some risks may not be material individually but may be found material when considered collectively*
- *Some risks may have material impact qualitatively and not quantitatively and vice-versa*

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of, or deem immaterial or irrelevant, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Equity Shares and may also have an adverse effect on our business. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. For further details, please refer to chapter titled “Forward-Looking Statements” beginning on page 7 of this Draft Prospectus.

Unless otherwise indicated, all financial information included herein are based on our Financial Statements. Please refer to the section titled “Restated Financial Statements” beginning on page 104 of this Draft Prospectus.

INTERNAL RISK FACTORS:

1. The company had incurred loss of ₹38.80 lacs in the Financial Year 2019-20.

In the Financial Year 2019-20, our Company had made revenue from operations of ₹1059.64 lacs and incurred expenditure of ₹1098.44 lacs resulting in to loss of ₹38.80 lacs. It is not the business loss in the Financial Year 2019-20 but due to provision of prior period adjustments of depreciation and amortization expenses in the profit and loss account of ₹56.68 lacs, the financial statements shows loss of ₹38.80 lacs. The prior period adjustments are non-cash nature and had the same been not included in the profit and loss account, the Profit and loss show profit of ₹17.88 lacs.

2. We do not own registered office and from which we operate.

Our Registered Office is located at B-1222, 12TH Floor, Sun Westbank, Opp. City Gold Cinema, Ashram Road, Ahmedabad- 380009, Gujarat, India. The registered office is not owned by us. Our company has taken premises on lease basis at a monthly rent of ₹ 36,500 and has entered into rent agreement with Sandeepbhai Sharma. The

premises have been taken by us on lease for a period of 36 months commencing from October 01, 2022 to September 30, 2025 with a condition that leases can be extended for further period of 3 Years with the mutual consent of the parties. The locking period is of 24 months w.e.f. October 01, 2022 to September 30, 2024.

There can be no assurance that the term of the agreements will be renewed and in the event the lessor/licensor terminates after locking period or does not renew the agreements on commercially acceptable terms, or at all, and we may require to vacate the registered office and identify alternative premises and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability and Brand image also.

3. *Our Manufacturing unit is situated on Leased property.*

We have our manufacturing unit on a leased property situated at shed no. 8/A on plot no.11 in Amrakunj Industrial Park, GIDC phase-3, Naroda, Ahmedabad. The property is taken on lease basis from Akshitaaben Vipulkumar Patel (property Owner) at monthly rent of ₹86,440 p.m. for a period of 11 months and 29 days w.e.f. 01/07/2021. One of the Condition of the Leave and License agreement that the leased property cannot be vacated by the property owner for a period of 4 years and further 3 years can be extended at the option of the Property owner. The agreement has to be renewed every year and rent will be increased by 7.5% every year. There can be no assurance that the term of the Lease agreements will be renewed for a further period on the same terms and conditions, or renewed at all, under such circumstance, we may require vacating the factory premises and identifying alternative premises and enter into fresh lease or leave and license agreement. In this events our entire production process will be interrupted and company has to suffer the loss of its market, brand image, turnover and profit.

4. *Majority of our “BREADMAN” Outlets are on a Franchisee Owned and Company Operated. Our all outlets require to obtain and renew certain registrations, licenses and permits from government and regulatory authorities to run our business and the failure to obtain and renew them in a timely manner may adversely affect our business operations.*

Out of the 7 “BREADMAN” Franchisee Outlets 6 were operated by the Company. Many of our outlets do not have the proper registrations with the Government viz Shops & Establishment & Professional Tax Registration. If our franchisee fails to maintain such registrations and licenses or comply with applicable conditions, then such respective regulatory can impose fine on our franchise outlets or suspend the operation of our franchisee, which may affect our business adversely.

5. *The company has not complied with Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948.*

The Company has more than 30 Employees on its Book as on December 31, 2022. As per the Laws, Company has registered itself with the Employees' Provident Fund Organisation and Employees State Insurance Corporation as per act, but Company is not deducting provident fund as well as ESI from the Employees Salary nor they contribute their proportion with the respective authorities.

6. *Our Company has not made provision for Gratuity Payment as required under the Payment of Gratuity Act 1972. The company has not complied with AS-15- Employee Benefits as issued by ICAI.*

The Company has Completed five years from the date of Incorporation and the Payment of Gratuity Act,1972 is applicable. We have not made provision for Gratuity Payment as required under The Payment of Gratuity Act 1972. The Compliance of Accounting Standard-15 - Employee Benefits is Mandatory for the Companies. The Company has not complied with the Accounting Standard As-15 - Employee Benefits.

7. *Auditors Qualification regarding Gratuity provision for employees and non-deduction and non-payment of provident fund and ESI.*

The Company has not made an actuarial valuation for provision of Gratuity as per AS 15 and accounted for gratuity when gratuity is claimed by the employee at the time of retirement. To that extent the profit & loss account of the company does not represent true & fair result of the company performance. And the company neither collect nor deposited amount of provided fund and ESIC as per the statutory obligation. To that extent the profit & loss account of the company does not represent true & fair result of the company performance.

8. *We are supplying mainly to retail customers through our various retail outlets, therefore, maintaining quality and taste of our products are major challenge.*

The major customers of the company are retail consumers and our products are sold from our self-operated and franchised outlets and through local area retailers. As of now, no business house/ whole-seller/ distributor is our customer and all our customers are retail customers. As on today, we are manufacturing and selling Bakery items and Fruit Rusk. As on date, our product is very well accepted and appreciated by our customers. However, in times of tough competition, we cannot assure you that the preference and taste of customers will continue, they may shift to other new such products, any shift in customer base to a new competitor may affect our sales, revenue profitability also.

9. *The Company had increased Authorised Share Capital from ₹30 lacs to ₹35 lacs but the necessary documents are not available for verification.*

In the year 2005, the Company had increased the Authorized Share Capital from ₹30 lacs to ₹35 lacs but the necessary ROC forms and other documentary records are not available on physical verification of ROC records and verification of Electronics records. The Company has to face the interest cost and stamp duty differential amount, if the same was not filed for enhancement of Authorised Share Capital. We are unable to find the Roc Form no. 5 or E Form SH-7 as well as Company has not provided us with the valid documents for considering the Increase in Authorised Share Capital of the Company.

10. *We have started new line of business by entering into MOU for “Pizza Franchisee” on the name “Uncle Donald’s Pizza” in Ahmedabad.*

Our Company has just started new line of business by entering into MOU for “Pizza Franchisee” on the name “Uncle Donald” in Ahmedabad only. It’s a pizza restaurants mainly famous for serving unlimited variety of pizza’s along with salads, cold drinks & ice cream. For more than a decade, the concept of unlimited pizza was quite acceptable in Ahmedabad, hence our company has decided to jump into the new venture, which is at a first sight quite promising for future expansion. Though the pizza is not an India food, yet it is definitely must desire food for the entire generation. We do not have any exposure in Restaurant type of activities and stiff competition in the market, we cannot assured you about our success in this new venture. If we are not able to carry out these activities successfully, it will affect our business, turnover and profitability also.

11. *We may not be able to successfully execute our expansion strategy of strengthening our sales network by opening new “Pizza Stores”, in a timely manner, if at all, which could harm our results of operations.*

The success of our business will depend greatly on the locations of our Outlets, which must be located at a prime locations of the city and also easily accessible to our customers. One of our object of the issue is to “Setting up Retail network by establishing pizza stores in Gujarat”, for which we must have to identify the proper location. However, as on the date of the Draft Prospectus, we have not identify any specific locations for our Pizza Stores. We are not giving any assurance that we will be timely able to identify the proper location for our Pizza Store. If we are unable to successfully execute our expansion strategy by way of opening and operating our new “Pizza Stores”, our business, results of operations and financial condition may be materially and adversely affected.

12. *As on today our majority of the business is restricted to Gujarat and particularly in Ahmedabad city only*

As on today we operate through our own outlets and franchisee outlets in Ahmedabad only. Thus, our major market for our products of the Company is concentrated in Ahmedabad only, in addition to this we are also supplying our products to the different cities of Gujarat as well as some of the products in Rajasthan also, therefore any change in food habits of the population of these cities can affect the business and financial performance of the Company. Though our products are widely accepted by the customers, we have got limitation of geographical area of operation and therefore, we may not be able to expand our business on a very large scale. Any disturbances in the area in which we operate, the business, turnover and profitability will adversely affected.

13. *The existing manufacturing facility of the company is at Ahmedabad and therefore it can cater to the majority needs of Ahmedabad. In case the company intends to expand to other cities and states it will have to create the additional manufacturing facility in that state and monitoring the same may prove challenging.*

At present the company intends to continue carrying on its operations in Ahmedabad city only, in which it operates currently. The manufacturing facility of the Company is at Ahmedabad caters to the needs of all such existing outlets, which are all Ahmedabad based. Products are manufactured at its manufacturing facility and distributed to all the stores in a time-efficient manner at the same time the quality and taste of the products is also maintained. However, in case the Company plans to expand its operations beyond Ahmedabad, the current facilities at our manufacturing unit at Ahmedabad may not be able to cater to such new cities/states as well. For creating additional manufacturing, we may need additional infrastructure, finance, manpower etc. and to that extent our liquidity will be affected adversely.

14. *Closure of any of the outlet will adversely affect our business operation and reputation.*

At present, we operate through our 7 outlets in Ahmedabad city only. Closure of any of the outlet by one or the other reason may lead to loss of the sales, revenue, profitability and reputation also. Though, we are in the process of expanding of our business by opening our own and franchisee outlets, we cannot assure you that all the existing outlets will continue in operation. In the event of closure of any of the outlet, our business will be affected negatively.

15. *Our Main Products viz. Cakes, Pastries, Cream roll, bread etc. are perishable items having very short shelf life.*

The main products of the company are Cakes, Cream Roll, bread etc. have very short life. Further, some of products of the company also requires refrigerator storage facility at its outlets. Our volume of sales varies on a day to day basis and it is difficult to estimate the exact market demand for a particular product on a certain day. While some customers do place orders in advance, there are many walk-in customers who seek the products over the counter. As our products are perishable in nature, excess production leads to wastage of products having adverse impact on the financials of the Company. On the other hand, constant shortage of products may lead to loss of revenue, loss of customers and loss of reputation amongst customers.

If we fail to plan our production and transportation properly it will escalate inventory level, shortage of supply, loss of customers and the results of operations and financial condition could be materially affected. While we strive to serve our customers at the best levels, we cannot assure you that the Company will be able to maintain constant supplies at all points of time and that it would not have a negative impact on our reputation. Further, as our storage at outlets are in refrigerator facility and therefore any major power failure could affect our business and results of operations and financial condition.

16. *We have not entered into any long-term agreements with our suppliers for procuring our raw material and accordingly may face disruptions in supply from our current suppliers.*

We are in the business of manufacturing of different types of Bread, Cakes, Pastry, cookies cream rolls etc. We procure raw material from local traders, dealer and / or manufacturers. Since, these orders are varies according to specific requirements of raw materials, we have not entered in to specific agreement / MoU with our suppliers and we typically transact with the supplier, on the basis order received by us. As we regularly buy from the supplier, they are uninterruptedly supply the quality materials on credit also. In the absence of written agreements, we cannot be sure for the continuous supplies of raw materials at reasonable price in timely manner. In the event of a disruption, we have to find out alternative suppliers of the raw material of comparable quality on terms and conditions acceptable to us. All this is a time consuming process. In such event our production will suffer, which will affect our reputation, revenue, profitability negatively.

17. *To transport our products to various outlets of the Company, we require efficient transport management.*

In order to maintain standard quality across all stores, all our products are centrally manufactured at our factory at, Ahmedabad. The products are then transported through our own vehicles from the factory to all outlets. As the products of the company have a very short shelf life, they are required to be transported on day to day basis. Looking at the nature and type of products of the company, the company has to take extra care to transport and

distribute its products to various locations/outlets. To create such facility and to maintain the same is required efficient transport management system. Our company has to keep reserve transport fleet for the timely delivery and replacement of stocks at the different outlets, which cause substantial cost to the company. However, company has taken necessary safe guards to meet with the any unexpected situation. Any failure on the part of the timely delivery of our products will lead to create loss of reputation, brand name, turnover and profitability.

18. *There are outstanding litigations by and against our Company which if determined against us, could adversely impact financial conditions.*

There are outstanding litigations by and against our Company. The summary details of this legal proceeding are given below in the following table:

Particular	Nature of cases	No of outstanding cases	Outstanding Demand (₹in lacs)
Litigation against Company	Income Tax	2	20.22

For further details regarding outstanding litigations by and against company please refer the chapter "Outstanding Litigations and Material Development" on page no 152 of this Draft Prospectus.

19. *Our inability to predict accurately the demand for our products and to manage our production and inventory levels could materially and adversely affect our business, financial condition, results of operation and prospects.*

We sell our products directly to our end consumers from our outlets. We monitor our inventory levels at different stages of our supply of chain based on our own estimates of day to day demand for our products. Our end consumers generally make purchasing decisions for our products based on market prices, quality, brand name consumer preferences of products and certain other factors that we may not be able to anticipate accurately in advance. Any negative change in preferences of our end consumers for our products could result in reduction in demand for our products and adversely affect our business, financial condition, results of operation and prospects.

20. *Continuity in manufacturing and distribution facilities/activities is the essence of our business.*

We are in to manufacturing of different type's bread, cakes and other bakery items. Our products are required by the end customers on day to day basis. It is perishable within a day or two. Therefore, we have to carry out manufacture the same on day to day basis and arrange supply to the end customer through the different outlets. We are subject to usual business risks, such as break-down of machinery, obsolescence or failure of machinery, disruption in power supply or processes, performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions etc. We may require to carryout cleaning and overhauling activities on regular interval basis. Any break down of machinery, power failure, labour unrest will lead to disruption in production schedule. Such event will affect negatively our brand image, market, turnover and profitability.

21. *We are manufacturing and selling food items, so we have to comply with the strict norms prescribed by the Foods and safety Department by the various Government Departments and local Authorities.*

We are manufacturing various bakery items and other eatables for the use of end customer. We have to take utmost care during manufacturing and packing process. We have to keep the raw materials storage place, manufacturing place and packing department completely clean highly sanitised. It has to be kept free from insects and mosquitoes. If there is any lapse in maintenance of cleanliness, it will affect the quality of the goods and it will adversely affect our market, revenue, profitability and brand name. We are subject to inspection by the food and safety department and any lacuna in the maintenance of quality and cleanliness will result into cancelation of our approvals or suspension of production for certain time and liable to pay penalty. Thus, entire productions process and marketing will be adversely affected, if we don't comply with foods and safety norms.

22. *Our company has availed credit facilities from the HDFC Bank, as per sanction terms there are certain restrictive covenants imposed on the issuer company.*

We have availed cash credit facilities of ₹150. Lacs from the HDFC Bank. As a part of the conditions, during currency of the Bank's credit facilities, the borrower shall not without prior approval of the Bank no Dividend to be declared/no withdrawal in form of salary/remuneration/incentive/commission by the promoters in case of overdue, no withdrawal of unsecured loans during the currency of over draft, No interest to be paid on unsecured loans in case of any over dues with the bank, unsecured loans will be converted in to equity as when required to maintain a positive tangible net worth personal guarantee of Directors and guarantors have not to issue personal guarantee for any other loans without prior written permission of the Bank except few personal loans. These covenants may have an adverse effect on the functioning of our Company.

23. *We have to update the name of our company in some of the statutory approvals and certificates due to the Chang in the name upon conversion of our Company in to Public Limited Company.*

Some of our statutory approvals and certificates are in the name of Kelson Foods Private Limited. Since our Company has been converted from Private limited to Public Limited pursuant to a special resolution passed by our shareholders at the EGM held on January 05, 2023 and consequently the name of our Company was changed as "Kelson Foods Limited" we have to update the name Kelson Foods Limited on the statutory approvals and certificates. We cannot ensure that we will be able to update the said documents in a timely manner.

For more information about the licenses required in our business, please refer section "Government and other statutory approvals" beginning on page no. 156 of this Draft Prospectus.

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

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. If we fail to maintain such registrations and licenses or comply with applicable conditions, then such respective regulatory can impose fine on our company or suspend and/or cancel the approval/licenses which may affect our business adversely.

For more information about the licenses required in our business, please refer section "Government and other statutory approvals" beginning on page no. 156 of this Draft Prospectus.

25. *Our insurance coverage may not be adequate to protect us against certain operating risks and this may have an adverse effect on the results of our business.*

We are insured for a risks associated with our Manufacturing and trading business, through various policies. We believe that we have got our assets and stock adequately insured, however our policy of covering these risks through insurance may not always be effective or adequate, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered/reimbursed by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected. For details on insurance policies taken by our Company please page no. 67 in chapter titled "Business Overview" of Draft Prospectus.

26. *We are dependent on third party transportation providers for timely delivery of raw materials to us from our suppliers. Any failure on part of such service providers to meet their obligations could have a material adverse effect on our manufacturing process, business, financial condition and results of operation.*

The Manufacturing and marketing of food items through various outlets is our main activities, we purchase the raw materials from the market and sale to the end customers through our outlets, Our success depends on the smooth supply and transportation of raw materials, bakery items etc. from our suppliers to us and supply of manufactured food items to our buyer/customers, both of which are subject to various uncertainties and risks. There may also be delay in delivery of raw materials which may also affect our business and our results of operation negatively. Any failure to maintain a continuous supply of raw materials to us as well as our bakery items to our end customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations and reputation.

27. We may not be successful in implementing our business strategies.

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward or that we will be able to meet the expectations of our targeted end customers. Changes in regulations applicable to us and the change of end customers taste may also make it difficult to implement our business strategies. Failure to implement our business strategies successfully would have a material adverse effect on our business and results of operations.

28. We have unsecured loans from promoters, directors, their relatives and others, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our liquidity and business operations.

As per our restated financial statements, as on November 30, 2022, we have unsecured loan of ₹159.97 lakhs from erstwhile promoters, directors, their relatives and others which are repayable on demand. Any demand from them for repayment of such unsecured loans, may adversely affect our liquidity and business operations. For further details of these unsecured loans, please refer to Chapter titled “Restated Financial Statements” beginning on page 104 of this Draft Prospectus.

29. Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.

The results of operations of our business are dependent on our ability to effectively manage our inventory raw materials and stocks of finished products. We are in the business of food items, which are having perishable, we have to effectively estimate and manage our inventory as well as the production schedule to maintain continue production process and marketing our production. If our management has misjudged expected customer demand, it could adversely impact the results by causing either a shortage of supply or an accumulation of excess inventory. The excess inventory will need storage space and block our liquidity resulting in to loss.

30. We could be exposed to risks arising from misconduct, fraud and trading errors by our employees and Business Associates.

Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us; hiding unauthorized or unsuccessful trading activities from us; or the improper use of confidential information. Such misconduct could result in unexpected business risks, losses, invite regulatory sanctions and seriously harm our reputation and could even lead to litigation. The precautions we take to prevent and detect these types of activities may not always be effective. Any delinquencies or trading errors on the part of our employees and business associates could materially affect our business operations, financial position and/or reputation.

31. Our Company is subject to high working capital requirements and our inability to fund these requirements in a timely manner may adversely impact our financial performance.

The working capital requirement of the Company in The Financial Year 2021-22 was of ₹506.88 lacs which was financed by the long term and short term borrowings and working capital from bank. The working capital requirement for the FY 2022-23 (up to November 2022) was of ₹ 536.86 lacs which was also financed by the long term and short term borrowings, bank borrowing and capital as well as cash accruals. Our Company has just started new line of business by acquiring stake in “Pizza Franchisee” on the name “Uncle Donald” in Ahmedabad Only. It’s a pizza restaurant mainly famous for serving unlimited variety of pizza’s along with salads, cold drinks & Ice Cream. On account of that the business of the Company will increase which require more working capital for the growth of the Business.

Basis of estimation of working capital requirement and estimated working capital requirement:

(₹ In Lacs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Raw Material	13.93	62.43	128.57
Work In Progress	4.29	26.01	23.88
Finished Goods	3.21	15.61	31.22
Trade Receivables	179.11	149.32	307.99

Cash and Bank Balances	4.37	6.91	20.58
Short term loans and Advances	49.88	70.28	100.20
Other Current Assets	45.13	47.12	52.46
Total	299.92	377.68	664.90
Less:			
Trade Payables	96.37	71.99	136.35
other Current Liabilities	45.58	39.16	8.06
Short Term Provisions	4.50	2.54	13.61
Total Liabilities	146.45	113.69	158.02
Net Working Capital	153.47	263.99	506.88

If we are not able to manage the working capital requirement properly then the growth, profitability and business will be adversely affected.

32. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial condition.

Our Company had negative cash flows from our operating activities, in the previous years as per the Restated Financial Statements and the same are summarized as under.

(₹ In Lacs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net Cash Generated from Operating Activities	(94.82)	(20.34)	(34.40)

33. We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

We have entered into certain transactions with related parties with our Promoter, Promoter Group, Directors, their relatives, Group Entities and may continue to do so in future. Our Company has entered into such transactions due to easy proximity and quick execution. Additionally, our company belief that all our related party transactions have been conducted on an arm's length basis, but we cannot provide assurance that we could have achieved more favorable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse effect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details of transactions, please refer to "Annexure 32" Related Party Transactions" on page 133 of Restated Financial Information of this Draft Prospectus.

34. Our Promoters, Directors and Key Managerial Personnel may have interest in our Company, other than reimbursement of expenses incurred or remuneration.

Our Promoter and Directors and key Managerial Personnel may be deemed to be interested to the extent of the Equity Shares held by them and benefits deriving from their shareholding in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please refer to the chapters titled "Business Overview" and "Our Promoters and Promoter Group", beginning on page 66 and 100 respectively and the chapter titled "Annexure 32 - Related Party Transactions" on page 133 under chapter titled "Restated Financial Statements" beginning on page 104 of this Draft Prospectus.

35. Our Promoters and members of the Promoter Group will continue jointly to 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 Promoter and Promoter Group will collectively own 59.74% of our equity share capital. As a result, our Promoter, 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 Promoter 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.

36. *Sale of shares by our promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.*

The sale of shares by the promoters or other significant shareholder(s) may significantly affect the trading price of our Equity shares. Further the market price generally may be adversely affected on account of the news about the sale of shares by the promoters. However the closing of trading windows during the period of financial results may restrict the promoters from selling the shares in the open market.

37. *The issue price of the Equity Shares may not be indicative of market price of our equity shares after the issue and the market price of our Equity shares may decline below the issue price.*

The issue price of our Equity shares is decided on the basis of both qualitative and quantitative factors. The Company had made good progress in establishing its name in the food industry. All such points have been considered in deciding the issue price of the Equity Shares. Please refer chapter titled “Basis for Issue Price” beginning on the page no 54 of the Draft prospectus. The market price of our equity shares could be subject to change after the issue and may decline the below the issue price.

38. *There is no monitoring agency appointed by Our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.*

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs. 100 cr. 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 Listing Agreement. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the Stock Exchange.

39. *Our success depends heavily upon our Promoter and Senior Management for their continuing services, strategic guidance and financial support.*

Our success depends heavily upon the continuing services of Kishan Tekchandani, who is the natural persons in control of our Company. He currently serves as our Managing Director and his experience and vision had played a key role in obtaining our current reputation and status in the market. We would depend significantly on our Key Managerial Persons for continuing our business operations successfully. If any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

40. *We have not identified any alternate source of financing the ‘Objects of the Issue’. If we fail to mobilize resources as per our plans, our growth plans may be affected.*

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue which may delay in the implementation schedule and could adversely affect our growth plans. For further details of object of Issue and schedule of implementation please refer to the chapter titled “Objects of the Issue” on page 48 of this Draft Prospectus.

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

Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations. One of the conditions of the loan sanctioned by the Bank is that the Company cannot declare dividend if there is

overdue to the bank. If the Company is make default in the payment to the bank as stipulated, though the Company had earned profit, dividend cannot be declared by the Company.

42. *We have not independently verified certain data in this Draft Prospectus.*

We have not independently verified data from the Industry and related data contained in this Draft Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect 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, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

43. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control.*

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or another independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be change subject to the approval of shareholders by passing special resolution pursuant to section 27 of Companies Act, 2013 through postal ballot or subject to an authority given by the Company in general meeting by way of special resolution and based on various factors which are beyond our control. For further details, please see the section titled “Objects of the Issue” beginning on page no. 48 of this Draft Prospectus.

44. *Any future issuance of Equity Shares may dilute the shareholding of the Investor or any sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.*

Any future issuance of Equity Shares by our Company could dilute the shareholding of the investor. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. While the entire Post-Issue paid-up share capital, held by our Promoters or other shareholders will be locked-in for a period of 1 (one) year and minimum promoter contribution subject to a minimum of 20% of our post-Issue paid-up capital will be locked-in for a period of 3 (three) years from the date of allotment of Equity Shares in the Issue, upon listing of our Equity Shares on the Stock Exchanges. For further information relating to such Equity Shares that will be locked-in, please refer to the section titled “Capital Structure” beginning on page 38 of this Draft Prospectus. Any future issuance or sale of the equity shares of our Company by our Promoter or by other significant shareholder(s) or any perception or belief that such sales of Equity Shares might occur may significantly affect the trading price of our Equity Shares.

EXTERNAL RISK FACTORS

After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares on the stock exchange may fluctuate as a result of the factors, including:

- Volatility in the India and global capital market;
- Company’s results of operations and financial performance;
- Performance of Company’s competitors;
- Adverse media reports on Company;
- Changes in our estimates of performance or recommendations by financial analysts;
- Significant developments in India’s economic and fiscal policies; and
- Significant developments in India’s environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

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

Our Company is subject to various regulations and policies. For details see section titled “*Key Industry Regulations and Policies*” beginning on page 82 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

2. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

3. Our 100% Revenue is derived from business in India and a decrease in economic growth in India could materially affect and cause our business to suffer.

We derive 100% of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

4. 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 Beeline Broking Limited as Designated 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.

5. 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 impact on our business, financial condition and results of operations.

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include income tax and GST and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

SECTION - III –INTRODUCTION

THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company	50,00,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ 30.00/- per Equity Share aggregating to ₹ 1500.00 Lakhs
<i>Of Which</i>	
Market Maker Reservation Portion	2,56,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 30.00/- per Equity Share aggregating to ₹ 76.80 Lakhs
Net Issue to the Public*	47,44,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 30.00/- per Equity Share aggregating to ₹ 1423.20 Lakhs
<i>Of Which</i>	
(A) Retail Portion	23,72,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 30.00/- per Equity Share aggregating to ₹ 711.60 Lakhs i.e. 50% of the Net Issue shall be available for allocation Retail Individual Investors
(B) Non – Institutional Portion	23,72,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ 30.00/- per Equity Share aggregating to ₹ 711.60 Lakhs i.e. 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors.
Pre-and Post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	74,20,000 Equity Shares of face value of ₹10.00/- each
Equity Shares outstanding after the Issue	1,24,20,000 Equity Shares of face value of ₹ 10.00/- each
Use of Issue Proceeds	For details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 48 of this Draft Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on March 21, 2023 and approved by the shareholders of our Company vide a special resolution at the Extra Ordinary General Meeting held on March 21, 2023 pursuant to section 62(1)(c) of the Companies Act. This Issue is being made in terms of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended. For further details, please refer to section titled “Issue Structure” beginning on page 169 of this Draft Prospectus.

*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 offer 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) may be allocated to applicants in the other category.

If the retails individual investor category is entitled to more than allocated portion on proportionate basis, accordingly the retails individual investors shall be allocated that higher percentage.

SUMMARY OF OUR FINANCIAL INFORMATION

RESTATED BALANCE SHEET

(Rs. In Lakhs)

Particulars		As At 30th November 2022	As At 31st March 2022	As At 31st March 2021	As At 31st March 2020
I.	EQUITY AND LIABILITIES				
1	Shareholders' funds				
(a)	Share capital	45.00	45.00	45.00	29.50
(b)	Reserves and surplus	210.11	103.39	43.00	(122.14)
(c)	Share Application Money	660.00			
2	Non-current liabilities				
(a)	Long-term borrowings	33.73	60.09	61.45	14.28
(b)	Deferred tax liabilities (Net)	-	-	-	-
(c)	Long-term Provisions	-	-	-	-
(d)	Other Long-term Liabilities	-	-	-	-
3	Current liabilities				
(a)	Short-term borrowings	349.78	559.13	361.94	465.60
(b)	Trade payables				
	Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	71.90	136.35	71.99	96.37
(c)	Other current liabilities	226.70	8.06	39.16	45.58
(d)	Short-term provisions	35.37	13.61	2.54	4.50
	TOTAL	1,632.58	925.62	625.08	533.69
II.	ASSETS				
1	Non-current assets				
(a)	Fixed assets				
(i)	Tangible assets	215.59	226.98	203.00	183.31
(ii)	Intangible Assets	4.27	0.46	0.52	0.59
(iii)	Intangible Assets under development	-	-	-	-
(iv)	Capital Work in Progress	22.95	-	-	-
	Less: Accumulated Depreciation	-	-	-	-
	Net Block	242.80	227.43	203.52	183.89
(b)	Non Current Investments	509.30	-	-	-
(c)	Long-term loans and advances	-	-	-	-
(d)	Other Non Current Assets	-	-	-	-
(e)	Deferred Tax Assets	9.64	33.28	43.88	49.88
2	Current assets				
(a)	Current Investments	-	-	-	-
(b)	Inventories	187.43	183.68	104.05	21.43
(c)	Trade receivables	309.73	307.99	149.32	179.11
(d)	Cash and cash equivalents	14.65	20.58	6.91	4.37
(e)	Short-term loans and advances	168.84	100.20	70.28	49.88
(f)	Other Current Assets	190.19	52.46	47.12	45.13
	TOTAL	1,632.58	925.62	625.08	533.69

RESTATED STATEMENT OF PROFIT & LOSS

(Rs. In Lakhs)

Particulars		For the Period ended 30th November, 2022	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
I.	Revenue from operations	782.74	1,122.05	1,266.21	1,058.56
II.	Other income	1.86	2.83	0.87	1.08
III.	Total Income (I + II)	784.59	1,124.88	1,267.09	1,059.64
IV.	Expenses:				
	Cost of Material Consumed	364.35	593.23	787.76	670.38
	Purchases of Stock-In-Trade	10.41	14.93	15.11	14.22
	Changes in inventories of Stock-in-Trade	(29.24)	(13.48)	(34.12)	22.09
	Employee benefits expense	61.14	134.33	114.53	86.58
	Finance costs	30.82	44.55	35.61	36.19
	Depreciation and amortization expense	13.55	18.87	19.29	24.93
	Other expenses	203.20	261.49	293.22	244.04
	Total expenses	654.23	1,053.91	1,231.41	1,098.44
V.	Profit before tax (III-IV)	130.36	70.96	35.68	(38.80)
VI	Tax expense:				
	(1) Current tax	21.76	11.07	2.24	-
	(2) Deferred tax	23.64	10.59	6.00	(63.01)
	(3) Less: MAT Credit Entitlement	(21.76)	(11.07)	(2.24)	-
VII	Profit (Loss) for the period (V-VI)	106.72	60.37	29.68	24.21

RESTATED STATEMENT OF CASH FLOWS

(Rs. In Lakhs)

Particulars	For the year ended 30th November, 2022		For the year ended 31st March 2022		For the year ended 31st March 2021		For the year ended 31st March 2020	
Cash flow from Operating Activities								
Net Profit Before tax as per Statement of Profit & Loss		130.36		70.96		35.68		(38.80)
Adjustments for:								
Depreciation & Amortisation Exp.	13.55		18.87		19.29		24.93	
Income tax Writte off	-		-		(4.04)		-	
Loss/(Profit) on Sale of Fixed Assets					1.31		(0.68)	
Interest Income	-		-		(0.21)		(0.17)	
Prior Period Adjustment of Defferd Revenue Exp.							15.84	
Finance Cost	30.82	44.38	44.55	63.43	35.61	51.97	36.19	76.10
Operating Profit before working capital changes		174.74		134.39		87.65		37.31
Changes in Working Capital								
Trade receivable	(1.74)		(158.67)		29.78		(107.30)	
Other Loans and advances receivable	(68.64)		(29.92)		(20.39)		24.64	
Inventories	(3.76)		(79.63)		(82.62)		77.21	
Other Current Assets	(137.74)		(5.33)		(2.00)		(45.13)	
Trade Payables	(64.45)		64.36		(24.39)		29.11	
Other Current Liabilites	218.64		(31.10)		(6.42)		(51.42)	
Current Investment	-		-		-		-	
Short term Provisions	21.76		11.09		(1.96)		1.18	
		(35.92)		(229.21)		(107.99)		(71.71)
Net Cash Flow from Operation		138.82		(94.82)		(20.34)		(34.40)
Less : Income Tax paid		-		-		-		-
Net Cash Flow from Operating Activities (A)		138.82		(94.82)		(20.34)		(34.40)
Cash flow from investing								

Activities								
Purchase of Fixed Assets	(28.93)		(42.78)		(46.55)		(33.48)	
Sale of Fixed Assets	-		-		6.32		0.90	
Purchase/Sale of Investment	(509.30)		-		-		-	
Interest Income	-		-		0.21		0.17	
		(538.22)		(42.78)		(40.02)		(32.41)
Net Cash Flow from Investing Activities (B)		(538.22)		(42.78)		(40.02)		(32.41)
Cash Flow From Financing Activities								
Proceeds From long Term Borrowing (Net)	(26.36)		(1.36)		47.17		(366.47)	
Short Term Borrowing (Net)	(209.35)		197.19		(103.66)		465.60	
Interest Paid	(30.82)		(44.55)		(35.61)		(36.19)	
Issue of Share	660.00	393.47	-	151.27	155.00	62.90	-	62.94
Net Cash Flow from Financing Activities (C)		393.47		151.27		62.90		62.94
Net (Decrease)/ Increase in Cash & Cash Equivalents (A+B+C)		(5.93)		13.67		2.54		(3.87)
Opening Cash & Cash Equivalents		20.58		6.91		4.37		8.24
Cash and cash equivalents at the end of the period		14.65		20.58		6.91		4.37
Cash And Cash Equivalents Comprise :								
Cash		12.18		15.50		4.09		2.20
Bank Balance :								
Current Account		2.47		5.08		2.83		2.17
Deposit Account		-		-		-		-
Total		14.65		20.58		6.91		4.37

GENERAL INFORMATION

Our Company was originally incorporated as “Swami Shantiprakash Agro Private Limited” under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated December 23, 2003 bearing Corporate Identification Number U15136GJ2003PTC43382 issued by the Deputy Registrar of Companies, Gujarat. Subsequently, the name of company was changed to “Kelwin Food Industries Private Limited” and a fresh certificate of incorporation was issued by Registrar of Companies, Ahmedabad on August 09, 2022. After that, name of company was further changed to “Kelson Foods Private Limited” and a fresh certificate of incorporation was issued by Registrar of Companies, Ahmedabad on January 18, 2019. Subsequently, our Company was converted from Private limited to Public Limited pursuant to a special resolution passed by our shareholders at the EGM held on January 05, 2023 and consequently the name of our Company was changed as “Kelson Foods Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated March 15, 2023. For further details, please refer the chapter titled “History and Certain Corporate Matters” beginning on page 88 of this Draft Prospectus.

The Corporate Identification Number of our Company is U15136GJ2003PLC043382.

Registered & Corporate Office of our Company

KELSON FOODS LIMITED

B-1222, 12th Floor, Sun Westbank, Opp City Gold Cinema, Ashram Road, Ahmedabad - 380009, Gujarat, India.

Tel No: +91 9825008570

Website: www.kelsongroup.in

E-mail: office@kelsongroup.in

ADDRESS OF REGISTRAR OF COMPANIES

Registrar of Companies

Our Company is registered with the Registrar of Companies, Ahmedabad located at:

Registrar of Companies

ROC Bhavan, Opp. Rupal Park Society,

Behind Ankur Bus Stop, Naranpura,

Ahmedabad - 380013, Gujarat, India

Board of Directors of our Company

Our Board of Directors comprises of the following directors as on the date of filing of this Draft Prospectus

Sr No	Name	Designation	DIN	Address
1.	Kishan Tekchandani	Managing Director	01869914	C801, Lilamani River Valley One, Near Brahma, Kumari Lotus House, Hansol, Ahmedabad – 382475, Gujarat, India
2.	Raina Tekchandani	Director	07920223	C801, Lilamani River Valley One, Near Brahma, Kumari Lotus House, Hansol, Ahmedabad – 382475, Gujarat, India
3.	Omprakash Tekchandani	Non-Executive Director	01869940	38, Floris Sky City, Shela. Shanand, Ahmedabad – 380058, Gujarat, India.
4.	Nevil Soni	Independent Director	08206415	2nd Floor, 14th Jay Gaytri Society, Opp Umasut Flat, Vasna, Ahmedabad – 380007, Gujarat, India.
5.	Divya Shah	Independent Director	09842159	2, Adishver Flat, Near Jain Derasar, Zaveri Park, Naranpura, Ahmedabad – 380013, Gujarat, India

For further details of our Directors, please refer chapter titled “*Our Management*” beginning on page 91 of this Draft Prospectus.

Company Secretary and Compliance Officer

Shivani Mittal

Kelson Foods Limited

B-1222, 12th Floor, Sun Westbank, Opp City Gold Cinema, Ashram Road,
Ahmedabad - 380009, Gujarat, India.

Tel No: +91 9825008570

Website: www.kelsongroup.in

E-mail: office@kelsongroup.in

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.

ALL 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 (IF APPLICABLE), 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.

Further, the investors shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned above.

Lead Manager to the Issue	Registrar to the Issue
Interactive Financial Services Limited Address: 612, 6th Floor, Shree Balaji Heights, Kokilaben Vyas Marg, Ellisbridge, Ahmedabad - 380 009, Gujarat, India Tel No.: 079 4601 9796 (M): +91-9898055647 Web Site: www.ifinservices.in Email: mbd@ifinservices.in Investor Grievance Email: info@ifinservices.in Contact Person: Pradip Sandhir SEBI Registration No: INM000012856	Bigshare Services Private Limited Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Center, Mahakali Caves Road, Andheri East, Mumbai-400093 Tel No: +91 22-62638200 Fax No +91 22-62638299 Website: www.bigshareonline.com E-Mail: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Contact Person: Aniket Chindarkar SEBI Reg. No.: INR000001385
Legal Advisor to the Issue	Statutory And Peer Reviewed Auditor
Mauleen N. Marfatia Address: 1222, 12th. floor, I-SQUARE, Next to Shukan Mall, Science City Road, Ahmedabad – 380060, Gujarat, India. Tel No.: 9898917167 E-Mail: mauleenmarfatia9898@gmail.com Contact Person: Mauleen Marfatia Bar Council No.: G/1585/2008	M/s. D G M S & CO., Chartered Accountants Address: 217/218/219 Manek Center, P. N. Marg, Jamnagar– 361008, Gujarat, India Tel No.: + 91 98242 31214 Email: dgmSCO.jam@gmail.com Firm Registration No.: 0112187W Peer Review Registration No: 014466 Contact Person: CA Shashank P. Doshi
Bankers to the Company	Bankers to the Issue and Refund Banker and Sponsor Bank
HDFC Bank Limited Address: 3 rd Floor, Prerna Arcade, Opp. Doctor House, Nr. Parimal Cross Road, Ambawadi, Ahmedabad-380006 Phone No: 91722 59120 E-mail Id: shrutin.pandya@hdfcbank.com Contact Person: Shrutin Pandya Designation: Manager	[•]

SYNDICATE MEMBER(S)

No Syndicate Member have been appointed as on the date of this Draft Prospectus

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>.

Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. 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 its updated from time to time.

Registered Broker

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicant can submit Application form through stock broker network of the Stock Exchange i.e Registered Broker at the Broker center.

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail 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

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI (www.sebi.gov.in), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Collecting Depository Participants

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.

Inter-Se Allocation of Responsibilities

Interactive Financial Services Limited being the sole Lead Manager to this issue shall be undertaking all activities in relation to this issue. Hence, the statement of inter-se allocation of responsibilities among Lead Manager is not required.

Credit Rating

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

IPO Grading

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

Monitoring Agency

As per regulation 262(1) of SEBI (ICDR) Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to Rs. 10,000 Lakhs. Since the Issue size is only of Rs. 1500.00 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, 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 a written consent from our Statutory & Peer Review Auditor, M/s. D G M S & Co., Chartered Accountants, with respect to their report on the Restated Financial Statements dated January 25, 2023 and with respect to the Statement of Tax Benefits dated March 21, 2023, to include their name in this Draft Prospectus, as required under Companies Act read with SEBI ICDR Regulations as “Expert”, defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “Expert” shall not be construed to mean an “Expert” as defined under the U.S. Securities Act.

Trustee

Since this is not a debenture issue, appointment of debenture trustee is not required.

Changes in Auditors During the Last Three Years

Sr. No.	Name of Auditor	Date of Appointment	Date of Resignation	Reason for Change
1.	M/s. S Hemal & Associates. Chartered Accountants 806, Shilp Building, Near Girish Cold Drinks, C G Road, Navrangpura, Ahmedabad 380009, Gujarat, India. Membership No.: 035144 Email ID: aasthagroup1962@gmail.com	September 30, 2019	December 14, 2022	Pre-Occupation
2.	M/s. D G M S & CO. Chartered Accountants 217/218/219 Manek Center, P. N. Marg, Jamnagar - 361008, Gujarat, India. FRN No.: 0112187W Email ID: dgmSCO.jam@gmail.com	December 19, 2022	-	-

Filing of Draft Offer Document/ Offer Document

- The Draft Prospectus and Prospectus shall be filed with SME Platform of BSE Limited (“BSE SME”) situated at Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051, India.
- A soft copy of Draft Prospectus shall be submitted to SEBI. However, SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Draft Prospectus and Prospectus along with relevant documents shall be filed with 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>.
- A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the

Registrar of Companies, Ahmedabad, Gujarat, India situated at RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus-Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India.

Underwriters

Our Company and the LM to the Issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated March 21, 2023 Pursuant to the terms of the Underwriting Agreement; the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name and Address of the Underwriter	Indicative Number of Equity Shares Underwritten*	Amount Underwritten (₹in Lakhs)	% of the Net Issue size Underwritten
Interactive Financial Services Limited Address: 612, 6th Floor, Shree Balaji Heights, Kokilaben Vyas Marg, Ellisbridge, Ahmedabad - 380 009, Gujarat, India Tel No.: +91-9898055647 Web Site: www.ifinservices.in Email: mbd@ifinservices.in Investor Grievance Email: info@ifinservices.in Contact Person: Pradip Sandhir SEBI Registration No: INM000012856	50,00,000	1500.00	100.00%
Total	50,00,000	1500.00	100.00%

*Includes 2,56,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker on its own account in order to comply with the requirements of Regulation 261 of SEBI (ICDR) Regulations 2018.

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

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

Market Maker

Our Company and the Lead Manager have entered into an agreement dated March 21, 2023 with the following Market Maker, duly registered with BSE to fulfill the obligations of Market Making:

Beeline Broking Limited

Samudra Complex, Office no. 701-702,
 Nr. Girish Cold Drinks, off. C G Road,
 Navrangpura, Ahmedabad – 380009
 Gujarat, India

Tel No: 079 66664040

Email: pcs@beelinebroking.com

Investor Grievance Email ID: support@beelinebroking.com

Contact Person: Pradip R. Sandhir

SEBI Registration No: INZ000000638

Beeline Broking Limited is registered with BSE SME as a Market Maker and has agreed to receive or deliver the Equity Shares 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 any amendment to SEBI ICDR Regulations.

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

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the trading hours in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by 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 (SME platform of BSE) and SEBI from time to time.
3. The minimum depth of the quote shall be ₹ 1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. The minimum lot size in the IPO is 4,000 Equity Shares, thus, the minimum depth of the quote shall be such an amount that the minimum lot of 4,000 Equity Shares is met, until the same is revised by Stock exchange.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is 4,000 equity shares; however, the same may be changed by the SME Platform of stock exchange from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size (including the 2,56,000 Equity Shares to be allotted under this Issue to the Market Maker). Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken into consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
6. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the stock exchange may intimate the same to SEBI after due verification.
7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the stock exchange may intimate the same to SEBI after due verification. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
8. There would not be more than five (5) Market Makers for a scrip of the company at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
9. The Market Maker shall 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 Exchange.
10. The Equity Shares of the Issuer will be traded in continuous trading session from the time and day the Issuer gets listed on BSE SME and Market Maker will remain present as per the guidelines mentioned under BSE Limited and SEBI circulars or amended from time to time.

11. The Market Maker shall not buy the Equity Shares from the Promoters or Promoter Group of the Issuer or any person who has acquired Equity Shares from such Promoter or Promoter Group, during the Compulsory Market Making Period
12. The Promoters' holding of the Issuer which is locked-in shall not be eligible for offering to Market Maker during the Compulsory Market Making period. However, the Promoters' holding of the Issuer which is not locked in as per SEBI ICDR Regulations can be traded with prior permission of the BSE SME, in the manner specified by SEBI from time to time.
13. The LM, if required, has a right to appoint a nominee director on the Board of the Issuer any time during the Compulsory Market Making period provided it meets requirements of the SEBI ICDR Regulations.
14. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer at any particular level and is purely supposed to facilitate liquidity on the counter of the Issuer via its 2-way quotes. The price shall be determined and be subject to market forces.
15. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while withdrawal on account of force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
16. The Market Maker shall have the right to terminate said arrangement by giving a six month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.
17. 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 SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.
18. **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins, which are applicable on the BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
19. **Punitive Action in case of default by Market Makers:** BSE SME Exchange 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 Equity Shares of the Company 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.
20. 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
 - i. 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.

- ii. 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.

21. 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

22. After completion of the first three months of market making, in terms of SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; the Market Maker shall be exempt from providing buy quote on attaining the prescribed threshold limits (including the mandatory allotment of 5% of Equity Shares of the Offer). Further, the Market Maker can offer buy quotes only after the Market Maker complies with prescribed re-entry threshold limits. Only those Equity Shares which have been acquired by the Market Maker on the platform of the SME Exchange during market making process shall be counted towards the Market Maker's threshold. The Market Maker shall be required to provide two-way quotes during the first three months of the market making irrespective of the level of holding.
23. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time. The call auction is not applicable of those companies, which are listed at SME platform.
24. 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.
25. Further, the following shall apply to Market Maker while managing its inventory during the process of market making:
- The exemption from threshold as per table below shall not be applicable for the first three (3) months of the Compulsory Market Making Period and the Market Maker shall be required to provide two-way quotes during this period irrespective of the level of holding.
 - Threshold for market making as per table below will be inclusive of mandatory inventory of 5% of Issue Size at the time of Allotment in the Issue.
 - Any initial holdings over and above such 5% of Issue size would not be counted towards the inventory levels prescribed
 - Apart from the above mandatory inventory, only those Equity Shares which have been acquired on the platform of the Exchange during market making process shall be counted towards the Market Maker's threshold.
 - Threshold limit will be taken into consideration, the inventory level across market makers.
 - The Market Maker shall give two-way quotes till it reaches the upper limit threshold, thereafter it has the option to give only sell quotes.
 - Two-way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.
 - In view of the market making obligation, there shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process on the platform of the Exchange, the Exchange may intimate the same to SEBI after due verification.

Issue Size	Buy quote exemption threshold (including mandatory initial	Re-entry threshold for buy quotes (including mandatory initial
------------	------------------------------------------------------------	----------------------------------------------------------------

	inventory of 5% of Issue size)	inventory of 5% of Issue size)
Upto ₹ 2,000 Lakhs	25 %	24 %
₹. 2,000 Lakhs to ₹. 5,000 Lakhs	20 %	19 %
₹. 5,000 Lakhs to ₹. 8,000 Lakhs	15 %	14 %
Above ₹.8,000 Lakhs	12 %	11 %

26. 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

Our Equity Share Capital before the issue and after giving effect to the issue, as on the date of filing of this Draft Prospectus, is set forth below:

Amount (Rs in Lacs except share data)

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A.	AUTHORISED SHARE CAPITAL		
	1,25,00,000 Equity Shares of face value of ₹10 each	1250.00	
B.	ISSUED, SUBSCRIBED & PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	74,20,000 fully paid Equity Shares of face value of Rs. 10 each	742.00	
C.	PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS#		
	Issue of 50,00,000 Equity Shares of face value of Rs.10 each at a premium of ₹ 20 per share	500.00	1500.00
	Which Comprises:		
(I)	Reservation for Market Maker 2,56,000 Equity Shares of face value of Rs.10 each at a premium of Rs. 20 will be available for allocation to Market Maker	25.60	76.80
(II)	Net Issue to the Public 47,44,000 Equity Shares of face value of Rs.10 each at a premium of ₹ 20 per share	474.40	1423.20
	Of Net Issue to the Public		
(I)	23,72,000 Equity Shares of face value of ₹10 each at a premium of ₹ 20 per share shall be available for allocation for Investors applying for a value of upto ₹ 2 Lakh	237.20	711.60
(II)	23,72,000 Equity Shares of face value of ₹10 each at a premium of ₹ 20 per share shall be available for allocation for Investors applying for a value above ₹ 2 Lakh	237.20	711.60
D.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE PRESENT ISSUE		
	1,24,20,000 Equity Shares of ₹10 each	1242.00	
E.	SHARE PREMIUM ACCOUNT		
	Share Premium account before the Issue		114.50
	Share Premium account after the Issue		1114.50

Details of Changes in Authorized Share Capital:

Since Incorporation of our Company, the Authorized share capital has been altered in the manner set forth below:

Sr. No.	Date of Change	AGM / EGM	Changes in authorized Capital
1.	On Incorporation (December 23, 2003)	-	The authorized capital of our company on incorporation comprised of Rs. 5,00,000/- consisting of 50,000 Equity shares of Rs. 10 each.
2.	February 01, 2005	EGM	The authorized share capital of Rs. 5,00,000/- consisting of 50,000 Equity Shares of Rs. 10/- each was increased to Rs. 25,00,000/- consisting of 2,50,000 Equity shares of Rs.10/-

			each.
3.	March 15, 2005	EGM	The authorized share capital of Rs. 25,00,000/- consisting of 2,50,000 Equity Shares of Rs.10/- each was increased to Rs. 30,00,000/- consisting of 3,00,000 Equity shares of Rs.10/- each.
4	*	EGM*	The authorized share capital of Rs. 30,00,000/- consisting of 3,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 35,00,000/-consisting of 3,50,000 Equity shares of Rs.10/- each
5	March 06, 2021	EGM	The authorized share capital of Rs. 35,00,000/-consisting of 3,50,000 Equity Shares of Rs. 10/- each was increased to Rs. 45,00,000/-consisting of 4,50,000 Equity shares of Rs.10/- each
6	October 24, 2022	EGM	The authorized share capital of Rs. 45,00,000/- consisting of 4,50,000 Equity Shares of Rs. 10/- each was increased to Rs. 12,50,00,000/-consisting of 1,25,00,000 Equity shares of Rs.10/- each

**Necessary forms and other documents for the Increase in Authorised Capital were not provided by the Company for verification. No any specific document found in physical search with the RoC as well.*

Note:

The present issue of 50,00,000 equity shares in terms of this Draft Prospectus has been authorized by a resolution of our Board dated March 21, 2023, 2023 and by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting by the shareholders of our Company held on March 21, 2023.

The company has one class of share capital i.e., Equity Shares of Face value of Rs.10/- each only. All equity shares issued are fully paid-up.

Our Company has no outstanding Convertible Instruments as on date of this Draft Prospectus.

NOTES TO THE CAPITAL STRUCTURE:

1. Share Capital History:

Our existing Share Capital has been subscribed and allotted as under:

Date of Allotment	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reason / Nature of Allotment	Cumulative No. of Equity Shares
On Incorporation (December 23, 2003)	10,000	10	10	Cash	Subscription to MoA ¹	10,000
October 10, 2005	2,60,000	10	10	Cash	Preferential Allotment ²	2,70,000
March 31, 2010	15,000	10	50	Cash	Preferential Allotment ³	2,85,000
October 10, 2011	10,000	10	70	Cash	Preferential Allotment ⁴	2,95,000
March 31, 2021	1,55,000	10	100	Cash	Right Issue ⁵	4,50,000
December 10, 2022	22,00,000	10	30	Other than cash	Conversion of Loan ⁶	26,50,000
December 20, 2022	47,70,000	10	-	Other than cash	Bonus Issue ⁷	74,20,000

^{1.} Initial Subscribers to Memorandum of Association subscribed 10,000 Equity Shares of face value of Rs.10/- each fully paid at par as per the details given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Harish Tekchandani	3,300

2.	Omprakash Tekchandani	3,400
3.	Kishan Tekchandani	3,300
Total		10,000

2. Further Allotment on October 10, 2005 as Preferential Allotment of 2,60,000 Equity Shares of face value of Rs. 10 each fully paid up at a price of Rs 10/- per share, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Harish Tekchandani	86,700
2.	Omprakash Tekchandani	86,600
3.	Kishan Tekchandani	86,700
Total		2,60,000

3. Further Allotment on March 31, 2010 as Preferential Allotment of 15,000 Equity Shares of face value of Rs. 10 each fully paid up at a price of Rs 50/- per share including premium of Rs. 40/- per share, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Harish Tekchandani	4,500
2.	Omprakash Tekchandani	4,500
3.	Kishan Tekchandani	6,000
TOTAL		15,000

4. Further Allotment on October 10, 2011 as Preferential Allotment of 10,000 Equity Shares of face value of Rs. 10 each fully paid up at a price of Rs 70/- per share including premium of Rs. 60/- per share, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Harish Tekchandani	3,000
2.	Omprakash Tekchandani	3,000
3.	Kishan Tekchandani	4,000
TOTAL		10,000

5. Further Allotment on Right Basis as on March 31, 2021 of 1,55,000 Equity Shares of face value of Rs. 10 each fully paid up at a price of Rs 100/- per share including premium of Rs. 90/- per share, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Kishan Tekchandani	1,05,000
2.	Raina Tekchandani	50,000
TOTAL		1,55,000

6. Conversion of loan into Equity shares as on December 10, 2022 of 22,00,000 Equity Shares of face value of Rs. 10 each fully paid up at a price of Rs 30/- per share including premium of Rs. 20/- per share, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Kishan Tekchandani	5,90,000
2.	Raina Tekchandani	16,10,000
TOTAL		22,00,000

7. Bonus Issue of 47,70,000 Equity Share of face value of Rs. 10 each fully paid up in the ratio of 18:10 as on December 20, 2022 as per the details given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Kishan Tekchandani	14,26,500

2.	Raina Tekchandani	33,43,500
Total		47,70,000

2. Equity Share Issued for consideration other than cash:

a) Except as set out Below, our Company has not issued Equity Shares for consideration other than cash.

Date of Allotment	No. of Total Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Name of Allottees	No. of Shares Allotted	Nature of Allotment	Benefit Accrued
December 10, 2022	22,00,000	10	30	Kishan Tekchandani	5,90,000	Conversion of Unsecured Loan in to Equity Shares	Improvement in Debt Equity Ratio
				Raina Tekchandani	16,10,000		
December 20, 2022	47,70,000	10	NA	Kishan Tekchandani	14,26,500	Bonus Issue in the ratio of 18:10	Retaining interest of the Shareholders
				Raina Tekchandani	33,43,500		

b) Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

3. Further, our Company has not allotted any Equity Shares pursuant to any scheme approved under section 230-234 of the Companies Act, 2013.

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

5. Our Company has not issued any Equity Shares during a period of one year preceding the date of the Prospectus at a price lower than the Issue price. However, our company has issued Bonus Shares during a period of one year preceding the date of the Draft Prospectus:

Date of Allotment	No. of Total Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Name of Allottees	No. of Shares Allotted	Nature of Allotment	Promoter / Promoter Group
December 20, 2022	47,70,000	10	NA	Kishan Tekchandani	14,26,500	Bonus Issue	Promoter
				Raina Tekchandani	33,43,500		

6. Our Shareholding Pattern:

The shareholding pattern of our company in accordance with Regulation 31 of SEBI (LODR) Regulations, 2015, as on March 20, 2023:

i. Summary of Shareholding Pattern:

Category (I)	Category of shareholder (II)	Nos of shareholders (III)	No of fully paid-up equity shares held (IV)	No of Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)		No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter & Promoter Group	4	74,19,970	0	0	74,19,970	100.00	74,19,970	100.00	0	0			0	0	0
(B)	Public	3	30	0	0	30	0.00	30	0.00	0	0	0	0	0	0	0
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
	TOTAL	7	74,20,000	0	0	74,20,000	100	74,20,000	100.00	0	0			N.A	N.A	0

Note: 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 before commencement of trading of such equity shares.

7. The shareholding pattern before and after the Issue:

Sr. No	Name of share holder	Pre-issue		Post Issue	
		No of equity shares	As a % of Issued Capital	No of equity shares	As a % of Issued Capital
(i) Promoter					
1.	Kishan Tekchandani	22,19,000	29.91	22,19,000	17.87
2.	Raina Tekchandani	52,00,950	70.09	52,00,950	41.88
	TOTAL (A)	74,19,950	100.00	74,19,950	59.74
(ii) Promoter Group					
3.	Harish Tekchandani	10	0.00	10	0.00
4.	Omprakash Tekchandani	10	0.00	10	0.00
	TOTAL (B)	20	0.00	20	0.00
(iii) Public					
5.	Bhavesh Tekchandani	10	0.00	10	0.00
6.	Pratik Tekchandani	10	0.00	10	0.00
7.	Vinay Tekchandani	10	0.00	10	0.00
	IPO	-	-	50,00,000	40.26
	TOTAL (C)	30	0.00	50,00,030	40.26
	TOTAL (A+B+C)	74,20,000	100.00	1,24,20,000	100.00

8. Details of Major Shareholders

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

Sr.No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Kishan Tekchandani	22,19,000	29.91
2.	Raina Tekchandani	52,00,950	70.09
	TOTAL	74,19,950	100.00

- ii. List of Shareholder holding 1.00% or more of the paid-up capital of the company ten days prior to the date of the Draft Prospectus:

Sr.No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Kishan Tekchandani	22,19,000	29.91
2.	Raina Tekchandani	52,00,950	70.09
	TOTAL	74,19,950	100.00

- iii. List of Shareholder holding 1.00% or more of the paid-up capital of the company one years prior to the date of the Draft Prospectus:

Sr.No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Kishan Tekchandani	2,02,500	45.00
2.	Raina Tekchandani	2,47,500	55.00
	TOTAL	4,50,000	100.00

- iv. List of Shareholder holding 1.00% or more of the paid-up capital of the company two years prior to the date of the Draft Prospectus:

Sr.No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Kishan Tekchandani	97,500	33.05
2.	Raina Tekchandani	1,97,500	66.95
	TOTAL	2,95,000	100.00

8. As on date of this Draft Prospectus, there are no outstanding warrants, options or rights to convert a debentures, loans or other financial instruments into our Equity Shares.
9. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure within a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise except that if we enter into acquisition(s) or joint ventures, we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

10. Share Capital Build-up of our Promoter & Lock-in

Our Promoter had been allotted Equity Shares from time to time. The following is the Equity share capital build-up of our Promoters.

Date of Allotment / Transfer	Nature of Issue/ Allotment (Bonus, Rights etc)	Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue/ Transfer Price	% of total Issued Capital		Lock In
							Pre-Issue	Post-Issue	
Kishan Tekchandani									
December 23, 2003	On Incorporation	Cash	3,300	3,300	10	10	0.04	0.03	1 year
October 10, 2005	Preferential Allotment	Cash	86,700	90,000	10	10	1.17	0.70	1 year
March 31, 2010	Preferential Allotment	Cash	6,000	96,000	10	50	0.08	0.05	1 year
October 10, 2011	Preferential Allotment	Cash	4,000	1,00,000	10	70	0.05	0.03	1 year
March 27, 2013	Transfer	Cash	-2510	97,490	10	10	-	0.03	-0.02
June 19, 2020	Transfer	Cash	10	97,500	10	10	0.00	0.00	1 year
March 31, 2021	Right Issue	Cash	1,05,000	2,02,500	10	100	1.42	0.85	1 year
December 10, 2022	Conversion of loan	Other Than Cash	5,90,000	7,92,500	10	30	7.95	4.75	1 year
December 20, 2022	Bonus Issue	Other than Cash	14,26,500	22,19,000	10	NA	19.23	11.49	1 year
	TOTAL (A)		22,19,000				29.91	17.87	
Raina Tekchandani									
June 19, 2020	Transfer	Gift	1,97,480	1,97,480	10	NA	2.66	1.59	1 year
June 19, 2020	Transfer	Cash	20	1,97,500	10	10	0.00	0.00	1 year
March 31, 2021	Right Issue	Cash	50,000	2,47,500	10	100	0.67	0.40	1 year
December 10, 2022	Conversion of loan	Other Than Cash	16,10,000	18,57,500	10	30	21.70	12.96	1 year
December 20, 2022	Bonus Issue	Other than Cash	24,84,000	43,41,500	10	NA	33.48	20.00	3 year
			8,59,500	52,01,000			11.58	6.92	1 year
January 01, 2023	Transfer	Cash	-50	52,00,950	10	10	0.00	0.00	-
	TOTAL (B)		5200950				58.51	34.96	

Note: All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment and none of the Equity Shares held by our Promoters are pledged.

11. None of our Promoters, Promoters Group, Directors and their relatives have purchased or sold the equity share of our company during the past six months immediately preceding the date of filing Draft Prospectus except stated below:

Date of transaction	Name of the Promoter/Director/Promoter Group.	Purchased /Sold	No of Shares	Transactions Price in ₹	Category
January 01, 2023	Raina Tekchandani	Sold	50	10	Promoter & Director
January 01, 2023	Harish Tekchandani	Purchased	10	10	Promoter Group
January 01, 2023	Omprakash Tekchandani	Purchased	10	10	Promoter Group

12. The members of the Promoter Group, our directors or the relatives of our directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months preceding the date of filing of the Draft Prospectus.

13. Lock in of Promoters:

- a) As per clause (a) Regulation 238 of the SEBI (ICDR) Regulations and in terms of the aforesaid table, an aggregate of 20.00% of the post-Issue Equity Share Capital of our Company i.e. 24,84,000 equity shares shall be locked in by our Promoter for three years. The lock-in shall commence from the date of allotment in the proposed public issue and the last date of lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the public issue whichever is later. (“Minimum Promoters’ contribution”).

The Promoters’ contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI ICDR Regulations. Our Company has obtained written consents from our Promoters for the lock-in of 24,84,000 Equity Shares for three years. The Equity Shares that are being locked in are not ineligible for minimum promoters contribution in terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018. In connection, we confirm the following.

- The equity shares offered for minimum 20% promoters contribution have not been acquired in the preceding three years before the date of prospectus for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction nor resulted from a bonus issue by utilisation of revaluation reserves or unrealized profits of the issuer or from bonus issue against equity shares which are ineligible for minimum promoters’ contribution;
- The minimum promoters Contribution does not include Equity Shares acquired by our Promoters during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;
- The minimum promoters Contribution does not include Equity shares pledged with any creditor.

b) Equity Shares of Promoter locked-in for one year

In addition to 20.00% (24,84,000) of the post-Issue shareholding of our Company shall be locked-in for three years as the minimum Promoters’ contribution, the balance Pre-Issue Paid-up Equity Share Capital i.e. 49,35,950 Equity Shares, would be locked-in for a period of one year from the date of Allotment in the proposed Initial Public Offering as provided in clause (b) of Regulations 238 of SEBI (ICDR) Regulations, 2018.

14. Lock-in of securities held by persons other than the promoters:

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly, 50 Equity Shares held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

15. Transferability of Lock-in securities:

- a) In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, 2018, may be transferred to another Promoters or any person of the promoter group or a new promoter or a person in control of the issuer company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.
- b) In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by persons other than the Promoters' prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

16. Other requirements in respect of 'lock-in'

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018 the locked-in Equity Shares held by our Promoter can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- If the specified securities are locked-in in terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and the pledge of specified securities is one of the terms of sanction of the loan;
 - If the specified securities are locked-in in terms of clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, and the pledge of specified securities is one of the terms of sanction of the loan.
17. In terms of regulations 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms the securities issued in dematerialized form then the lock-in is recorded by the depository.
 18. Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company.
 19. All the Equity Shares of our Company are fully paid-up equity shares as on the date of the Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
 20. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Prospectus.
 21. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.
 22. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines
 23. As per RBI regulations, OCBs are not allowed to participate in this Issue.
 24. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.

25. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
26. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
27. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
28. Our Promoter and the members of our Promoter Group will not participate in this Issue.
29. As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
30. Our Company shall ensure that transactions in the Equity Shares by the Promoter Group between the date of filing Draft Prospectus with the Registrar of Companies and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
31. None of our Key Managerial holds any Equity Shares in our Company.
32. As on date of this Draft Prospectus, our Company have 7 Shareholders.

SECTION IV - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The present Public Issue of 50,00,000 Equity Shares at an issue price of ₹30/- per Equity Share.

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

1. Setting up Retail network by establishing pizza stores in Gujarat
2. Repayment of loan
3. Working capital requirement
4. General Corporate Purpose,
5. Meeting Public Issue Expenses.

(Collectively referred to as “Objects”)

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 through the Fresh Issue.

Net Proceeds

The details of the proceeds of the issue are summarized in the table below:

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Gross proceeds from the issue	1500.00
2.	Less: Issue related expenses	160.00
Net proceeds of the issue		1340.00

Requirement of funds and utilization of Net Proceeds

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Setting up Retail network by establishing pizza stores in Gujarat	200.00
2.	Repayment of Loan	200.00
3.	Long-term Working capital requirement	610.00
4.	General corporate purposes	330.00
Total utilization of net proceeds		1340.00

The fund requirements mentioned above are based on internal management estimates of our Company and have not been verified by the lead manager or appraised by any bank or financial institution or any other external agency. Given the dynamic nature of our business and our Company, we may have to revise the estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In addition, the estimated dates of completion of various plans as described herein are based on management’s current expectations and are subject to change due to various factors, some of which may not be in our control.

In the event of shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “Risk Factors” beginning on page. 13 of this Draft Prospectus.

Schedule of implementation and Deployment of Net Proceeds

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

(₹ In lakhs)

Sr. No.	Particulars	Total Estimated Cost	Amount already deployed	Estimated utilization of net proceeds in FY 2023-2024
1.	Setting up Retail network by establishing pizza stores in Gujarat	200.00	0	200.00
2.	Repayment of Loan	200.00	0	200.00
3.	Working capital requirement	610.00	0	610.00
4.	General corporate purposes ¹	330.00	2.50	330.00
	Total	1340.00	2.50	1340.00

¹The amount utilized for general corporate purposes shall not exceed 25.00% of the gross proceeds of the issue.

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2023-24 towards the Objects.

Means of Finance

In the event of a shortfall in raising the requisite capital from the Net Proceeds, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals or debt. In case of any surplus of monies received in relation to the Fresh Issue, we may use such surplus towards general corporate purposes.

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.

DETAILS OF THE OBJECTS OF THE ISSUE

1) SETTING OF RETAIL NETWORK BY ESTABLISHING PIZZA STORES IN GUJARAT.

Our Company has just started new line of business by entering into the MOU for “Pizza Franchisee” on the name “Uncle Donald’s Pizza” in Ahmedabad Only. It’s a pizza restaurant mainly famous for serving unlimited variety of pizza’s along with salads, cold drinks & Ice Cream. Currently we have 3 outlets as a Franchisee, which are also located at prime locations of Ahmedabad like, C. G. Road, S G Road and Vatva. The Company intends to open another 10 outlets in Ahmedabad, Gujarat in the FY 2023-24. The Company has to pay Rent deposit to the property owner. The amount of deposit varies according to the Size of the Pizza Outlet and also the cost of furniture, kitchen Equipment and crockery and cutlery also vary according to the Size of the Pizza Outlet. The management has estimated 3 outlets of 2000 Sq.ft, 2 outlets of 1000 Sq.Ft and 5 outlets of 750 Sq.ft. As per management estimate the total cost of 10 pizza outlets will be ₹ 200.00 lacs.

2) REPAYMENT OF LOAN

The Company had availed unsecured loan from the various NBFC for working capital requirement and vehicle and also working capital loan from HDFC bank. The details of the various limits:

(₹ In Lacs Except EMI amount)

Sr. No	Name of the Bank/ NBFC	Amount Sanctioned	Amount o/s as on 30-11-22	Emi Amount	Rate of Int.	Tenure (Months)
5.	HDFC Bank	4.60	1.74	11613	9.75	48
6.	HDFC Bank	12.10	7.28	29545	7.58	48
7.	HDFC Bank	5.56	4.00	13445	7.50	48
8.	HDFC Bank	5.56	4.00	13445	7.50	48
9.	HDFC Bank	5.69	4.42	13735	7.41	48
10.	HDFC Bank	5.69	4.42	13735	7.41	48
11.	HDFC Bank	5.94	4.73	14330	7.41	48

12.	HDFC Bank	6.03	4.80	14555	7.41	48
13.	Bajaj Finance old	25.12	14.66	72484	17.00	48
14.	Bajaj Finance Top Up	10.06	7.50	35852	17.00	36
15.	RBL Bank	20.15	7.35	73101	18.25	36
16.	HDFC Bank u/s Loan	20.11	7.22	71207	16.50	36
	Total		72.12			

(₹ in lacs)

Sr. No	Name of Bank	Amount of Credit	Amount outstanding as on November 30,2022	Terms of Repayment	Rate of Interest	Charge ID
1	HDFC Bank	150 Lakh	148.38	12 Months	8.15	100461651

We intend to utilise the amount of Rs. 200.00 lacs from the net proceeds towards repayment of loans borrowed by the Company from Banks and NBFCs. The cash accruals of the Company can be utilised for further expansion of the business. The reduction of the debt service coverage ratio and enhancement of Reserve and surplus will help the company to be eligible for bidding bigger projects.

3) WORKING CAPITAL REQUIREMENTS

The working capital requirement of the Company in The Financial Year 2021-22 was of ₹506.88 lacs which was financed by the Long term and short term Borrowings and working capital from bank. The working capital requirement for the FY 2022-23 (up to November 2022) was of ₹ 536.86 lacs which was also financed by the Long term and short term Borrowings, Bank Borrowing and capital as well as Cash Accruals. Our Company has just started new line of business by acquiring stake in “Pizza Franchisee” on the name “Uncle Donald” in Ahmedabad Only. It’s a pizza restaurants mainly famous for serving unlimited variety of pizza’s along with salads, cold drinks & Ice Cream. On account of that the business of the Company will increase which require more working capital for the growth of the Business.

Basis of estimation of working capital requirement and estimated working capital requirement:

(₹ In Lacs)

Particulars	31.03.2020	31.03.2021	31.03.2022	31.03.2023	31.03.2024
	Audited	Audited	Audited	Projected	Projected
Raw Material	13.93	62.43	128.57	90.00	135.00
Work In Progress	4.29	26.01	23.88	6.67	9.67
Finished Goods	3.21	15.61	31.22	45.00	66.90
Trade Receivables	179.11	149.32	307.99	300.00	450.00
Cash and Bank Balances	4.37	6.91	20.58	38.44	71.83
Short term loans and Advances	49.88	70.28	100.20	100.00	150.00
Other Current Assets	45.13	47.12	52.46	110.00	150.00
total	299.92	377.68	664.90	690.11	1033.40
Less :					
Trade Payables	96.37	71.99	136.35	75.00	112.50
other Current Liabilities	45.58	39.16	8.06	15.11	50.90
Short Term Provisions	4.50	2.54	13.61	30.00	60.00
Total Liabilities	146.45	113.69	158.02	120.11	223.40
Net Working Capital	153.47	263.99	506.88	570.00	810.00
Bank Borrowing			148.28		
Balance	153.47	263.99	358.60	570.00	810.00
Financed through Capital Internal Cash Accruals				200.00	200.00
Long term and short term borrowings	153.47	263.99	358.60		
Fund from IPO in 2022-23				370.00	370.00
Fund from IPO in 2023-24					240.00

Assumptions for working capital requirements

Particulars	No of months holding period				Justification for Holding
	F.Y. 2019-2020	F.Y.2020-21	F.Y. 2021-22	F.Y. 2022-23 and F.Y. 2023-24 (Estimated)	
Raw Material	6	24	65	30	The Company had also started Pizza Business and on the basis of past stocking period and additional raw material requirement the stock of raw material for 30 days are considered
Work In Progress	2	8	9	2	The Company is dealing in perishable goods and work in progress is considered for 2 days
Finished Goods	1	4	8	9	On the basis of FY 2021-22 and 9 months period of FY 2023
Trade Receivables	51	35	82	60	The trade Receivables are considering the average payment received from the franchisee stores and we have taken 60 days credit period considering the past experience in getting the realisation of fund and growth of business.
Trade Payables	41	28	69	25	Generally the company get the credit period for the basic raw material for more period but it has the cost. The company has decided to get 25 days credit from the suppliers.

2. General Corporate Purposes

In terms of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25.00% of the proceeds of the issue.

Our management will have flexibility in applying Rs. 330.00 lakhs of the Net Proceeds towards general corporate purposes, including but not restricted to financing working capital requirements, capital expenditure, acquiring business premises, meeting exigencies etc or any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management in accordance with the policies of the Board will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company from time to time.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹160.00 lakhs. The expenses of this include, among others, underwriting and lead manager fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated issue expenses are as follows:

Activity	Estimated expenses (₹ in lakhs)	As a % of total estimated issue related expenses	As a % of Gross Issue Size
Lead Manger Fees including Underwriting Commission.	24.00	15.00	1.60
Brokerage, selling commission and Marketing	100.00	62.50	6.67
Registrar to the Issue	1.00	0.63	0.07
Legal Advisors	3.00	1.88	0.20
Advertising and marketing expenses	5.00	3.13	0.33
Regulators including stock exchanges	12.00	7.50	0.80

Activity	Estimated expenses (₹ in lakhs)	As a % of total estimated issue related expenses	As a % of Gross Issue Size
Printing and distribution of issue stationary	3.00	1.88	0.20
Others (Market Making fees etc.)	12.00	7.50	0.80
Total estimated issue related expenses	160.00	100.00	10.67

Notes

- The fund deployed up to March 21, 2023 is Rs. 2,50,000 towards issue expenses vide certificate dated 21st March, 2023 having UDIN: 23108456BGUDGH1324 received from M/s D G M S & CO; Chartered Accountants.
- Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs

ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Offer is made as per Phase I of UPI Circular)	₹ 10 per application on wherein shares are allotted
Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them)	₹ 10 per application on wherein shares are allotted
Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank	₹10 per application on wherein shares are allotted
Sponsor Bank shall be payable processing fees on UPI application processed by them	₹ 5 per application on wherein shares are allotted

- No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them
- The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.
- Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

Interim use of Net Proceeds

Our Company in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. The Net Proceeds pending utilization for the purposes described above, in accordance with the SEBI ICDR Regulations, our Company shall deposit the funds only in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

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

Bridge Financing Facilities

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

Appraisal Report

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

Monitoring Utilization of Funds

As this is a Fresh Issue for less than ₹ 10,000 lakhs, we are not required to appoint a monitoring agency for the purpose of the Issue in terms of the SEBI ICDR Regulations.

Our Board and Audit committee shall monitor the utilization of the net proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Issue.

Pursuant to SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds

utilized for purposes other than those stated in this Draft Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

None of our suppliers / service providers for utilization of Issue proceeds for various Objects of the Issue are associated in any manner with our Company or any other related party directly or indirectly.

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

Other Confirmation

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

BASIS FOR ISSUE PRICE

The Issue Price of ₹ 30.00/- 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 ₹10.00/- per Equity Share and Issue Price is ₹30.00/- per Equity Share. The Issue Price is 3 (Three) times the face value.

Investors should refer sections / chapters titled “Risk Factors”, “Restated Financial Statements”, “Management Discussion and Analysis of Financial Condition and Results of Operations” and “Business Overview” beginning on page 13, 104, 143 and 67 respectively of this Draft Prospectus to get an informed view before making an investment decision.

The trading price of the Equity shares of our Company could decline due to risk factors and you may lose all or part of your investments.

Qualitative Factors

Some of the Qualitative Factors, which form the basis for computing the price was

- Diversified Product Basket
- Quality of products
- Brand Image
- Dedicated Management Team
- Distribution Network

For further details, please refer to the paragraph titled “Our Competitive Strengths” in the chapter titled “Business Overview” beginning on page 67 of this Draft Prospectus.

Quantitative Factors

Information presented below relating to the Company is based on the Restated Financial Statements. Some of the quantitative factors which form the basis or computing the price, are as follows:

1) Basic and Diluted Earnings Per Share (EPS)

Year ended	Weights	Basic and Diluted EPS (pre Bonus)	Basic and Diluted EPS (post Bonus)	Weights
March 31, 2020	1	8.21	0.48	1
March 31, 2021	2	10.22	0.60	2
March 31, 2022	3	13.34	1.15	3
Weightage Average EPS	6	11.45		1.00
November 30, 2022*		24.88		2.14

**Not Annualized*

Note. Basic and Diluted EPS = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / weighted average no of equity shares outstanding during the year as per restated financials

2) Price to Earnings (P/E) ratio in relation to Issue Price ₹30.00/- per Equity Share of ₹10.00/- each fully paid up

Particulars	P/E ratio (Pre Bonus)	P/E ratio (Post Bonus)
P/E ratio based on Basic and diluted EPS as at March 31, 2022	2.25	26.09
P/E ratio based on Weighted Average Basic and diluted EPS	2.62	30.00
P/E ratio based on Basic and diluted EPS as at November 30, 2022*	1.21	14.02

**Not Annualized*

Industry Peer Group Price / Earning (P/E) ratio

There are no listed companies in India that is engaged in a business similar to that of our Company and comparable to our scale of operations. Therefore, it is not possible to provide an industry comparison in relation to our Company.

3) Return on Net worth (RoNW)

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

Year Ended	RONW (%)	Weight
March 31, 2020	#Negative	
March 31, 2021	34.10	1
March 31, 2022	40.41	2
Weighted Average		38.31
November 30, 2022*		42.98

The net worth of the Company was negative on account of losses of previous years. The Company had earned profit in the year.

**Not Annualized*

Note: Return on Networth has been calculated as per the following formula:

- 1) Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year end.
- 2) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

4) Net Asset Value (NAV)

Particulars	₹ per share (pre Bonus)	₹ per share (post Bonus)
Net Asset Value per Equity Share as of March 31, 2022	33.01	*2.85
Net Asset Value per Equity Share as of November 30, 2022	57.89	12.34
Net Asset Value per Equity Share after IPO	19.45	19.45
Issue Price	30	

*While calculating the NAV per share Post Bonus Issue, the funds received through allotment of 22,00,000 at a price of ₹30 per share on December 10, 2022 was not included in the net worth as on March 31, 2022. If further allotment is considered then the NAV was ₹12.34.

Note: Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net worth excluding revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year}}$$

5) Comparison with industry peers

As on the date of this Draft Prospectus, there are no comparable peer which is listed in India and which are engaged in the same line and comparable to the scale of operation of our Company, hence comparison with industry peers is not applicable.

Notes:

The Company in consultation with the Lead Manager believes that the Issue price of ₹30/- per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the section titled Financial Information included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹10/- per share and the Issue Price is 3 times of the face value i.e. ₹ 30/- per share.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 13, 67, 104 and 143 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “Risk Factors” on page 13 and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To,
**The Board of Directors,
Kelson Foods Limited**
B-1222, 12th Floor, Sun Westbank,
Opp City Gold Cinema, Ashram Road
Ahmedabad, Gujarat-380009, India.

Dear Sir,

Sub: Statement of Possible Special Tax Benefits available to Kelson Foods Limited (“the Company”) and its shareholders prepared in accordance with the requirements in Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (“SEBI ICDR Regulations”)

We hereby report that the enclosed annexure, prepared by the management of the company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 read with Income Tax Rules, Circulars, Notifications (‘Act’) as amended by the Finance Act, 2022, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

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

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, 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.

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

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

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

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views, consequence to such change. We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“Guidance Note”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

**M/s. D G M S & Co.,
Chartered Accountants
Firm Reg No: 112187W**

**Sd/-
Shashank P Doshi
Partner
Mem. No: 108456
UDIN: 23108456BGUDGH1324
Date: March 21, 2023**

ANNEXURE

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

Outlined below are the possible special tax benefits available to Company and its shareholders under Income Tax Act 1961("the Act") presently in force in India.

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

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

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

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

Note:

- The above statement of Direct Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.
- The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.
- Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. 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 change from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION V – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, the Lead Manager or any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.

Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Prospectus, including the information in the sections "Risk Factors" and "Restated Financial Statements" on pages 13 and 104, respectively of the Draft Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 13 of the Draft Prospectus. Accordingly, investment decisions should not be based on such information.

INDIA ECONOMY

The Indian economy has fully recovered to the pre-pandemic real GDP level of 2019-20, according to the provisional estimates of GDP released on May 31, 2022. Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20. These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sector rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

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

India's GDP is expected to grow at a strong rate of 7.4% in FY2022–23, the highest among major nations, according to International Monetary Fund (IMF). The IMF's prediction is supported by the strong performance of a few high-frequency indicators over the first four months of FY 2022–23. While the PMI manufacturing index reached an eight-month high in July 2022 with significant increases in the growth of new businesses and output, the index of industrial production and its eight core industries indicate a strengthening of industrial activity. The release of suppressed demand, the ease of mobility restrictions, and nearly universal vaccine coverage have helped the services sector, which was most negatively affected by the COVID-19 pandemic, become a significant growth engine.

the following key frequency indicators highlighted improved performances:

- Private consumption stood at 57.5% of the nominal GDP in FY 2021-22, indicating that it is becoming a macro growth driver.
- In July 2022, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 51.1
- PMI Services remained comfortably in the expansionary zone at 55.5 in July 2022.
- Rupee strength reached Rs. 79.9/US\$, as of 29 August 2022.
- In FY 2021-22, India received a total of US\$ 58.77 billion in foreign direct investment.
- As of 19 August 2022, India's foreign exchange reserves stood at US\$ 564.05 billion.
- According to RBI Bank credit stood at Rs. 121.49 trillion (US\$ 1.52 trillion) as of 17 June 2022.
- Credit to non-food industries stood at Rs. 121.05 trillion (US\$ 1.51 trillion) as of 17 June 2022.

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

OVERVIEW ON INDIAN FOOD INDUSTRY:

A well-developed food processing sector with higher level of processing helps in the reduction of wastage, improves value addition, promotes crop diversification, ensures better return to the farmers, promotes employment as well as increases export earnings. This sector is also capable of addressing critical issues of food security, food inflation and providing wholesome, nutritious food to the masses.

Contribution of Food Processing Sector to GDP

Over the year's agricultural production in India has consistently recorded higher output. India ranks third in cereals, first in pulses, second in vegetable primary, second in fruit primary, first in milk, third in eggs primary, etc. in World Agriculture in 2018. An abundant supply of raw materials, increase in demand for food products and incentives offered by the Government has impacted food processing sector positively. During the last 5 years ending 2019-20, Food Processing sector has been growing at an Average Annual Growth Rate (AAGR) of around 11.18 per cent as compared to around 4.19 per cent in Agriculture (at 2011-12 prices). Food Processing Sector has also emerged as an important segment of the Indian economy in terms of its contribution to GDP, employment and investment. The sector constituted as much as 9.87 per cent and 11.38 per cent of GVA in Manufacturing and Agriculture sector respectively in 2019-20 (at 2011-12 prices).

Gross Value Added (GVA) by Food Processing Industries (FPI) -

Sr. No.	Economic Activity	2017-18	2018-19	2019-20
1.	GVA -All India	120.34	127.44	132.71
2.	GVA Manufacturing	22.09	23.26	22.69
3.	GVA-Agriculture, Forestry And Fishing	18.40	18.87	19.69
4.	GVA-FPI	1.93	2.32	2.24
Percentage Growth of AAGR				
5.	GVA -All India	6.23	5.90	4.14
6.	GVA Manufacturing	7.49	5.30	-2.45
7.	GVA-Agriculture, Forestry And Fishing	6.60	2.55	4.35
8.	GVA-FPI	7.82	20.21	-3.45
Percentage Share in total GVA of				
9.	GVA -FPI	1.60	1.82	1.69
10.	GVA Manufacturing	18.36	18.25	17.10
11.	GVA-Agriculture, Forestry And Fishing	15.29	14.81	14.84
Percentage Share of Food Processing in				
12.	GVA Manufacturing	8.74	9.97	9.87
Source: National Accounts Division, Central Statistics Office				
Note: All GVAs have been adjusted for Financial Intermediation Services Indirectly Measured (FISIM).				

It is seen that food products industry, compared to other industries has the largest number of factories and engages largest number of persons as well. Food Products industry also figures among the top five sectors with respect to fixed capital, gross value added and output. Food products industry employs largest number of persons as compared to other industries while generating the second highest output level as in other industries. According to the latest Annual Survey of Industries (ASI) for 2018-19, the total number of persons engaged in registered food processing sector was 20.05 lakhs. Unregistered food processing sector supported employment to 51.11 lakh worker as per the NSSO 73rd Round, 2015-16 and constituted 14.18% of employment in the unregistered manufacturing sector. The overall scenario of employment in food processing sector is given below:

Employment in Food Processing Industry

Sector	Food Processing*Industry	Overall Industry	(%) Share of FP sector
Registered (2018-19)#	20.05 lakh	162.80 lakh	12.32
Un-incorporated (2015-16)**	51.11 lakh	360.41 lakh	14.18

*: Includes food products and beverages segments;
 #: Source: Annual Survey of Industries 2018-19;
 **Source: NSSO Report No.582 (73/2.34/2) on Economic Characteristics of Unincorporated Non Agricultural Enterprises (Excluding Construction) in India; NSS 73rd Round (July 2015 - June 2016)

The cumulative number of units and persons engaged, Fixed Capital Investment, Gross Value Added, in registered Food Processing Industries from the year 2010-11 to 2018-19 is also presented in following Chart 2.1 & 2.3

Chart 2.1: No of Units and Persons engaged in registered FPI sector

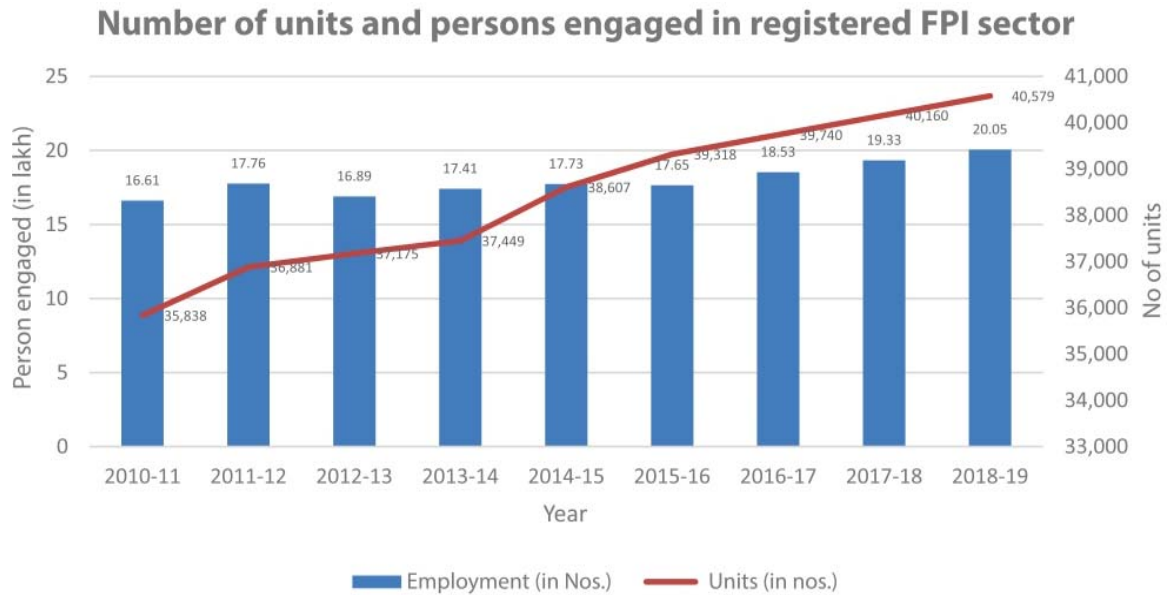


Chart 2.2: Fixed Capital investment in FPIs

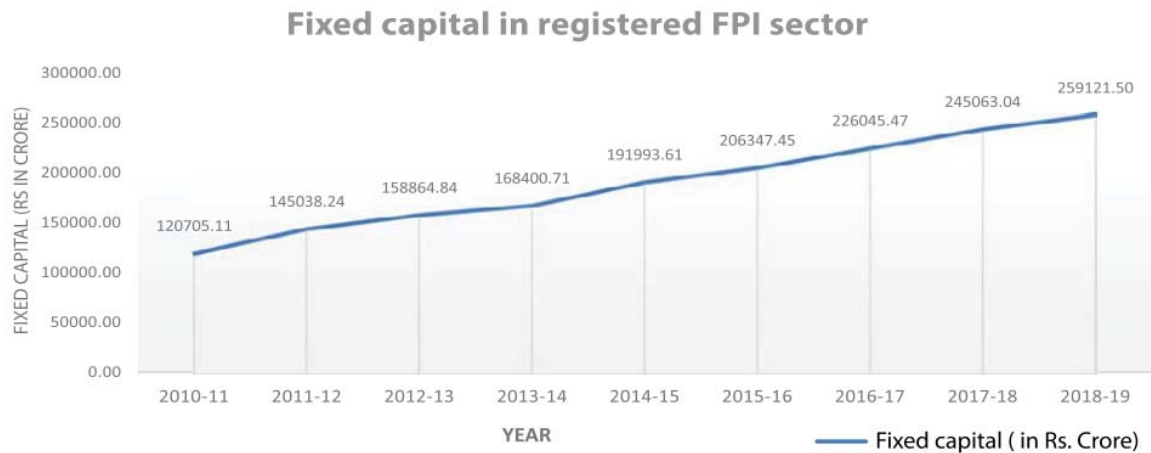
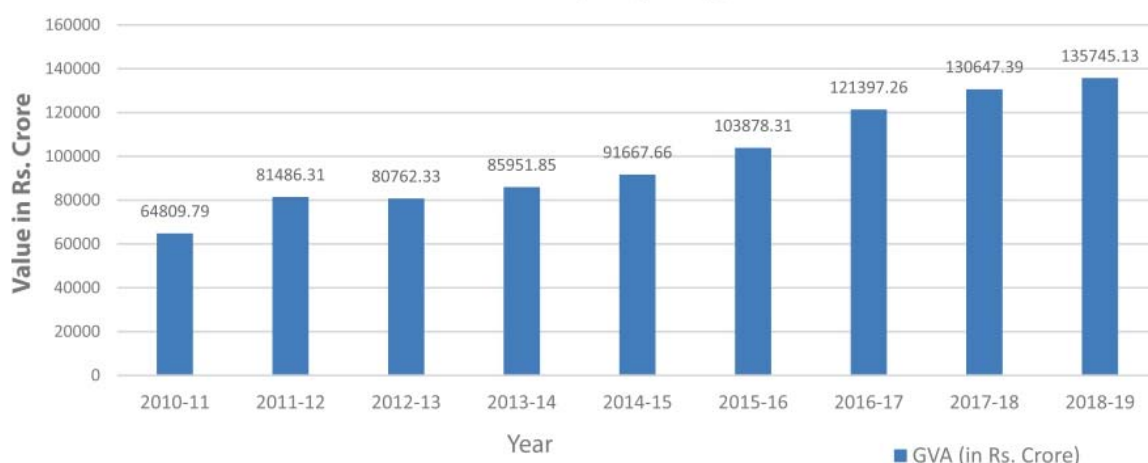


Chart 2.3 Gross Value Added in registered FPIs

Gross Value Added (GVA) in registered FPI sector



Women employment in Food Processing Sector:

The overall scenario of women employment in Food Processing Sector is as under in Table:

Women Employment in Food Processing Sector

Sector	**Employed Women Workers (in lakh)	Total employment- Food Processing Sector (in lakh)	(%) Share of Women
Registered# (2018-19)*	2.25	20.05	11.22
Un-incorporated Non Agriculture Enterprises in Food Processing Sector (2015-16)@	12.62	51.11	24.69

#: Factory Registered under Sections 2m (i) and 2m (ii) of the Factories Act 1948;

@: Source: NSSO 73rd Round (July 2015 - June 2016)

*Source: Annual Survey of Industries (2018-19)-

**For registered factories data is for directly employed women workers.

Export of Food Processing related Commodities

The value of agri-food exports including processed food exports during 2020- 21 was of the order of US \$ 38.32 Billion accounting for about 13.2 per cent of India's total exports (total exports US \$ 291.17 Billion). The exports of the food products for the last four years and current year are shown in Table below:

India's Food Exports (in US\$ million):

Sr. No.	Commodity Description	2019-20	2020-21	2021-22 (Apr-Oct)
1.	Food Exports	32732.0	38314.3	24901.7
2.	Processed Food Exports	6264.0	8543.1	5183.4
3.	% share of Processed Food in Food Exports	19.1%	22.3%	20.8%
4.	India's Total Export	313361.0	291163.5	233912.6
5.	% share of Food Exports in Overall Exports	10.4%	13.2%	10.6%

Import of Food Processing related Commodities

The value of import of agri-food items including processed food during 2020- 21 was US \$ 20.99 Billion which was 5.3 per cent of India's total imports (total imports US \$ 393.61 Billion). The imports of the food products for the last four years and current year are shown in Table below:

India's Food Imports (in US\$ million):

Sr. No.	Commodity Description	2019-20	2020-21	2021-22 (Apr-Oct)
1.	Food Imports	19643.1	20994.9	17547.3
2.	Processed Food Imports	2646.0	2756.1	1956.9
3.	% share of Processed Food in Food Imports	13.5%	13.1%	11.2%
4.	India's Total Imports	474709.3	393610.6	328513.0
5.	% share of Food Exports in Overall Imports	4.1%	5.3%	5.3%

The share of India's agri-food exports in the world was 2.31% in 2020 and the share of India's agrifood imports in the world was 1.31% in 2020. India's food trade and its share in the world for the last five years is given in Table below:

India's Share in Global Food Trade

Value in US\$ million

	2018	2019	2020
World food export	1493758.6	1488060.0	1525621.1
World food import	1524012.3	1521161.4	1553119.4
India's food export to world	34070.2	33617.8	35200.7
India's food import from world	19603.5	19183.7	20365.6
% Share of India's food export in world	2.28%	2.26%	2.31%
% Share of India's food import in world	1.29%	1.26%	1.31%

FDI in Food Processing Sector:

100% FDI is permitted under the automatic route in food processing industries. 100% FDI is allowed through Government approval route for trading, including through e-commerce in respect of food products manufactured and/or produced in India. The sector has witnessed FDI equity inflow of USD 4.99 billion during April 2014 to September 2021. Foreign Direct Investment (FDI) equity inflows in Food Processing sector in India since 2014-15 is given in Table.

FDI Equity inflow to FPI

Year (April-March)	FDI (in Rs. Crores)	FDI (in US\$ Million)
2018-19	4430.44	628.24
2019-20	6414.67	904.70
2020-21	1670.37	393.41
2021-22 (Apr-Sep)	3047.44	410.62

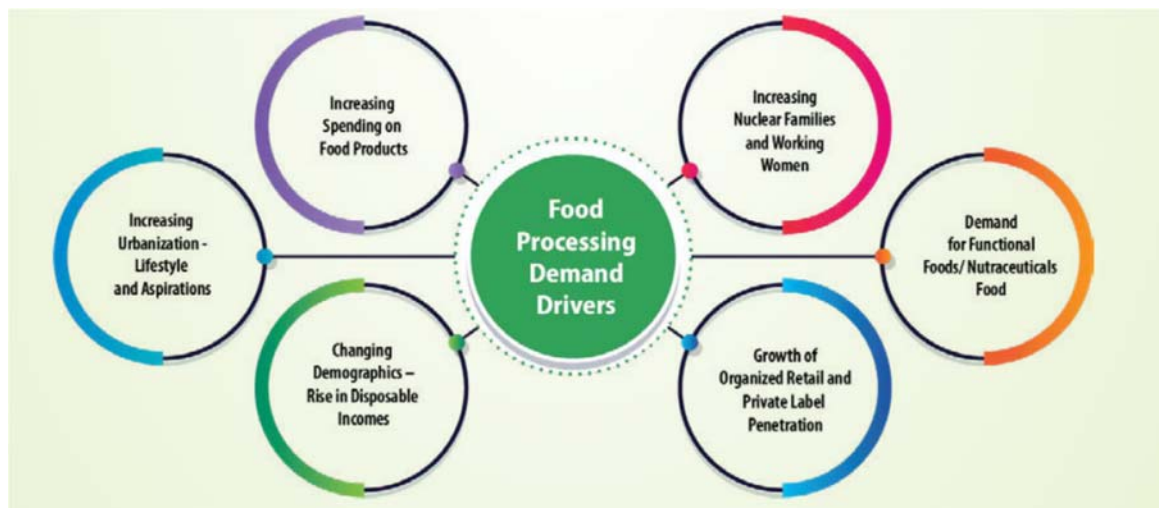
Food Processing Sector–Major Challenges:

The major challenges being faced by the sector are illustrated below:



These constraints are sought to be addressed under the schemes being implemented by the Ministry, as indicated in subsequent chapters.

Food Processing Sector –Growth Potential:



The above illustration indicates the various factors which are likely to increase the demand for processed food in coming years. Programmes to increase the output of Indian agriculture without corresponding investments in processing facilities are likely to lead to a mismatch resulting in rural distress and decline in farmers’ income.

Policy Initiatives:

Several policy initiatives have been taken from time to time by the Government to promote growth of the food processing sector in the country.

Some of these are:

- (i) Exempting all the processed food items from the purview of licensing under the Industries (Development and Regulation) Act, 1951.
- (ii) 100% Foreign Direct Investment (FDI) permitted through automatic route for food processing sector subject to sectoral regulations.
- (iii) 100% Foreign Direct Investment, under Government approval route, for trading, including through e-commerce, in respect of food products manufactured or produced in India.
- (iv) Lower GST for raw and processed product; more than 71.7% food products under various chapter heads/sub-heads are covered in lower tax slab of 0% & 5%.
- (v) Provision of profit linked tax holiday under Section 80 IB and investment linked deduction under Section 35 AD of Income Tax Act, 1961 as per details in the Chapter 3 of this report.
- (vi) Classifying loan to food & agro based processing units and Cold Chain under agriculture activities for Priority Sector Lending.
- (vii) Cold Chain and Food Parks covered under Harmonised Master List of Infrastructure Sub-sector.
- (viii) Incentivizing creation of infrastructure, expansion of Processing Capacity and developing technology to convert raw produce into value added products.
- (ix) Setting up of a Special Fund of ₹2000 crore in National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for designated Food Parks and agroprocessing units.
- (x) Simplifying Application Forms of all the schemes and minimizing requirement of documents.
- (xi) Assisting creation of skill infrastructure in Food Processing Sector and skill development initiatives through the Sector Skill Council [i.e. Food Industry Capacity and Skill Initiative (FICSI)].
- (xii) Hand holding and incentivizing Micro Food Processing Units in strengthening their value chain and adherence to regulatory norms.
- (xiii) To Support creation of global food manufacturing champion commensurate with India’s natural resource endowment and support Indian brands of food products in the international market.

Developmental Initiatives:

Several development initiatives have been taken by the Ministry to promote growth of the food processing sector in the country. Some of these are:

- (i) Creating modern infrastructure for supporting the growth of food processing sector through implementation of the Schemes of Mega Food Parks, Integrated Cold Chain and Value Addition Infrastructure, Agro Processing Cluster and Backward & Forward Linkages, and setting up/modernization of PM Kisan Sampada Yojana (PMKSY).
- (ii) Providing assistance to food processing industries under various Central Sector and Centrally Sponsored Plan Schemes.
- (iii) Widening the R&D base in food processing by involvement of various R&D institutes and support to R&D activities.
- (iv) Uploading list of R&D Research Projects / findings on the Ministry's website for better dissemination, commercial adoption and use by the farmers and entrepreneurs.
- (v) Developing human resources to meet the growing requirement of managers, entrepreneurs and skilled workers in the food processing sector.
- (vi) Assistance for setting up of Food Testing Laboratories, active participation in laying down food standards and their harmonization with international standards.
- (vii) Developing a strong supply chain for perishable farm produce to reach processing centers with minimal loss of time.
- (viii) Introducing Sevottam, charter mark in service delivery for excellence in the Ministry.
- (ix) Regular interaction with the industry and State / UT Governments for activating Single Window System.
- (x) Extending fiscal incentives for the food processing industries.
- (xi) Promoting Foreign Direct Investment under the 'Make in India' initiative.
- (xii) Dissemination of all relevant information relating to food processing sector in the Ministry's website and Investor Portal (Nivesh Bandhu).
- (xiii) An Investors' Portal "Nivesh Bandhu" has been developed by the Ministry for disseminating information on the state-specific resource potential, policy support and fiscal incentives offered to investors in food processing sector. The investors, both domestic & foreign, are facilitated to put queries relating to any issue on investment in food processing sector through Investors' Portal (<http://foodprocessingindia.gov.in>) or through Ministry's website (<http://mofpi.nic.in>).

Promotional Initiatives:

In order to create awareness about the potential and prospect of food processing industry in the country, this Ministry provides assistance for: -

- (i) Organizing Workshops, Seminars, Exhibitions and Fairs;
- (ii) Commissioning of Studies/ Surveys, etc.
- (iii) Participation in national/ international fairs/exhibitions, etc.

Ministry of Food Processing Response to COVID 19:

The Ministry took several initiatives for maintaining steady growth of food processing sector amidst COVID 19. Alike many sectors, food processing sector also went through several hitches during the Covid restrictions. Critical issues such as reduction in processing capacity due to plant shutdowns, disruption in logistics and

movement of workers, labor availability at manufacturing sites as well as steep drop in demand, liquidity crunch, warehouse shutdown impacted the sector at large.

During covid19 period the Video conferencing facility has been extensively used and around 450 meeting have been held during last year with various stakeholder like Promoters, PMAs, officials of other ministries, officials of state governments and also among officials of MoFPI.

During the 2nd wave of COVID19, MoFPI reinitiated its efforts towards resolving issues faced by the food processing companies and worked with state authorities and relevant stakeholders. A discussion was held with FICCI Food Processing & FMCG Committee members regarding potential issues expected by the industry due to restrictions imposed by State / UT Governments. 64 issues received through major companies and industry associations, were facilitated by the Grievance Cell.

A discussion was arranged on 10th May 2021 through video conference, with the beneficiaries of MoFPI's cold chain scheme to understand issues faced by promoters due to restrictions imposed by several States / UTs in order to contain the fast spread of Covid virus. The meeting witnessed healthy participation of 46 promoters and 3 PMAs – Grant Thornton, PwC and Schoolnet India.

(Source: Annual Report 2021-22_Ministry of Food Processing Industries, Government of India)

BUSINESS OVERVIEW

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 the section titled “Risk Factors” on page 13 of this Draft Prospectus.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section title “Risk Factors” and the chapters titled “Restated Financial Statement” and “Management Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page no 13, 104 and 143 of this Draft Prospectus.

In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us”, “Our” and “Kelson”, “KFL” are to M/s. Kelson Foods Limited. Unless stated otherwise, the financial data in this section is as per our Restated financial statements prepared in accordance with Indian Accounting Policies set forth in the Draft Prospectus.

OVERVIEW

Company Background

Our Company was originally incorporated as “Swami Shantiprakash Agro Private Limited” under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated December 23, 2003 bearing Corporate Identification Number U15136GJ2003PTC043382 issued by the Registrar of Companies, Gujarat, Dadra, Subsequently, the name of our company has changed from “Swami Shantiprakash Agro Private Limited” to “Kelwin food industries Private Limited” vide Fresh Certificate of Incorporation dated August 09, 2018, Subsequently, the name of our company has changed from “Kelwin food industries Private Limited” to “Kelson Foods Private Limited” vide Fresh Certificate of Incorporation dated January 02, 2019 Further, our Company was converted in to a public limited Company pursuant to a special resolution passed by our shareholders at the EGM held on January 05, 2023 and consequently the name of our Company was changed to “Kelson Foods Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated March 15, 2023. The CIN of the Company is U51909GJ2016PLC085610.

Initially our promoter Kishan Tekchandani has started our Company along with his two brothers named Omprakash Tekchandani & Harish Tekchandani in the 2003 with the idea of manufacturing. process & trading of Tomato Keatch Up, Jam, Pickles, Sauces, Syrups (for the Sharabat) etc. Though the idea of the Company was incorporated in the mind of our promoter in 2003, but it took two years to the promoter to start the business. In 2005, our product like Tomato Keatch Up, Pickles, Sauces were out in the market in the brand name of “MOM’s Touch”, which was warmly welcomed in the retail market at almost 11 states in the India and outside India as well. It was one of the well-known brand in the market mainly in Tomato Keatch Up, Jam, Syrups/ Sharabat’s. Our Company introduced itself as an exporter of Food Products as stated above, worldwide.

After celebrating large scale success in the MOM’s Touch Products, Our Promoter Kishan Tekchandani along with his brothers decided to launch new product like instant drink powder with the new brand name “LA NUTRINK”. “LA NUTRINK” was like a feather in the hat of our Company. The instant drink powders were new era of drinks in which our Company played the vital role of development & manufacturer of instant drink powder in India.

The company is based out of Ahmedabad, Gujarat and spear headed by Kishan Tekchandani, being variety of food items manufacturer, decided to took this Company at a new level of heights by adding Bakery Products. Omprakash Tekchandani & Harish Tekchandani express their desire to quite the Business and not being the part of Bakery Business. Kishan Tekchandani took over the entire operations as he had confidence in the product and the market for such product.

Being a versatile promoter, he doesn’t want to continue his new products with the old brand name. He took the challenge and choose the very fresh brand name “Breadman” for his bakery products. The brand name “Breadman” is itself says about the product which our promoter wants to introduced in the Market. In 2018, our Promoter Kishan Tekchandani started the bakery plant with all new machinery in the rented premises located at Naroda, GIDC, Ahmedabad.

In Breadman, initially we have started selling variety of breads, rusk and khari. We added cookies and cream rolls in our cart after connecting with the customer in breads, rusk and khari. Currently at our outlets we offer, variety of breads, dry products like cookies, cream rolls, rusk and khari, we also offers the cakes, pastries, muffins and chocolates. Addition of cakes, pastries, muffins and chocolates in our outlets impacted the sales positively which resulted in higher sales.

We opened our First outlet at Thaljet, Ahmedabad with another brand name owned by the Company “Bakish” in August, 2019, which was later on found unsuitable to the promoter, hence he shut down the outlet in August, 2020. As a real businessman, our promoter took the challenge again and start the new outlet in the name of “Breadman” at one of the prime locations of Ahmedabad, Neharunagar Cross Road, in October 2020. The risk-taking nature of our promoter took the business into the heir success in very short span and after getting immense support and footfall from the retail customer at Neharunagar Outlet, we opened or other 2 outlets in December, 2020, one at Kankaria, Maninagar and second at Nikol. In September, 2021, we have opened our one outlet at Sardar Nagar, Near Airport, Ahmedabad, in the name of “Breadman”, which was recently shut down in May, 2022, due to poor public response of the particular area, as those area are known as Army cantonment are.

Currently Our Company have 7 Outlets in Ahmedabad and all our 7 outlets are on franchisee basis. Our all 7 outlets are at a prime location of Ahmedabad like, Neharunagar Cross Road, Paldi, Kakaria, Maninagar, Bapunagar, Bopal, Gota and Nikol. Our all outlets are in the name of Our Brand name “BREADMAN”. Our outlets are working from Morning 09:00 to late Evening 11:00. In addition to this our company has 365 days operational for dedicated customer support.

Our Naroda- GIDC, manufacturing unit, is spread in 34.36 Sq. Mtr. (Carpet) area, which caters to supply to all our outlets and other customers. Our Company owns 26 Vehicles as on date of this draft prospectus, which also includes refrigerated, temperature-controlled van for timely delivery of our products.

The financial performance of our Company for last three Financials Years are as stated under:

Amount (Rs in Lacs)

Particulars	November 30, 2022	2021-22	2020-21	2019-20
Sales	782.74	1,122.05	1,266.21	1058.56
Other Income	1.86	2.83	0.87	1.08
Total Income	784.60	1,124.88	1,267.08	1,059.64
Net Profit	107.43	60.03	30.18	24.22

Our Products:

NUTRI WHITE BREAD

PACKAGING: 100 gm, 150 gm, 200 gm, 250 gm, 300 gm, 300 gm (long), 500 gm, 600 gm

PACKAGING: 150 gm (big), 400 gm, 700 gm, 800 gm, 800 gm (big), 1 Kg



<p>CRUSTLESS BREAD / ATTA CRUSTLESS BREAD</p> <p>PACKAGING: 300 GM, 600 GM</p>	
<p>WEAT BREAD</p> <ul style="list-style-type: none"> • Multigrain Bread • Atta Bread • Whole Wheat Bread • Brown Bread 	
<p>PACKAGING: 200 GM, 400 GM</p> <p>PAV & BUNS</p> <ul style="list-style-type: none"> • Bhaji Pav • Atta Bhaji Pav • Vada Pav <p>PACKAGING: 200 gm, 400 gm</p>	
<p>PIZZA BASE</p> <ul style="list-style-type: none"> • Pizza Base (Soft) • Pizza Base (Thin Crust) • Whole Wheat Pizza Base • Sweet Bun • Garlic Bread • Burger Bun • Kulcha 	

<p>RUSK</p> <ul style="list-style-type: none"> • Milk Rusk • Jeera Rusk • Atta Risk • FRUIT RUSK <p>PACKAGING: 200 gm, 400 gm</p>	
<p>KHARI</p> <ul style="list-style-type: none"> • Methi Khari • Special Khari • Masla Khari • Premium Khari <p>PACKAGING: 55 gm (Tray), 125 gm (Tray), 150 gm, 350 gm, 400 gm</p>	
<p>KAJU RUSK – PREMIUM PRODUCT</p> <p>PACKAGING: 200 gm, 500 gm</p>	
<p>CREAM ROLLS</p>	

<p>COOKIES</p> <ul style="list-style-type: none"> • Chocolate Almond Cookies • Royal Badam Cookies • KajuKatri Cookies • Jeera Cookies • Fruit Nankhatai Cookies • Bournvita Cookies • Dry Fruit Cookies • Jam Roll Cookies • Chocochips Cookies • Fruit Cookies • Farali Cookies • Walnut Brownie Cookies • Royal Badam Cookies 	
<p>CHOCOLATES</p>	

We also offer at our Outlets:

- Cakes
- Designer Cakes
- Muffins
- Tea Cakes
- Cup Cakes
- Pudding
- Mousses
- Fudge Bites
- Brownies
- Donuts
- Chocolate Bouquets
- Hampers & More

Our Company has participated in many food fest, which enhanced the brand popularities among the people as well as increase our reach to the direct customers. The list of the Participation in the Food Fest are as stated below:

Event Year	Particulars
2012	We have participated and presented our products / company in Khadya Khurak (Ahmedabad)
2016	We have Participated in Gulf Food (Dubai, UAE), This event has visitors from all over the world. It is the largest food event in the world.
2020	We have Participated in Ahmedabad Food Festival.

COVID-19

As we are under the manufacturing and supply of the food items like bread, rusk and khari, which fall under the essential products list issued by the Government of India during COVID- 19, hence, one portion of bread, rusk and khari of our business was not at all affected during lock down period.

OUR NEW VENTURE:

Our Company has just started new line of business by entering into the MOU for “Pizza Franchisee” on the name “Uncle Donald’s Pizza” in Ahmedabad Only. It’s a pizza restaurant mainly famous for serving unlimited variety of pizza’s along with salads, cold drinks & Ice Cream. For more than a decade, the concept of unlimited pizza was quite baffling, hence our company has decided to jump into the new venture, which is at a first sight quite promising for future expansion. Though the pizza is not an India food, yet it is definitely must desire food for the entire generation.

Currently we have 3 outlets as a Franchisee, which are also located at prime locations of Ahmedabad like, C. G. Road, S G Road and Vatva. It is a first time we are entering into restaurant business in the unlimited pizza and the response of the public is great so far. Each of our outlet has capacity to seat is around 100 people at a time. The good news is that Pizza has the lowest food cost than any other restaurant. “Stay focused on the classics and make them better than anyone else” is the motive of our Company. In addition to these, we are also supplying our products to the different cities of Gujarat and Rajasthan.

In “UNCLE DONALD’S PIZZA”, we offer more than 62 type of food items at one place at a very nominal rate of Rs. 239 for adult and Rs. 179 for Kids in Lunch and Rs. 289 for adult and Rs. 199 in dinner. We offer:

- 2 Types of Soups
- 22 Types of Cold Salad
- 15 Types of Hot Starters
- 3 Types of Cheese Premium Garlic Bread
- 4 Types of Pizza’s (7 Cheese Margherita Pizza, Cheese Blast Pizza, Puff Pizza, Thin Crust Italian Pizza)
- 5 Types of Desserts
- 2 Types of Cold Drinks Unlimited (Coke, Fanta)
- 2 Types of French Fries, Unlimited (Peri Peri- Plain Salted)
- 2 Types of Momos (Vegetable Momos, Cheese Paneer Momos)
- 2 Types of Nachos (Peri Peri, Cheesey)
- 2 Types pf Pasta

All our food items are Pure Veg only. Along with unlimited pizza lunch/dinner we also offer choice of pizzas in size of Reg. (7 Inch), Med (9 Inch) and Large (12 Inch). We also offer choice of Salads and Cold Drink with the different weight and price.

We have one more unlimited offer in which we offers Pizza along with South Inida, Punjabi, Farsan, chats, B.B.Qs, Sandwiches etc at a very nominal rate of Rs. 299 for adult and Rs. 199 for Kids in Lunch and Rs. 349 for adult and Rs. 249 in dinner.

Our Competitive Strength

Diversified Product Basket

Our company offers a diversified product basket consisting of cakes, chocolates, cupcakes, designer cakes, mousse, Breads, Dry Products and Pizza Restaurants. Further these products are available in different flavours and varieties. Our diverse product basket enables to effectively cater to evolving consumer trends. Further, as per customer convenience and needs, we offer such products in different weights and sizes as per customer needs. We are able to serve better our customers with such product basket, satiating their taste buds. This helps us build brand recognition and customer loyalty.

Quality of products

Being engaged in food and beverages industry, qualitative production is of prime importance to us. Since our products are used for human consumption, we have to ensure that the same is fit and meet the quality standards. Our Company has an efficient quality control department for raw material and final product analysis.

Brand Image

We believe that a strong brand reputation plays a key role in our industry. Brand image also drives customer preference for buying products. We have started commercial production in 2005 and within a short span of time have developed some brand recognition for our products with the different Brands like MOM's Toich, "LA NUTRINK, Bakish, Breadman etc. Our products are well known in the region of Ahmedabad, Gujarat. Our qualitative and customer demand satisfying products helps us to achieve brand recall among our consumers which strengthens our brand equity.

Dedicated Management Team

We have a dedicated management team comprising our promoters, directors and key managerial personnel. Our business is conducted under the supervision of our directors. In addition to our directors, we also have a core management team which assists the top-level management in identifying new opportunities and in implementation of the business strategies of our company. Our promoters and management team has helped developed our relation with vendors.

Distribution Network

Our Company operates its business using both the ways like having our own outlets and going for franchisee model as well, where we ensure our sustained quality of products and customer satisfaction as core object. We also have a dedicated sales and marketing team. Currently we have 7 Outlets in Ahmedabad in the name of BREADMAN and 3 Outlets of "Uncle Donald's Pizza". Our growing distribution network facilitates the efficient sale of our products in our targeted markets and promotes our brand visibility.

Our Business Strategy.

Geographical expansion

The Company at present is doing business in Ahmedabad, Gujarat only, we aim to expand our operations and widen our distribution network outside of Ahmedabad, Gujarat as well. Prior to expanding to new geographies or launching new products, we research and examine the market and demographic characteristics of the region to determine the demand of our products in that market.

Further, we seek to increase the penetration of our products in the markets in which we are currently present and widen the portfolio of our products available in those markets.

Enhancing our brand image:

Brand recognition plays an important role in foods and beverages industry. We believe that our brands are one of our key strengths and that our customers associate our brands with trusted and superior quality products. Customer loyalty for brands enhances the prospects of a company in our industry. Our brand "BREADMAN" is being well received in the market. We are highly conscious about our brand image and seek to further strengthen our brand by increasing its visibility through marketing initiatives, supplying qualitative products at competitive prices.

Developing the new product line:

We focus on research and development to distinguish ourselves from our competitors to enable us to introduce new products based on customer preferences and demand. Our company has wide product basket and strive to add new products that are essential or which are trending in the market.

Customer Satisfaction:

Our company is customer satisfaction-oriented company and always strives to maintain good relationship with the customers. Our company's marketing team approaches existing customers for their feedback and based on their feedback any changes in the products if their required are carried out. Our company provides quality products and effective follow-ups with customers which ensures that the customers are satisfied with the product and do not have any complain. Our company in return is rewarded by the customers with continuous orders.

Leveraging our marketing skills and initiatives:

Leveraging our marketing skills and relationship is a continuous process in our organization. Further, we aim to undertake some marketing initiatives as well to increase our brand visibility. We use various media channels to promote our brands including placing advertisements on newspapers, hoardings and on digital media.

SWOT Analysis:

Strength <ul style="list-style-type: none"> • More than two decades experience of the Promoter in the line of activity • Wide product basket • Excellent relations with customers. 	Weakness <ul style="list-style-type: none"> • Limited geographical area of Operations • Strong Competitors in the Market exist.
Opportunity <ul style="list-style-type: none"> • New generations food habits is the key success of our Business. • Develop new variety of products • New Pizza Venture is high in demand in new generation • Bakery industry is growing faster 	Threats <ul style="list-style-type: none"> • Competition from other players. • Change in government regulations.

PLANT, MACHINERY, TECHNOLOGY, PROCESS ETC.

The manufacturing unit is equipped with all required machineries to achieve the targeted production of various Products. List of the machinery required for manufacturing is as under:

SR. NO	MACHINERY	QTY
1	Flour Shifter	1
2	High Speed Mixer 30KG	1
3	Swing Tray Oven 32 Tray	1
4	Trolley Pusher	1
5	Air Washer	1
6	Spiral Mixer 90Kg	1
7	Water Measuring Tank	1
8	Moulder	1
9	High Speed Slicer	2
10	Crustless Machine	1
11	Rotary Oven - 2 Trolley	3
12	Water Chilling Plant	1
13	Slow Speed Mixer for Khari	1
14	Spiral Mixer 50Kg	1
15	Dough Sheeter	1
16	Slow Speed Scissor Mixer	2
17	RO Plant 1000 Ltr / Hour	1
18	Rusk Packing Machine	1
19	Deck Oven	2
20	Planetary Mixer 60 Ltr	1
21	Planetary Mixer 30 Ltr	1
22	Planetary Mixer 10 Ltr	1
23	Deep Freezer 400 Ltr	2
24	Refrigerator 1100 Ltr	2
25	DG Set 125 KVA	1
26	MICROWAVE 30L	1
27	Pastry Cabinet 4 Feet	8
28	Visicooler 400 Ltr	2
29	Uni Gas Diesel Burner Lo-280	1

30	Goods Lift/Elevator 1 Ton Capacity	1
31	Domino Conveyor	1

Collaborations, any Performance guarantee or assistance in marketing by the Collaborators

Our Company has not entered into any collaboration, or Performance guarantee or assistance for marketing with any Company.

INFRASTRUCTURE FACILITIES:

Location

Registered Office:

B-1222, 12TH Floor, Sun Westbank, Opp. City Gold Cinema, Ashram Road Ahmedabad - 380009.

Factory Office:

Shed no. 8/A & 8/B, Ground Floor & First Floor, Amrakunj Industrial Park, Plot No. 11, Naroda G.I.D.C.F. -3, Naroda, Ahmedabad.

“BREADMAN” Outlet:

Franchise Outlet 1: B-8, Jagatnagar, Vibhag -1, Thakker Nagar Road, Near Bapunagar, Tolnaka, Ahmedabad – 380024.

Franchise Outlet 2: A-6, Pine Crust, Godrej Garden City, Gota, Ahmedabad – 380 006

Franchise Outlet 3: 21, Ground Floor, Town Plaza, Nikol, Ahmedabad -382350

Franchise Outlet 4: Shop No. 13 & 13/1, Near Bank of Baroda, Char Rasta Maninagar, Maningar, Ahmedabad – 380 008.

Franchise Outlet 5: “Breadman”, Ground Floor, Next to Lakshmi Gathiyarath, Neharunagar, Ahmedabad- 380 015

Franchise Outlet 6: Shop No. 2, Mangalmurti Complex, opp. Nilkantha Plaza, Bhattha, Ahmedabad – 380 007.

Franchise Outlet 7: Gate No. 7, Opp. Naginavadi, Near Fish Aquarium, Kankariya Lake, Maninagar, Ahmedabad – 380 008.

Uncle Donald Pizza Outlets:

S. G. Highway Outlet: F/1/A, 1st Floor, Sapath-3, S.G. Highway, Ahmedabad.

S. G. Highway Banquet Hall: F/1/B, 1st Floor, Sapath-3, S.G. Highway, Ahmedabad.

C. G. Road Outlet: Unit No. 102, Setu Complex, Girish Coldrinks cross road, Nr. Samudra Building, Off C G Road, Navrangpura, Ahmedabad – 380 009.

Vatva: Shop No. 230 to 235, Second Floor, Aviraj Pinnacle, Opp. Karnavati -4, Near Divine Life School, Narol – Vatva Road, Vatva, Ahmedabad – 382440.

WATER:

Water supply requirement is being fulfilled through water supplied by our Municipal Corporation facility available in factory premises. As we are in Food and Beverages, our water requirement is also part of it, hence we have RO Plant with the capacity of 1000 l/h.

POWER:

Our factory has power connection from Uttar Gujarat Vij Company Limited (UGVCL). The Company has the enough power supply from the UGVCL to smoothly run the factory outlet.

HUMAN RESOURCES:

Human resource is an asset to any industry, sourcing and managing is very important task for the management. We believe that our employees are the key to the success of our service.

As on December 31, 2022, we have the total strength of permanent employees in various departments. The details of which is given below:

Sr. No.	Particulars	Employees
1)	Workers	25
2)	Marketing/Sales Staff	02
3)	Accounts Staff	02
4)	Chef	01
5)	Office Staff	04
	Total	36

We have not experienced any major strikes, work stoppages, labour disputes or actions by or with our employees and we have good and cordial relationship with our employees.

MARKETING AND DISTRIBUTION ARRANGEMENT:

We have establishment in the market more than 18 years and over the years developed excellent relationship with our clients and many industry players in Ahmedabad which would enable the company to tap the market.

We have team of dedicated Marketing Staff. We being a food and beverages industrialist, marketing is the key essential to introduce our products to the public. We have opted for the Social Media advertisement, Radio Advertisement, Hording Adds, Instagram Bolggs, News Paper adds etc. for our product marketing. On account of that, the products of the Company sale easily in the Market. The team is also verifying the reviews and understand the acceptance of our product in hand of our customers.

Our Company has always focused on meeting the requirement of our clients and providing them maximum support in terms of timely delivery. Our success lies in the strength of our relationship with our customers and suppliers who have been associated with our Company for a long period.

We plan our sales strategically well in advance. We are continuously involved in the market survey and closely monitor the industry and other economic factors which influence our sales. We maintain impending relationship with our customers which enable us to forecast the demand of the material. Our management team is continually involved in the market research about the development of new products which would enable the company to tap the market early.

COMPETITION

Food and beverages being a large and global industry, we face competition from various domestic and international players. The industry is largely unorganized and fragmented with many small and medium sized companies and entities. Most of our competitors in the regional level are from the unorganized sector of the food and beverages industry. We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way.

CAPACITY AND CAPACITY UTILISATION*

Processing Capacity	Upto November 30, 2022	2021-22	2020-21
BREAD & BUNS			
Installed Capacity (in KGs)	12000	12000	12000
Utilised Capacity (in KGs)	6750(Approx.)	5750(Approx.)	6000(Approx.)
Capacity Utilisation (in %)	56(Approx.)	48(Approx.)	50(Approx.)



OTHERS			
Installed Capacity (in KGs)	1000	1000	1000
Utilised Capacity (in KGs)	440(Approx.)	360(Approx.)	340(Approx.)
Capacity Utilisation (in %)	44	36	34

Note: *365 working days and on single shift basis the Installed capacity calculated per year. The installed Capacity is as per the certificate by the management.

the basis of certificate given by the Management as no record are available for verification of capacity utilisation.

INTELLECTUAL PROPERTY RIGHTS:

As on date of the Draft prospectus the below mentioned trademarks Registered on our Company name:

Sr. No.	Date of Registration	Trademark No.& Class	Mark	Validity
1.	30/09/2005	1388542 in Class 29	MOM'S TOUCH	Ten Years from 30/09/2015
2.	28/04/2018	2712901 in Class 32	LA-NUTRINK	Ten Years from the date of Application i.e. 04/04/2014
3.	02/09/2019	4112284 in Class 30		Ten Years from the date of Application i.e. 09/03/2019
4.	05/06/2022	4112285 in Class 30		Ten Years from the date of Application i.e. 09/03/2019
5.	02/09/2019	4112286 in Class 30	BAKISH	Ten Years from the date of Application i.e. 09/03/2019

List of Trademarks applied but not yet registered:

Sr. No.	Date of Application	Trademark No.& Class	Mark	Status
1.	18/11/2022	5689011 in Class 30		Codification
2.	18/11/2022	5689012 in Class 43		Codification

Details of Immovable Property:

The details of the Leased properties are given below:

Leased Property:

Particulars	Details
Name of the Parties	Sharma Sandeepbhai

(Licensor)	
Name of the Parties (Licensee)	Kelson Foods Private Limited
Description of Property	12 th Floor, Block B, Sun West Bank, City Survey No. 2498, 2499, 2500 and 2501, Final Plot No. 146 and 147, Town Planning Scheme No. 3, Sabarmati Taluka, Dis. Ahmedabad – 3.
Date of agreement	September 08, 2022
Duration of Agreement	01/10/2022 to 30/09/2025
Consideration Paid	₹ 36,500/- per month (without TDS & GST)
Deposit Amount	Rs. 73,000/-
Usage	Registered Office
Area (Approx)	399.41 sq. ft.

Particulars	Details
Name of the Parties (Licensor)	Axitaben Vipulkumar Patel
Name of the Parties (Licensee)	Kelson Foods Private Limited
Description of Property	Shed no. 8/A, Groud Floor & first Floor, Amrakunj Industrial Park, Plot No. 11, Naroda G.I.D.C.F. -3, Naroda, Ahmedabad.
Date of agreement	January 13, 2023
Duration of Agreement	11 Months & 29 Days from 01/07/2022
Consideration Paid	₹ 86,440/- per month
Deposit Amount	Rs. 1,02,000/-
Usage	Factory
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	Parshotam Baldevbhai Patel
Name of the Parties (Licensee)	Kelson Foods Private Limited
Description of Property	Shed no. 8/B, Groud Floor & First Floor, Amrakunj Industrial Park, Plot No. 11, Naroda G.I.D.C.F. -3, Naroda, Ahmedabad.
Date of agreement	October 21, 2022
Duration of Agreement	11 Months & 29 Days from 01/07/2022
Consideration Paid	₹ 86,440/- per month
Deposit Amount	Rs. 2,04,000/-
Usage	Factory
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	Kiran Jethabhai Keswani
Name of the Parties (Licensee)	Kelson Foods Private Limited
Description of Property	Unit No. 102, Setu Complex, Girish Coldrinks cross road, Nr. Samudra Building, Off C G Road, Navrangpura, Ahmedabad – 380 009.
Date of agreement	December 29, 2022
Duration of Agreement	01/10/2022 to 29/09/2023
Consideration Paid	₹ 2,32,764/- per month
Deposit Amount	Rs. 5,00,000/-
Usage	Restaurant
Area (Approx)	-

Particulars	Details
Name of the Parties (Licensor)	Abha V Jain
Name of the Parties (Licensee)	Kelson Foods Private Limited
Description of Property	F/1/A, 1 st Floor, Sapath-3, Final Plot No. 359 and 360 of Bodakdev Town Planning Scheme, No. 1/B, S.G. Highway, Ahmedabad – 3 (Memnagar).
Date of agreement	December 12, 2022
Duration of Agreement	01/10/2022 to 30/09/2023
Consideration Paid	₹ 1,80,000 /- per month (without TDS & GST)
Deposit Amount	Rs. 3,60,000/-
Usage	Restaurant
Area (Approx)	3258.5 Sq. Ft.

Particulars	Details
Name of the Parties (Licensor)	Divya D Jain
Name of the Parties (Licensee)	Kelson Foods Private Limited
Description of Property	F/1/B, 1 st Floor, Sapath-3, Final Plot No. 359 and 360 of Bodakdev Town Planning Scheme, No. 1/B, S.G. Highway, Ahmedabad – 3 (Memnagar).
Date of agreement	December 07, 2022
Duration of Agreement	11 Months & 29 Days from 01/10/2022
Consideration Paid	₹ 1,15,000 /- per month (without TDS & GST)
Deposit Amount	Rs. 2,30,000/-
Usage	Restaurant cum Banquet Hall
Area (Approx)	3258.5 Sq. Ft.

Particulars	Details
Name of the Parties (Licensor)	Vertual Building Developers
Name of the Parties (Licensee)	Kelson Foods Private Limited
Description of Property	Shop No. 230 to 235, Second Floor, Aviraj Pinnacle, Opp. Karnavati -4, Near Divine Life School, Narol – Vatva Road, Vatva, Ahmedabad – 382440.
Date of agreement	December 21, 2022
Duration of Agreement	60 Months from 01/11/2022
Consideration Paid	₹ 10,000 /- per month (including GST)
Deposit Amount	Nil
Usage	Restaurant
Area (Approx)	1975 Sq. Ft.

Insurance

Particulars	Details
Name of the Insurance Company	The New India Assurance Co. LTD.*
Name of Insured	KELSON FOODS PRIVATE LIMITED
Policy No	21040511228000000020
Type of Policy	Building, Contents & Stocks
Validity Period	25/06/2022 to 24/06/2023
Premium Paid (Rs)	Rs. 22,192 /-
Sum Insured	Rs. 1,90,00,000/-

Insured Address	Plote No 11/8 A Amrakunj, Industrial, Ahmedabad - 380001
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Vehicle Insurance List:

Sr. No.	Policy No.	Policy Details	Expiry Date	Name of the Insurance Company	Sum Assured Amount (in Rs.)	Premium Paid (Rs)
1.	0162932576 01 00*	Auto Secure Commercial Vehicle Package Policy GJ 01 TF 3148 BAJAJ MAXIMA C STD(CNG)	03/03/2024	Tata AIG General Insurance Company LTD.	1,62,000	5,994
2.	6300386026 00 00**	Auto Secure Commercial Vehicle Package Policy GJ - 01 - HT - 6199 Maruti Suzuki - Super Carry	24/03/2024 #	Tata AIG General Insurance Company Limited	2,83,500	23,968
3.	3379/03437304/000/00*	Commercial Vehicle Certificate Of Insurance GJ01JT2701 EICHER Pro2059 CNG E CBC BSVI	02/03/2024	Cholamandalam MS General Insurance Company Ltd.	10,50,000	35,093
4.	63003095150000*	Auto Secure - Commercial Vehicle Package Policy - Goods Carrying Vehicle (A1 GCV Public carriers other than 3 wheelers) GJ01JT0240 Maruti Suzuki/Super Carry & STD CNG/OPE N/PICK UP VAN	29/02/2024	Tata AIG General Insurance Company Limited	3,60,000	19,662
5.	0162907001 00 00*	Auto Secure Commercial Vehicle Package Policy GJ 01 TF 4199 BAJAJ MAXIMA C STD (CNG)	03/03/2024	Tata AIG General Insurance Company LTD.	1,80,000	5,992
6.	0163671430 00 00*	Auto Secure Commercial Vehicle Package Policy GJ 01 JT 4412 MARUTI SUPER CARRY CNG	22/09/2023	Tata AIG General Insurance Company LTD.	6,00,000	26,136
7.	0163671745 00 00*	Auto Secure Commercial	22/09/2023	Tata AIG General	6,00,000	26,136

		Vehicle Package Policy GJ 01 JT 4453 MARUTI SUPER CARRY CNG		Insurance Company LTD.		
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*Note: All the above Policies are on the name of the "Kelson Foods Private Limited". The Company is in process to change the name in the Policies from Private Limited to Limited.

** The policy is on name of Swami Shantiprakash Agro Private Limited.

The policy has taken on March 23, 2023, but the same is effective from 17:12 Hours on March 25, 2023.

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft Prospectus, the Companies Act, 2013, we are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. Taxation statutes such as the Income Tax Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page 156 of this Draft Prospectus.

The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designated nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Central and the State laws, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

APPLICABLE LAWS AND REGULATIONS

• BUSINESS/TRADE RELATED LAWS/REGULATIONS

The Micro, Small and Medium Enterprises Development Act, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951;

The Central Government has issued its notification numbering 1702(E) dated June 1, 2020 amended the definition of MSME which has come into effect from July 1, 2020.

The revised definition is as under:

- i. a micro enterprise, where the investment in Plant and Machinery or Equipment does not exceed one Crore rupees and turnover does not exceed five Crore rupees;
- ii. a small enterprise, where the investment in Plant and Machinery or Equipment does not exceed ten Crore rupees and turnover does not exceed fifty Crore rupees; and
- iii. a medium enterprise, where the investment in Plant and Machinery or Equipment does not exceed fifty Crore rupees and turnover does not exceed two hundred and fifty Crore rupees.

The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council (“Council”). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

The Factories Act, 1948 (“Factories Act”)

The Factories Act, a central legislation, extends to the whole of India. It is the principal legislation that governs the health, safety and welfare of factory workers. Under the Factories Act each state is empowered to issue its own rules for licensing and administering factories situated in such states (“Factories Rules”). Under the Factories Rules, prior to commencing any manufacturing process, a person needs to obtain a license to register

such factory. Separate license needs to be obtained in respect of each premise where a factory is set up or proposed to be set up. The Factories Act defines a factory to cover any premises which employs 10 (ten) or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 (twenty) workers without the aid of power. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is prohibition on employing children below the age of 14 (fourteen) years in a factory.

The Food Safety and Standards Act, 2006 (“FSS Act”)

The FSS Act was enacted on August 23, 2006 with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India (“FSSAI”), for laying down science-based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto. The FSS Act, among other things, also sets out requirements for licensing and registration of food businesses, general principles of food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by Food Safety Appellate Tribunal. For enforcement, under the FSS Act the ‘commissioner of food safety’, ‘food safety officer’ and ‘food analyst’ have been granted with detailed powers of seizure, sampling, taking extracts and analysis. Penalties are levied for various defaults such as for selling food not of the nature or substance or quality demanded, sub-standard food, misbranded food, misleading advertisement, food containing extraneous matter, for failure to comply with the directions of Food Safety officer, for unhygienic or unsanitary processing or manufacturing of food, for possessing adulterant. Apart from the penalties, there are punishments prescribed for selling, storing, distributing or importing unsafe food, for interfering with seized items, for providing false information, for obstructing or impersonating a Food Safety officer, for carrying out a business without a license and for other subsequent offences. The FSS Act also contains the provision for offences by the companies. Further, the Food Safety and Standards Rules, 2011 (“FSSR”) which have been operative since August 5, 2011, provide, among other things, the qualifications mandatory for the posts of the ‘commissioner of food safety’, ‘food safety officer’ and ‘food analyst’, and the procedure for taking extracts of documents, sampling and analysis.

Legal Metrology Act, 2009 (“Legal Metrology Act”)

The Legal Metrology Act came into effect on April 1, 2011 and has replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto.

The Legal Metrology Act provides that no person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a licence issued by the controller. The Legal Metrology Act contains provisions for verification of prescribed weight or measure by Government approved test center. Qualifications are prescribed for legal metrology officers appointed by the Central Government or State Government. It also provides for exemption regulations of weight or measure norms for goods manufactured exclusively for export. Fee is levied under the Legal Metrology Act for various services. A director may be nominated by a company who is responsible for complying with the provisions of the enactment. There is penalty for offences and provision for compounding of offences under the Legal Metrology Act. Further, it provides for appeal against the decision of various authorities and empowers the Central Government to make rules for enforcing the provisions of the enactment.

Consumer Protection Act, 2019 (“COPRA, 2019”)

COPRA, 2019 came into force on August 9, 2019, replacing the Consumer Protection Act, 1986. It has been enacted with an intent to protect the interests of consumers and to establish competent authorities in order to timely and effectively administer and settle consumer disputes. COPRA, 2019 provides for establishment of a Central Consumer Protection Authority to regulate, among other things, matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers. In order to address the consumer disputes’ redressal mechanism, it provides a mechanism (three tier consumer redressal mechanism at national, state and district levels) for the consumers to file a complaint against a trader or service provider. COPRA, 2019 provides for penalty for, among others, manufacturing for sale or storing, selling or distributing or importing products containing adulterants and for

publishing false or misleading advertisements. The scope of the punitive restraint measures employed by the act include both – monetary penalties for amounts as high as ₹ 5.00 million to imprisonment which may extend to life sentences, for distinct offences under the act.

• LAW RELATED TO RELEVANT STATE

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exists, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments act, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

The Gujarat State Tax on Professions, Traders, Callings and Employments Rules, 1976

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of Gujarat promulgated this law to structure and formulate the respective professional tax criteria and to collect funds through professional tax. The professional tax is charged on the income of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under this Act (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

Pursuant to Notification No. (GHN-10) PFT-2008-S.3(2)(3)-TH, issued by the Finance Department of Sachivalaya, Gandhinagar, dated 01.04.2008, the Government of Gujarat have specified the rates in column 3, 4 and 5 of the schedules of the Act, as minimum rates which shall be levied by the respective Designated Authorities for the class of person specified in column 2 of schedule of the Act.

The Registration Act, 1908

Registration Act was introduced to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud. Registration lends inviolability and importance to certain classes of documents.

The Indian Stamp Act, 1899

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary

or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

• ANTI-TRUST LAWS

Competition Act, 2002

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to ₹ 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

• GENERAL CORPORATE COMPLIANCE

The Companies Act, 2013

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

The Arbitration and Conciliation Act, 1996

The purpose of the 1996 Act is to amend and unify domestic arbitration and international commercial arbitration and enforce foreign arbitral awards. The law was also amended in 2015 and 2019 to reduce court involvement in the arbitration. Section 89 of the Civil Procedure Code focuses on the importance of arbitration.

• TAX RELATED LEGISLATIONS

Income Tax Act, 1961 ("IT Act")

The IT Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or rules made thereunder depending upon its "Residential Status" and "Type of Income" involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with

the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such company is also required to file its returns by September 30 of each assessment year.

Goods and Service Tax (GST)

Gujarat Goods and Services Tax Act, 2017
Central Goods and Services Tax Act, 2017
The Integrated Goods and Services Tax Act, 2017

Goods and Services Tax (GST) is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST shall be levied as Dual GST separately but concurrently by the Union (central tax - CGST) and the States (including Union Territories with legislatures) (State tax - SGST) / Union territories without legislatures (Union territory tax- UTGST). The Parliament would have exclusive power to levy GST. (Integrated tax - IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. Besides, some goods and services would be under the list of exempt items.

• INTELLECTUAL PROPERTY LEGISLATIONS

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- Indian Patents Act, 1970
- The Copyright Act, 1957
- The Trade Marks Act, 1999
- Design Act, 2000

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trade Marks Act, 1999

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

Designs Act, 2000

The Design Act, 2000 came into force in May 2001 to consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms. In order to register a design, it must be new and original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registerable. A registered design is valid for a period of 10 years after which can be renewed for a second period of 5 years, before the expiration of the original period of 10 years. After such period the design is made available to the public by placing it in the public domain.

FOREIGN INVESTMENT RELATED LAWS AND REGULATIONS

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999 (FEMA) read with the applicable FEM Rules. FEMA replaced the erstwhile Foreign Exchange Regulation Act, 1973. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the government approval route, depending upon the sector in which foreign investment is sought to be made. The DIPP (now DPIIT) makes policy pronouncements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEM Rules. In case of any conflict, the FEM Rules prevail. Therefore, the regulatory framework, over a period of time consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DIPP (now DPIIT) issued the FDI Policy which consolidates the policy framework on FDI issued by DIPP (now DPIIT), in force on August 28, 2017 and reflects the FDI policy as on August 28, 2017. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP (now DPIIT). As per the FDI Policy, FDI up to 100% is permitted in wholesale trading under automatic route and up to 51% is permitted in multi brand retail trading under the government route subject to certain conditions prescribed under FDI policy. As per the Press Note No. 3 of 2020 dated April 17, 2020 issued by the DIPP, has amended the FDI Policy to include restrictions on entities belonging to 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, where they can invest only under the Government route. Further, a citizen of Pakistan or an entity incorporated in Pakistan can invest, only under the Government route, in sectors/activities other than defence, space, atomic energy and sectors/activities prohibited for foreign investment.

The Foreign Exchange Management Act, 1999

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (*FEMA*) and the rules, regulations and notifications thereunder, as issued by the Reserve Bank of India from time to time. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 by Notification No. FEMA. 395/2019-RB dated October 17, 2019 (*FEMA Rules*) to prohibit, restrict, or regulate transfer by or issue security to a person resident outside India. As laid down by the FEMA Rules, no prior consents and approvals are required from the RBI for Foreign Direct Investment (FDI) 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 RBI. At present, the FDI Policy does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route.

The Foreign Trade (Development and Regulation) Act, 1992 and the Rules framed thereunder

The Foreign Trade (Regulation and Development) Act, 1992 (FTA), and the rules framed thereunder, is the main legislation concerning foreign trade in India. The FTA read along with Foreign Trade (Regulation) Rules, 1993 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 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 authorised 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 authorised to appoint a Director General of Foreign Trade ‘for the purpose of the Act, including formulation and implementation of the Export-Import Policy.

The FTA prohibits anybody from undertaking any import or export under an Importer-Exporter Code member (IEC) granted by the Director General of Foreign Trade pursuant to Section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority, then from degradation of the resource.

- **GENERAL LAWS**

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, The Indian Contract Act, 1872 are also applicable to the company.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as “Swami Shantiprakash Agro Private Limited” under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated December 23, 2003 bearing Corporate Identification Number U15136GJ2003PTC043382 issued by the Registrar of Companies, Gujarat, Dadra, Subsequently, the name of our company has changed from “Swami Shantiprakash Agro Private Limited” to “Kelwin Food Industries Private Limited” vide Fresh Certificate of Incorporation dated August 09, 2018, Subsequently, the name of our company has changed from “Kelwin food industries Private Limited” to “Kelson Foods Private Limited” vide Fresh Certificate of Incorporation dated January 02, 2019 Further, our Company was converted in to a public limited Company pursuant to a special resolution passed by our shareholders at the EGM held on January 05, 2023 and consequently the name of our Company was changed to “Kelson Foods Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated March 15, 2023. The CIN of the Company is U51909GJ2016PLC085610. For further details, please refer the chapter titled “History and Certain Corporate Matters” beginning on page 88 of this Draft Prospectus.

Business and Management

For a description of our activities, services, technology, the growth of our Company and regional geographical segment in which our Company operates, please refer to chapters titled “Business Overview”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 67, 59, and 143 of this Draft Prospectus, respectively. For details of the management and managerial competence of our Company, please refer chapter titled “Our Management” on page 91 of this Draft Prospectus.

Changes in Registered Office

Sr. No.	Registered Office		With Effect From	Reason for Change
	Shifted From	Shifted To		
1.	Plot No 8/9 Mahagujarat, Ind Estate, Moraiya, Ahmedabad - 382213, Gujarat, India	Plot No. 8A, Amarkunj Industrial Park, Phase-3, Naroda GIDC, Naroda, Ahmedabad- 382405, Gujarat, India	December 17, 2018	For Administrative convenience
2.	Plot No. 8A, Amarkunj Industrial Park, Phase-3, Naroda GIDC, Naroda, Ahmedabad- 382405, Gujarat, India.	B-1222, 12 th Floor, Sun Westbank, Opp City Gold Cinema, Ashram Road, Ahmedabad- 380009, Gujarat, India	September 08, 2022	For Administrative convenience

Main Objects as set out in the Memorandum of Association of the Company

The Main object clause of the Company as per Memorandum of Association is as under:

To carry on in India or elsewhere the business to manufacture, produce, process, prepare, disinfect, fermentate, compound, mix, clean, wash, concentrate, segregate, pack, repack, add, remove, heat, grade, preserve, freeze, improve, extract, refine, buy, sell, resale, import, export, barter, transport, store, forward, distribute, dispose, develop, handle, supply and to act as agent, broker, representative, consultant, franchiser, franchisee, collaborator, adatia, stockiest, export house, job worker, or otherwise to deal in all types, descriptions, tastes, uses and packs of all types of pulses, flour, agro product, fodder and foods, cattle feeds and foods, poultry foods, agro foods, mixed feed foods, farm products, vitamins and protein, fertilisers, insecticides, pesticides, their byproducts, ingredients, derivatives, residues, consumer food items, vegetable oils, deoiled cakes, pickles, spices, including foods and vegetables, packed foods, powders, pastes, liquids, drinks, beverages, dairy products, breakfast foods, stained baby foods, instant foods and all other items whether natural, artificial or synthetic.

Amendments to the Memorandum of Association

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

- **Name Clause**

Sr. No.	Date of Name Change	Particulars
1.	August 09, 2018	The name of our company has changed from “Swami Shantiprakash Agro Private Limited” to “Kelwin Food Industries Private Limited”.
2.	January 18, 2019	The name of our company has changed from “Kelwin Food Industries Private Limited” to “Kelson Foods Private Limited”.
3.	March 15, 2023	Consequent to conversion from Private Limited Company to Public Limited Company, Name of the Company was changed from “Kelson Foods Private Limited” to “Kelson Foods Limited”.

• **Authorized Capital**

Sr. No.	Date of Passing of Resolution	Type of Meeting	Particulars
1.	February 03, 2005	Extra Ordinary General Meeting	The authorized share capital of ₹ 5,00,000/- (Rupees Five Lakh only) consisting of 50,000 (Fifty Thousand) Equity shares of ₹10/- each was increased to ₹25,00,000/- (Rupees Twenty-Five Lakh Only) consisting of 2,50,000 (Two Lakh Fifty thousand) Equity shares of ₹10/- each
2.	March 15, 2005	Extra Ordinary General Meeting	The authorized share capital of ₹25,00,000/- (Rupees Twenty-Five Lakh Only) consisting of 2,50,000 (Two Lakh Fifty Thousand) Equity shares of ₹10/- each was increased to 30,00,000/- (Rupees Thirty Lakh only) consisting of 3,00,000 (Three lakh) Equity shares of ₹10/- each
3.	No record Found*	Extra Ordinary General Meeting	The authorized share capital of ₹ 30,00,000/- (Rupees Thirty Lakh only) consisting of 3,00,000 (Three lakh) Equity shares of ₹10/- each was increased to ₹ 35,00,000 /- (Rupees Thirty-Five Lakh Only) consisting of 3,50,000 (Three Lakh Fifty thousand) Equity shares of ₹10/- each
4.	March 06, 2021	Extra Ordinary General Meeting	The authorized share capital of ₹ 35,00,000/- (Rupees Thirty-Five Lakh only) consisting of 3,50,000 (Three Lakh Fifty thousand) Equity shares of ₹10/- each was increased to ₹45,00,000 /- (Rupees Forty-Five Lakh Only) consisting of 4,50,000 (Four Lakh Fifty thousand) Equity shares of ₹10/- each
5.	October 14, 2022	Extra Ordinary General Meeting	The authorized share capital of ₹ 45,00,000/- (Rupees Forty-Five Lakh only) consisting of 4,50,000 (Four Lakh Fifty thousand) Equity shares of ₹10/- each was increased to ₹ 12,50,00,000 /- (Rupees Twelve Crore Fifty-Five Lakh Only) consisting of 1,25,00,000 (One Crore Twenty-Five Lakh) Equity shares of ₹10/- each

*Necessary forms and other documents for the Increase in Authorised Capital were not provided by the Company for verification. No any specific document found in physical search with the RoC as well.

MAJOR EVENTS, KEY AWARDS, ACCREDITATIONS OR RECOGNITION OF OUR COMPANY

There no major events in the company since its incorporation other stated here below.

SR No	Event Year	Particulars
1.	2012	We have participated and presented our products / company in Khadya Khurak (Ahmedabad)
2.	2016	We have Participated in Gulf Food (Dubai, UAE), This event has visitors from all over the world. It is the largest food event in the world.
3.	2020	We have Participated in Ahmedabad Food Festival.

Acquisition or divestments of business/undertakings, mergers and amalgamations

Our Company neither acquired any entity, business or undertakings nor has undertaken any mergers or amalgamation since Incorporation.

Strategic Partners

Our Company is not having any strategic partner as on the date of filing this Draft Prospectus.

Financial Partners

Our Company is not having any financial partner as on the date of filing this Draft Prospectus.

Time and Cost Overruns

As on the date of this Draft Prospectus, there have been no time and cost overruns pertaining to our business operations.

Launch of key products or services, Capacity and Capacity Utilisation, entry in new geographies or exit from existing markets

For details pertaining to our services, capacity and capacity utilisation, entry in new geographies or exit from existing markets, please refer chapter titled “Business Overview” on page 67 of this Draft Prospectus.

Injunctions or Restraining Orders

As on the date of this Draft Prospectus, there are no injunctions or restraining orders against our Company.

Changes in the activities of our Company in the last Five years

Since incorporation of our Company, we were into food and beverages industry. Today with our existing business, we have started new line of business by entering into MoU for “Pizza Restaurant”. Except as stated, there is no change in activity of our Company since incorporation.

Defaults or rescheduling of borrowings of our Company with Financial Institutions/Banks

There have been no defaults or rescheduling of borrowings or conversion of loans into equity with any financial institutions/banks in relation to our Company as on the date of this Draft Prospectus.

Revaluation of assets

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares by capitalizing any revaluation reserves.

Subsidiaries and Holding Company

Our Company neither has a holding company nor has any subsidiary company as on the date of this Draft Prospectus.

Joint Ventures

Our Company has not entered into any joint-ventures as on the date of this Draft Prospectus.

Shareholders’ Agreements

Our Company has not entered into any shareholders agreement as on the date of this Draft Prospectus.

Other Agreements

Our Company has entered into memorandum of understanding with Sayyed Babar Hussain for the new line of business of Pizza Restaurant on the name of “UNCLE DONALD’S PIZZA”. Other than the said MoU our Company has not entered into any agreements other than those entered into in the ordinary course of business with Key Managerial Personnel or Directors or Promoters or any other employee of the issuer, either by themselves or on behalf of any other person and there are no material agreements before the date of this Draft Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

The Following table sets forth details regarding the Board of Directors as of the date of this Draft Prospectus:

Name, Father's Name, Address, Date of Birth, Age, Designation, Status, DIN, Occupation and Nationality	Other Directorships
<p>Name: Kishan Tekchandani Father's Name: Lachhmandas Tekchandani Address: C801, Lilamani River Valley One, Near Brahma, Kumari Lotus House, Hansol, Ahmedabad – 382475, Gujarat, India. Date of Birth: May 05, 1984 Age: 38 Years Designation: Chairman and Managing Director Status: Executive Director DIN: 01869914 Occupation: Business Nationality: Indian Term: Five (5) years commencing from January 01, 2023 to January 01, 2028 Original Date of Appointment: December 23, 2003 as Executive Director of the company</p>	-
<p>Name: Raina Tekchandani Father's Name: Nandlal Kesomal Sejawani Address: C801, Lilamani River Valley One, Near Brahma, Kumari Lotus House, Hansol, Ahmedabad – 382475, Gujarat, India. Date of Birth: December 22, 1982 Age: 40 Years Designation: Director Status: Executive & Non Independent Director DIN: 07920223 Occupation: Business Nationality: Indian Term: Retire by Rotation Original Date of Appointment: August 28, 2017 as Executive Director of the company</p>	-
<p>Name: Omprakash Tekchandani Father's Name: Lachhmandas Tekchandani Address: 38, Floris Sky City, Shela. Shanand, Ahmedabad – 380058, Gujarat, India. Date of Birth: February 21, 1972 Age: 50 Years Designation: Director Status: Non-Executive Director DIN: 01869940 Occupation: Business Nationality: India Term: Retire by Rotation Original Date of Appointment: January 02, 2023 as Non-Executive Independent Director</p>	-
<p>Name: Nevil Soni Father's Name: Prameshkumar Soni Address: 2nd Floor, 14th Jay Gayatri Society, Opp Umasut Flat, Vasna, Ahmedabad – 380007, Gujarat, India. Date of Birth: January 02, 1992 Age: 31 Years Designation: Independent Director Status: Non-Executive Director DIN: 08206415 Occupation: Professional</p>	<p>1. Bhatia Colour Chem Limited 2. Prospect Commodities Limited</p>

Nationality: India Term: Five (5) years w.e.f. January 01, 2023 Original Date of Appointment: January 01, 2023 as Non-Executive Independent Director	
Name: Divya Shah Father's Name: Shaileshbhai Shah Address: 2, Adishver Flat, Near Jain Derasar, Zaveri Park, Naranpura, Ahmedabad – 380013, Gujarat, India. Date of Birth: December 28, 1995 Age: 27 Years Designation: Independent Director Status: Non-Executive Director DIN: 09842159 Occupation: Professional Nationality: India Term: Five (5) years w.e.f. January 01, 2023 Original Date of Appointment: January 01, 2023 as Non-Executive Independent Director	1. Prospect Commodities Limited

Confirmations

As on date of this Draft Prospectus

- A. None of the Directors are/ were directors of any company whose shares were suspended from trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years.
- B. None of the Directors are on the RBI List of willful defaulters.
- C. None of the Directors are/ were directors of any listed entity whose shares were delisted from any Stock Exchange(s).
- D. Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.
- E. None of the Directors are fugitive economic offender.

Family Relationship between the Directors

Except as stated below, None of the Directors of our Company are related to each other as per section 2(77) of the Companies Act, 2013.

Raina Tekchandani, Promoter & Director is the wife of Kishan Tekchandani, Promoter & Managing Director of the company.

Omprakash Tekchandani, Non-Executive Director is the brother of Kishan Tekchandani, Promoter & Managing Director of the company.

Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a director or member of a senior management as on the date of this Draft Prospectus.

Service Contracts

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel are entitled to any benefits upon termination of employment.

Borrowing Powers of the Board

The Articles, subject to the provisions of Section 180(1)(c) of the Act authorizes the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders have, pursuant to a special resolution passed at the Extra-ordinary General Meeting held on March 21, 2023, in accordance with Section 180(1)(c) of the Act authorized the Board to borrow monies from time to time, such sums of money even though the money so borrowed together with money already borrowed exceeds the aggregate of the paid-up capital and free reserves of the Company provided, however, that the total borrowing (apart from the temporary loans taken from the company's bankers) shall not exceed ₹50.00 Crores.

Brief Profiles of Our Directors

Kishan Tekchandani aged 38 years, is Promoter, Chairman and Managing Director of our Company. He has completed Second year in Bachelor of Commerce from Gujarat University. He is actively engaged in managing the company since incorporation. He has more than 17 years of experience in food industry. He is instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company.

Raina Tekchandani aged 40 years, is Promoter & Director of our company. She holds a degree of Bachelors of computer Application from University of Rajasthan. She has more than 10 years of experience in food industry. She is entrusted with the responsibility to look after the Manufacturing, Operations and Administrative part of our Company.

Omprakash Tekchandani aged 50 years, is Non Executive Director of our Company. He has experience in the field of food industry since last 30 years. He is Expert in food storage and management department. He is also a wholesaler of Vegetables and has knowledge of Preservation and maintenance of Food Products.

Nevil Soni aged 31 years, is an Independent Director of Our Company. He has completed his professional Degree of Certified Public Accountant (CPA), USA. He holds bachelor degree in commerce from the Gujarat University. He has started his career in the Audit, Accounts and Taxation of Indian entities with the Practicing Chartered Firm. He is having 10 years of experience in the Finance Field. After completion of his CPA, USA, he got the experience to work with the global organisations and industries. Currently, he is serving as an Audit and Assurance Manager in the global outsource accounting company (CPA Firm). In his services, he is managing all stages of finance audits, review and compilation engagements.

Divya Shah aged 27 years, is an Independent director of our company. He has completed Mechanical Engineering from Indrashil University in 2017. He has more than 05 years of experience in various field such as, Design Engineering, Offshore Recruitment, Web Designing and Development and Trading. He uses his technical knowledge, mathematical expertise and design skills to create innovative solutions.

Compensation of Managing Directors

Terms and conditions of employment of our Managing Director:

Kishan Tekchandani has been appointed as Managing Director of our Company in the Extra-Ordinary General Meeting of the company held on March 21, 2023 for a period of Five (5) years commencing from January 01, 2023.

The remuneration payable is as follows:

Name	Kishan Tekchandani
Date of Agreement	March 21, 2023
Period	Five (5) years commencing from January 01, 2023
Salary	₹ 2,50,000/- per month
Remuneration paid in FY 2021-22	₹9.00 lakhs

Payment or benefit to Independent Directors of our Company

We have not paid any sitting fees to our Independent Directors till the date of this Draft Prospectus.

Shareholding of Directors in our Company

The details of the shareholding of our Directors as on the date of this Draft Prospectus are as follows:

Sr. No.	Name of the Directors	No. of Equity Shares	Percentage of Pre-Issue Capital
1.	Kishan Tekchandani	22,19,000	29.91
2.	Raina Tekchandani	52,00,950	70.09
3.	Omprakash Tekchandani	10	0.00
Total		74,19,960	100.00

Interests of our Directors

Our all Independent Directors 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 are interested to the extent of remuneration payable to them pursuant to the Articles of Company and resolution approved by the Board of Directors/Members of the Company as the case may be, time to time for the services rendered as an Officer or employee of the Company.

The Directors are also members of the Company and are 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 “*Our Management - Shareholding of Directors in our Company*” beginning on page 91 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

Except as stated in the chapter “Business Overview” on page 67 of this Draft Prospectus and in the chapter “Restated Financial Statement” on page 104 none of our Directors have any interest in the property proposed to be acquired by our Company

Except as disclosed in the section titled in “Restated Financial Statements” on page 104, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

For details with respect to loan to directors, please refer to chapter titled “Restated Financial Statement” on page 104 of this Draft Prospectus.

Payment of benefits (non-salary related)

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Prospectus or is intended to be paid or given to any of our Directors except the remuneration for services rendered.

Bonus or profit-sharing plan for the Directors

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

Changes in our Company’s Board of Directors during the last three (3) years

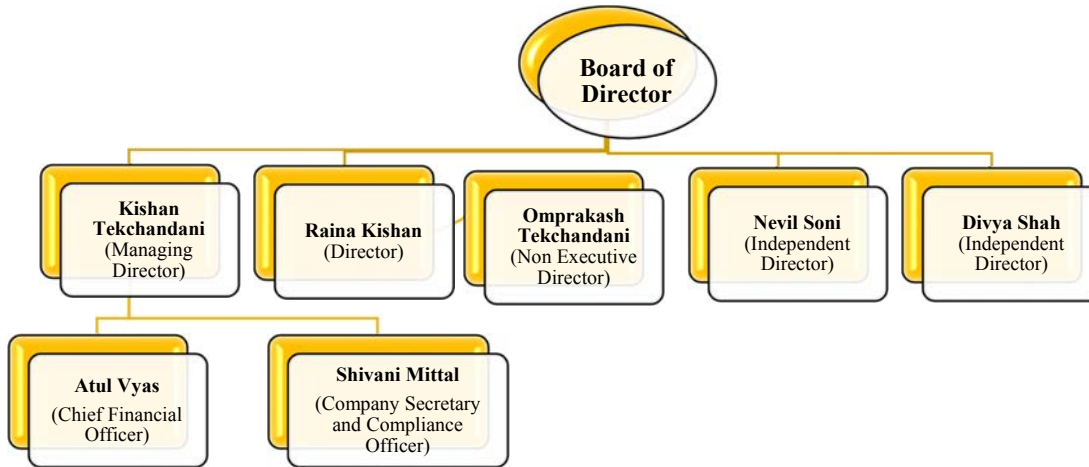
Following are the changes in the Board of Directors during the last three (3) years

Name of Directors	Date of Appointment	Nature of change	Date of Change in Designation / Cessation	Reasons for changes in the Board
Harish Lachhmandas Tekchandani	-	Cessation	February 02, 2019	Resigned as a Director

Name of Directors	Date of Appointment	Nature of change	Date of Change in Designation / Cessation	Reasons for changes in the Board
Kishan Tekchandani	December 23, 2003	Change in Designation	January 01, 2023 & March 21, 2023	Appointed as a Managing Director from the Designation of Executive Director
Omprakash Tekchandani	January 02, 2023	Appointment	March 21, 2023	Appointment as an additional Non-Executive Non Independent Director and Regularized on March 21, 2023
Nevil Soni	January 01, 2023	Appointment	March 21, 2023	Appointment as Independent Director Regularized on March 21, 2023
Divya Jain	January 01, 2023	Appointment	March 21, 2023	Appointment as Independent Director Regularized on March 21, 2023

Management Organization Structure

The following chart depicts our Management Organization Structure



COMPLIANCE WITH CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013, with respect to the Corporate Governance, provisions of the SEBI Listing Regulations except Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and Para C, D, and E of Schedule will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges.

Constitutions of Committees

Our Company has constituted the following committees:

1. Audit Committee

Our Company has formed the Audit Committee vide resolution passed in the meeting of Board of Directors held on March 21, 2023 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read

with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). The Audit Committee comprises following members.

Name	Designation	Status in Committee
Nevil Soni	Independent Director	Chairman
Divya Shah	Independent Director	Member
Kishan Tekchandani	Managing Director	Member

The Company Secretary of our Company shall act as a Secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements. The scope and function of the Audit Committee and its terms of reference shall include the following:

Terms of reference:

Role of Audit Committee

The scope of audit committee shall include, but shall not be restricted to, the following:

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;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;

18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. 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.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Review of information by Audit Committee

The audit committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses; and
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
5. 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).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated March 21, 2023. The constituted Stakeholders Relationship Committee comprises the following members:

Name	Designation	Status in Committee
Divya Shah	Independent Director	Chairman
Nevil Soni	Independent Director	Member
Omprakash Tekchandani	Managing Director	Member

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

Terms of Reference

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- 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.
- 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.

3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated March 21, 2023. The Nomination and Remuneration Committee comprises the following members:

Name	Designation	Status in Committee
Omprakash Tekchandani	Independent Director	Chairman
Divya Shah	Independent Director	Member
Nevil Soni	Managing Director	Member

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

The terms of reference:

- 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;
- 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:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- 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.
- 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.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

Our Key Managerial Personnel

Our Company is managed by our Board of Directors, assisted by qualified experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company

Profiles of our Key Managerial Personnel

For the profile of Kishan Tekchandani a Managing Director, Please refer chapter titled “Our Management - Brief Biographies of our Directors” on page 91 of this Draft Prospectus.

The Key Managerial Personnel of our Company other than our Directors are as follows:-

Name, Designation and Date of Joining	Qualification	Previous Employment	Overall Experience	Remuneration paid In previous year (2021-22) (₹ in Lakhs)
Shivani Mittal Company Secretary and Compliance Officer D.O.J- January 02, 2023	C.S. and B.com	Practicing	3.7 Years	-
Atul Vyas Chief Financial Officer D.O.J- January 02, 2023	M. com	Manav Infrastructure Pvt Ltd	8 Years (Finance and Management)	-

Relationship amongst the Key Managerial Personnel of our Company

None of our directors and Key Managerial Personnel of our Company are related to each other

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

None of the above Key Managerial Personnel have entered into to any arrangement/ understanding with major shareholders/customers/suppliers as on the date of this Draft Prospectus

Bonus or profit-sharing plan of the Key Managerial Personnel

Our Company does not have a profit sharing plans for the Key Management Personnel.

Shareholding of Key Management Personnel in our Company

None of our Key Managerial Personnel except Kishan Tekchandani holds Equity Shares in our Company as on the date of filing of this Draft Prospectus. For further details, please refer to section titled “*Capital Structure*” beginning on page 38 of this Draft Prospectus

Changes in Our Company’s Key Managerial Personnel during the last three (3) years

Name of KMP	Designation	Date of Event	Reason
Atul Vyas	Chief Financial Officer	January 02, 2023	Appointed as Chief Financial Officer
Shivani Mittal	Company Secretary and Compliance Officer	January 02, 2023	Appointed as Company Secretary and Compliance Officer

For details with respect to the Changes in directors who are KMP, please refer to section titled “Changes in our Company’s Board of Directors during the last three (3) years” on page 91 of the Chapter Our Management of this Draft Prospectus.

Interest of Key Managerial Personnel

Except as disclosed in this Draft Prospectus, the Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of their shareholding, 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.

Employee Stock Option or Employee Stock Purchase

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Prospectus.

Payment of Benefits to of Our KMPs (non-salary related)

Except as disclosed in this Draft Prospectus other than any statutory payments made by our Company to its KMPs, 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 section titled ‘*Restated Financial Statements*’ beginning on page 104 of this Draft Prospectus.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are:

	<p>Kishan Tekchandani aged 38 years, is the Chairman and Managing Director of our company. Date of Birth – May 05, 1984 Personal Address – C801, Lilamani River Valley One, Near Brahma Kumari Lotus House, Hansol, Ahmedabad – 382475, Gujarat, India. Permanent Account Number: ACWPT2147H For further details of his educational qualifications, experience, positions / posts held in the past, directorships held and special achievements please refer chapter titled “Our Management” beginning on page no. 91 of this Draft Prospectus.</p>
	<p>Raina Tekchandani aged 40 years, is the Director of our company. Date of Birth – December 22, 1982 Personal Address - C801, Lilamani River Valley One, Near Brahma Kumari Lotus House, Hansol, Ahmedabad – 382475, Gujarat, India. Permanent Account Number: AGKPT9558J For further details of his educational qualifications, experience, positions / posts held in the past, directorships held and special achievements please refer chapter titled “Our Management” beginning on page no. 91 of this Draft Prospectus.</p>

For details of the build-up of our Promoters’ shareholding in our Company, please see “Capital Structure – Shareholding of our Promoters” beginning on page no 38 of this Draft Prospectus.

Confirmations

We confirm that the details of the permanent account numbers, bank account numbers, passport, Aadhar card and Driving License of our Promoters will be submitted to the Stock Exchange at the time of filing the Draft Prospectus with the Stock Exchange.

Further, our Promoters has confirmed that they have not been declared as willful defaulters or Fraudulent Borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Additionally, none of the Promoters have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Other ventures of Promoters

Other than as disclosed in this section, our Promoters are not involved in any other ventures.

Change in the management and control of the Issuer

Our Promoters are the original Promoters of our Company and there has been no change in the control of our Company in the five years immediately preceding the date of this Draft Prospectus.

Relationship of Promoters with our directors

None of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013, Except, Kishan Tekchandani and Raina Tekchandani are Husband and Wife.

Interest of Promoters

Our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of their shareholdings, Managing Director and Director in our Company and the shareholding of their relatives

in our Company and the dividend declared and due, if any, and employment related benefits, if any paid by our Company. For further details, please refer chapters titled “*Capital Structure*” and “*Our Management*” beginning on pages 38 and 91, respectively of this Draft Prospectus. For further details, please refer chapters titled “*Capital Structure - Shareholding of our Promoter and Promoter Group*” beginning on page 38 and “*Restated Financial Statements*” on page 104, respectively of this Draft Prospectus.

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested as a member or proprietor or partner, in cash or shares or otherwise by any person either to induce our Promoters to become, or qualify him as a director, or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Interest in the properties of our Company

Our Promoters and members of Promoter Group do not have any interest in any property acquired by or proposed to be acquired by our Company during a period of three years prior to filing of the Draft Prospectus.

Interest as members of our Company

Our Promoters are interested to the extent of their shareholding, the dividend declared in relation to such shareholding, if any, by our Company. For further details in this regard, please refer chapter titled “*Capital Structure*” beginning on page 38 of this Draft Prospectus.

No sum has been paid or agreed to be paid to our Promoters and they are not interested as members of any firm or any company and hence no sum has been paid or agreed to be paid to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Other Interest

Our Promoters are not interested in any transaction for acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Payment of benefits to our Promoters

Except as stated in the *Annexure – 32 “Related Party Transactions”* on Restated Financial Statement on page no. 133 there has been no payment of benefits to our Promoters during the two years preceding the filing of this Draft Prospectus.

Guarantees

Except as stated in the section titled “*Financial Indebtedness*” beginning on page 148 of this Draft Prospectus, respectively, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Prospectus.

Details of Companies / Firms from which our Promoters have disassociated

Our Promoters are not disassociated themselves from any firms or companies in the last three (3) years preceding this Draft Prospectus.

Our Promoter Group

Our Promoter Group in terms of Regulation and 2(1)(pp) of the SEBI (ICDR) Regulations, 2018. In addition to our Promoters named above, the following individuals and entities form a part of the Promoter Group:

A. Individual persons who are part of our Promoter Group

Promoters: Kishan Tekchandani and Raina Tekchandani

Relationship with promoters		
Promoter	Kishan Tekchandani	Raina Tekchandani
Father	Lachhmandas Tekchandani	Nandlal Sejwani
Mother	Maya Tekchandani	Niru Sejwani
Spouse	Raina Tekchandani	Kishan Tekchandani
Brother	Harish Tekchandani Omprakash Tekchandani	Kuldeep Sejwani
Sister	Soniya Sangtani Roshni Gulabani Kavita Mulani Jiya Chhabra Kavya Vidhani	-
Son	Priyan Tekchandani	Priyan Tekchandani
Daughter	-	-
Spouse's Father	Nandlal Sejwani	Lachhmandas Tekchandani
Spouse's Mother	Niru Sejwani	Maya Tekchandani
Spouse's Brother	Kuldeep Sejwani	Harish Tekchandani Omprakash Tekchandani
Spouse's Sister	-	Soniya Sangtani Roshni Gulabani Kavita Mulani Jiya Chhabra Kavya Vidhani

Companies, Proprietary concerns, HUF's related to our promoters

Nature of Relationship	Entity
Anybody corporate in which twenty per cent. or more of the equity share capital is held by the promoters or an immediate relative of the promoters or a firm or Hindu Undivided Family in which the promoters or any one or more of their relative is a member	-
Anybody corporate in which a body corporate as provided in above holds twenty per cent. or more, of the equity share capital; and	-
Any Hindu Undivided Family or firm in which the aggregate share of the promoters and their relatives is equal to or more than twenty per cent. of the total capital;	Lotus International (Proprietorship)

For further details on our Promoter Group refer Chapter Titled “Financial Information of our Group Companies” beginning on page no. 159 of Draft Prospectus.

DIVIDEND POLICY

As on the date of this Draft Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder).

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our contractual obligations, applicable legal restrictions, results of operations, financial condition, revenues, profits, over financial condition, capital requirements and business prospects.

In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under our current or future loan or financing documents. For more information on restrictive covenants under our current loan agreements, see “Financial Indebtedness” on page 148. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

The Company has not declared and paid any dividends on the Equity Shares in any of the three Financial Years preceding the filing of this Draft Prospectus.

SECTION VI – FINANCIAL INFORMATION

AUDITORS' REPORT ON STANDALONE RESTATED FINANCIAL INFORMATION

To,
The Board of Directors,
Kelson Foods Private Limited
B-1222, 12th Floor, Sun Westbank,
Opp City Gold Cinema, Ashram Road,
Ahmedabad 380009.

Dear Sir/Ma'am,

1. We have examined the attached Restated Financial Statement along with the Significant Accounting Policies and related notes of **Kelson Foods Private Limited** (the 'Company') as at and for the period ended on November 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Prospectus / Prospectus (being collectively referred as "Offer Document") in connection with its proposed Initial Public Offer ("IPO") on the SME Platform of the BSE Limited ("BSE").
2. The said Restated Financial Statements and other Financial Information have been prepared in accordance with the requirements of:
 - i) Section 26 of Part I of Chapter III to the Companies Act, 2013("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
 - iii) The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Offer Document being issued by the Company for its proposed IPO of equity shares on SME Platform of the BSE Limited ("BSE"); and
 - iv) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("Guidance Note").

We have examined the accompanied 'Restated Statement of Profit and Loss' (**Annexure – 2**) for the financial years ended on March 31, 2022, March 31, 2021, March 31, 2020 and quarter ended on November 30, 2022, the 'Restated Statement of Assets and Liabilities' (**Annexure- 1**) and "Restated Financial Statement of Cash Flows" (**Annexure 3**) as on above dates, forming Part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes (**Annexure – 4**) thereon, which are the responsibility of the Company's management. The information has been extracted from the financial statements for the financial years ended on March 31, 2022, March 31, 2021, March 31, 2020 and quarter ended on November 30, 2022. The Financial Statements for the financial year ended on March 31, 2022, March 31, 2021 and March 31, 2020 is audited by M/s. S. Hemal and Associates, Chartered Accountants, and for the period ending on November 30, 2022 is audited by M/s. D G M S & Co., Chartered Accountants, being the Statutory Auditor of the Company (Peer Review), which were approved by the Board of Directors as on that date and upon which we have placed our reliance while reporting.

3. In terms of Schedule VI (Part A) (11) (II) (i) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of Kelson Foods Private Limited, we, M/s. D G M S & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
4. Based on our examination, we report that:
 - a. The "Restated Financial Statement of Assets and Liabilities" as set out in **Annexure 1**, Restated Financial Statement of Profit and Loss" as set out in **Annexure 2**, "Restated Financial Statement of Cash Flows" as

set out in **Annexure 3**, to this report, of the Company as at November 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 is prepared by the Company and approved by the Board of Directors. These Restated Financial Statements have been arrived at after making such adjustments and regroupings to the financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies as set out in **Annexure 4** to this Report.

- b. The Restated Financial Statements have been made after incorporating adjustments for:
 - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
 - ii. Prior period and other material amount in the respective financial years to which they relate.
- c. The audit reports on the financial statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 & period ending on November 30, 2022 as referred in paragraph 3 above, expresses an unmodified opinion except one qualification as mention which has been included in our report for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 & period ending on November 30, 2022 which do not give rise to any modifications.

Qualified Opinion:

The Company has not made an actuarial valuation for provision of Gratuity as per AS 15 and accounted for gratuity when gratuity is claimed by the employee at the time of retirement. To that extent the profit & loss account of the company does not represent true & fair result of the company performance. And The company neither collect nor deposited amount of provided fund and ESIC as per the statutory obligation. To that extent the profit & loss account of the company does not represent true & fair result of the company performance.

5. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

Annexure of Restated Financial Statements of the Company:

- i. Statement of Equity Share Capital, as restated (Annexure – 5)
- ii. Statement of Reserves & Surplus, as restated (Annexure - 6)
- iii. Statement of Long Term Borrowings, as restated (Annexure - 7)
- iv. Statement of Nature and terms of repayment for borrowings, as restated (Annexure – 7.1)
- v. Statement of Short Term Borrowings, as restated (Annexure - 8)
- vi. Statement of Trade Payables, as restated (Annexure - 9)
- vii. Statement of Other Current Liabilities, as restated (Annexure - 10)
- viii. Statement of Short Term Provisions, as restated (Annexure -11)
- ix. Statement of Property, Plant and Equipment, as restated (Annexure -12)
- x. Statement of Non-Current Investment, as restated (Annexure – 13)
- xi. Statement of Inventories, as restated (Annexure - 14)
- xii. Statement of Trade Receivables, as restated (Annexure - 15)
- xiii. Statement of Cash and Bank Balances, as restated (Annexure - 16)
- xiv. Statement of Short Terms Loans and Advances, as restated (Annexure - 17)
- xv. Statement of Other Current Assets, as restated (Annexure - 18)
- xvi. Statement of Contingent Liabilities, as restated (Annexure -19)
- xvii. Statement of Revenue from Operations, as restated (Annexure - 20)
- xviii. Statement of Particular of Sale of Products, as restated (Annexure – 21)
- xix. Statement of Other Income, as restated (Annexure - 22)
- xx. Statement of Other Income, as restated (Annexure – 22.1)
- xxi. Statement of Materials Consumed, as restated (Annexure - 23)
- xxii. Statement of Particular of Purchase of Products, as restated (Annexure -23.1)
- xxiii. Statement of Purchase of Stock in Trade, as restated (Annexure – 24)
- xxiv. Statement of Changes in Inventories, as restated (Annexure - 25)
- xxv. Statement of Employee Benefit Expenses, as restated (Annexure - 26)
- xxvi. Statement of Financial Cost, as restated (Annexure - 27)

- xxvii. Statement of Depreciation, as restated (Annexure - 28)
- xxviii. Statement of Other Expenses, as restated (Annexure - 29)
- xxix. Statement of Prior Period Items, as restated (Annexure -29.1)
- xxx. Statement of payment to auditor, as restated (Annexure – 29.2)
- xxxi. Statement of Deferred Tax Assets, as restated (Annexure - 30)
- xxxii. Statement of Reconciliation of Restated profit (Annexure – 31)
- xxxiii. Statement of Related Party Transactions, as restated (Annexure - 32)
- xxxiv. Statement of Earnings Per Share, as restated (Annexure - 33)
- xxxv. Statement of Tax Shelter, as restated (Annexure -34)
- xxxvi. Statement of Capitalization, as restated (Annexure - 35)
- xxxvii. Statement of Ratio Analysis, as restated (Annexure - 36)

6. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure 1 to 36 read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.

7. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by 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.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For M/s. D G M S & Co.,
Chartered Accountants
FRN: 0112187W**

**Sd/-
CA Shashank P. Doshi
Partner
Membership No: 108456
Place: Jamnagar
Date: 25/01/2023
UDIN: 23108456BGUDCG9671**

ANNEXURE 1 RESTATED BALANCE SHEET

(Rs. In Lakhs)

Particulars		As At 30th November 2022	As At 31st March 2022	As At 31st March 2021	As At 31st March 2020
I.	EQUITY AND LIABILITIES				
1	Shareholders' funds				
(a)	Share capital	45.00	45.00	45.00	29.50
(b)	Reserves and surplus	210.11	103.39	43.00	(122.14)
(c)	Share Application Money	660.00	-	-	-
2	Non-current liabilities				
(a)	Long-term borrowings	33.73	60.09	61.45	14.28
(b)	Deferred tax liabilities (Net)	-	-	-	-
(c)	Long-term Provisions	-	-	-	-
(d)	Other Long-term Liabilities	-	-	-	-
3	Current liabilities				
(a)	Short-term borrowings	349.78	559.13	361.94	465.60
(b)	Trade payables				
	Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	71.90	136.35	71.99	96.37
(c)	Other current liabilities	226.70	8.06	39.16	45.58
(d)	Short-term provisions	35.37	13.61	2.54	4.50
	TOTAL	1,632.58	925.62	625.08	533.69
II.	ASSETS				
1	Non-current assets				
(a)	Fixed assets				
(i)	Tangible assets	215.59	226.98	203.00	183.31
(ii)	Intangible Assets	4.27	0.46	0.52	0.59
(iii)	Intangible Assets under development	-	-	-	-
(iv)	Capital Work in Progress	22.95	-	-	-
	Less: Accumulated Depreciation	-	-	-	-
	Net Block	242.80	227.43	203.52	183.89
(b)	Non Current Investments	509.30	-	-	-
(c)	Long-term loans and advances	-	-	-	-
(d)	Other Non Current Assets	-	-	-	-
(e)	Deferred Tax Assets	9.64	33.28	43.88	49.88
2	Current assets				
(a)	Current Investments	-	-	-	-
(b)	Inventories	187.43	183.68	104.05	21.43
(c)	Trade receivables	309.73	307.99	149.32	179.11
(d)	Cash and cash equivalents	14.65	20.58	6.91	4.37
(e)	Short-term loans and advances	168.84	100.20	70.28	49.88
(f)	Other Current Assets	190.19	52.46	47.12	45.13
	TOTAL	1,632.58	925.62	625.08	533.69

ANNEXURE 2 RESTATED STATEMENT OF PROFIT & LOSS

(Rs. In Lakhs)

Particulars		For the Period ended 30th November, 2022	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
I.	Revenue from operations	782.74	1,122.05	1,266.21	1,058.56
II.	Other income	1.86	2.83	0.87	1.08
III.	Total Income (I + II)	784.59	1,124.88	1,267.09	1,059.64
IV.	Expenses:				
	Cost of Material Consumed	364.35	593.23	787.76	670.38
	Purchases of Stock-In-Trade	10.41	14.93	15.11	14.22
	Changes in inventories of Stock-in-Trade	(29.24)	(13.48)	(34.12)	22.09
	Employee benefits expense	61.14	134.33	114.53	86.58
	Finance costs	30.82	44.55	35.61	36.19
	Depreciation and amortization expense	13.55	18.87	19.29	24.93
	Other expenses	203.20	261.49	293.22	244.04
	Total expenses	654.23	1,053.91	1,231.41	1,098.44
V.	Profit before tax (III-IV)	130.36	70.96	35.68	(38.80)
VI	Tax expense:				
	(1) Current tax	21.76	11.07	2.24	-
	(2) Deferred tax	23.64	10.59	6.00	(63.01)
	(3) Less: MAT Credit Entitlement	(21.76)	(11.07)	(2.24)	-
VII	Profit (Loss) for the period (V-VI)	106.72	60.37	29.68	24.21

ANNEXURE 3 RESTATED STATEMENT OF CASH FLOWS

(Rs. In Lakhs)

Particulars	For the year ended 30th November, 2022		For the year ended 31st March 2022		For the year ended 31st March 2021		For the year ended 31st March 2020	
Cash flow from Operating Activities								
Net Profit Before tax as per Statement of Profit & Loss		130.36		70.96		35.68		(38.80)
Adjustments for:								
Depreciation & Amortisation Exp.	13.55		18.87		19.29		24.93	
Income tax Writte off	-		-		(4.04)		-	
Loss/(Profit) on Sale of Fixed Assets					1.31		(0.68)	
Interest Income	-		-		(0.21)		(0.17)	
Prior Period Adjustment of Defferd Revenue Exp.							15.84	
Finance Cost	30.82	44.38	44.55	63.43	35.61	51.97	36.19	76.10
Operating Profit before working capital changes		174.74		134.39		87.65		37.31
Changes in Working Capital								
Trade receivable	(1.74)		(158.67)		29.78		(107.30)	
Other Loans and advances receivable	(68.64)		(29.92)		(20.39)		24.64	
Inventories	(3.76)		(79.63)		(82.62)		77.21	
Other Current Assets	(137.74)		(5.33)		(2.00)		(45.13)	
Trade Payables	(64.45)		64.36		(24.39)		29.11	
Other Current Liabilities	218.64		(31.10)		(6.42)		(51.42)	
Current Investment	-		-		-		-	
Short term Provisions	21.76		11.09		(1.96)		1.18	
		(35.92)		(229.21)		(107.99)		(71.71)
Net Cash Flow from Operation		138.82		(94.82)		(20.34)		(34.40)
Less : Income Tax paid		-		-		-		-
Net Cash Flow from Operating Activities (A)		138.82		(94.82)		(20.34)		(34.40)
Cash flow from investing								

Activities								
Purchase of Fixed Assets	(28.93)		(42.78)		(46.55)		(33.48)	
Sale of Fixed Assets	-		-		6.32		0.90	
Purchase/Sale of Investment	(509.30)		-		-		-	
Interest Income	-		-		0.21		0.17	
		(538.22)		(42.78)		(40.02)		(32.41)
Net Cash Flow from Investing Activities (B)		(538.22)		(42.78)		(40.02)		(32.41)
Cash Flow From Financing Activities								
Proceeds From long Term Borrowing (Net)	(26.36)		(1.36)		47.17		(366.47)	
Short Term Borrowing (Net)	(209.35)		197.19		(103.66)		465.60	
Interest Paid	(30.82)		(44.55)		(35.61)		(36.19)	
Issue of Share	660.00	393.47	-	151.27	155.00	62.90	-	62.94
Net Cash Flow from Financing Activities (C)		393.47		151.27		62.90		62.94
Net (Decrease)/ Increase in Cash & Cash Equivalents (A+B+C)		(5.93)		13.67		2.54		(3.87)
Opening Cash & Cash Equivalents		20.58		6.91		4.37		8.24
Cash and cash equivalents at the end of the period		14.65		20.58		6.91		4.37
Cash And Cash Equivalents Comprise :								
Cash		12.18		15.50		4.09		2.20
Bank Balance :								
Current Account		2.47		5.08		2.83		2.17
Deposit Account		-		-		-		-
Total		14.65		20.58		6.91		4.37

NOTE: - 4 SIGNIFICANT ACCOUNTING POLICIES:

1.0 Corporate Information

Kelson Foods Private Limited is a Limited Company, incorporated under the provisions of Companies Act, 1956 and having CIN: U15136GJ2003PTC043382. The Company is mainly engaged in the business of Manufacturing and trading bread and other bakery products from its franchise stores and retailer etc. The Registered office of the Company is situated at B-1222, 12th Floor, Sun Westbank, Opp City Gold Cinema, Ashram Road Ahmedabad, 380009.

1.1 Basis of preparation of financial statements

a. Accounting Convention: -

These financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP"). Indian GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the Historical Cost Convention. and the Companies (Accounting Standards) Amendment Rules 2016 and the relevant provisions of the Companies Act, 2013.

The restated financial information has been prepared for inclusion in the Draft Prospectus and Prosepctus ("DP" or "P" "offer document") to be filed by the Company with the Securities and Exchange Board of India ('SEBI'), Stock Exchange (SE) and other regulatory bodies in connection with proposed Initial Public Offering of its equity shares of face value of Rs 10 each of the Company comprising a fresh issue of equity shares (the "Issue"), in accordance with the requirements of:

- Section 26 of part I of Chapter III of the Act
- relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and
- Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

The Restated financial information have been compiled from:

- The audited financial statement of the Company as at November 30, 2022 which have been approved by the Board of Directors at their meeting held on 05th January, 2023.
- The audited financial statement of the Company as at March 31, 2022 which have been approved by the Board of Directors at their meeting held on 08th September, 2022.
- The audited financial statement of the Company as at March 31, 2021 which have been approved by the Board of Directors at their meeting held on 31th December, 2021.
- The audited financial statement of the Company as at March 31, 2020 which have been approved by the Board of Directors at their meeting held on 07th December, 2020.
- The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b. Functional and Presentation Currency

The functional and presentation currency of the company is Indian rupees. This financial statement is presented in Indian rupees.

All amounts disclosed in the financial statements and notes are rounded off to lakhs the nearest INR rupee in compliance with Schedule III of the Act, unless otherwise stated.

Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

c. Use of Estimates and Judgments

The preparation of financial statement in conformity with accounting standard requires the Management to make estimates, judgments, and assumptions. These estimates, judgments and assumptions affects the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statement and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual result could differ from those estimates. As soon as the Management is aware of the changes, appropriate changes in estimates are made. The effect of such changes are reflected in the period in which such changes are made and, if material, their effect are disclosed in the notes to financial statement.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods affected.

d. Current and Non - Current Classification

An asset or a liability is classified as Current when it satisfies any of the following criteria:

- i. It is expected to be realized / settled, or is intended for sales or consumptions, in the Company's Normal Operating Cycle;
- ii. It is held primarily for the purpose of being traded.
- iii. It is expected to be realized / due to be settled within twelve months after the end of reporting date;
- iv. The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as Non - Current.

For the purpose of Current / Non - Current classification of assets and liabilities, the Company has ascertained its operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of the assets or liabilities for processing and their realization in Cash and Cash Equivalents.

1.2 Basis of Preparation

a) Property, Plant & Equipment and Intangible Assets:-

- i. The company has adopted Cost Model to measure the gross carrying amount of Property Plant & Equipment.
- ii. Tangible Property Plant & Equipment are stated at cost of acquisition less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the asset to its working condition for intended use.
- iii. Intangible assets are stated at the consideration paid for acquisition and customization thereof less accumulated amortization.
- iv. Cost of fixed assets not ready for use before the balance sheet date is disclosed as Capital Work in Progress.
- v. Cost of Intangible Assets not ready for use before the balance sheet date is disclosed as Intangible Assets under Development.

b) Depreciation / Amortisation : -

Depreciation has been provided under Straight Line Method at the rates prescribed under schedule III of the Companies Act, 2013 on single shift and Pro Rata Basis to result in a more appropriate preparation or presentation of the financial statements.

In respect of assets added/sold during the year, pro-rata depreciation has been provided at the rates prescribed under Schedule II.

Intangible assets being Software are amortized over a period of its useful life on a straight line basis, commencing from date the assets is available to the company for its use.

c) Impairment of Assets:-

An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior period is reversed if there has been a change in the estimate of the recoverable amount.

d) Investments:-

- Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.
- On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident. There are no investment made by Company.
- Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value of long term investments is made to recognise a decline, other than temporary, on an individual investment basis.
- Current investments are carried in the financial statements at lower of cost and market value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
- Long term investments which are expected to be realized within twelve months from the balance sheet date are presented under 'current investments' as 'current portion of long term investments' in accordance with the current / noncurrent classification of investments as per Schedule III Division I of the Companies Act, 2013.
- The cost of investments comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.
- Investment transactions are accounted for on a trade date basis. In determining the holding cost of investments and the gain or loss on sale of investments, the 'weighted average cost' method is followed.

e) Government Grants and Subsidies:-

The Company is entitled to receive any subsidy from the Government authorities or any other authorities in respect of manufacturing or other facilities are dealt as follows:

- Grants in the nature of subsidies which are non – refundable are credited to the respective accounts to which the grants relate, on accrual basis, where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them.
- Grants in the nature of Subsidy which are Refundable are shown as Liabilities in the Balance Sheet at the Reporting date.

f) Retirement Benefits:-

a) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

b) Employment Benefits:

i) Defined Contribution Plans:

The company has Defined Contribution Plans for post employment benefit in the form of Provident Fund which are administered by the Regional Provident Fund Commissioner. Provident Fund are classified as defined contribution plans as the company has no further obligation beyond making contributions. The company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as and when incurred.

ii) Defined Benefit Plans:

a) Gratuity:

The Management has decided that gratuity will be accounted in profit & loss A/c in each financial year when the claim is recognized by the company which is against the prescribed treatment of AS - 15. The Quantum of provision required to be made for the said retirements benefits can be decided on actuarial basis and the said information could not be gathered. To the extent of such amount, the reserve would be lesser.

b) Leave Encashment:

The Management has decided to pay all the pending leave of the year for the year in which the same has become payable and pending dues are cleared.

g) Valuation of Inventory :-

Inventories of the raw material, work-in-progress, finished goods, packing material, stores and spares, components, consumables and stock in trade are carried at lower of cost and net realizable value. However, raw material and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item by item basis.

Cost of inventories included the cost incurred in bringing the each product to its present location and conditions are accounted as follows:

a) Raw Material:- Cost included the purchase price and other direct or indirect costs incurred to bring the inventories into their present location and conditions. Cost is determined on *First in First out basis (FIFO)*.

b) Finished Goods and Work-in-Progress:- Work in progress are valued at cost which includes raw materials and cost incurred till the stage of production of process. Finished Goods are valued at cost or Net realizable value whichever is lower. Cost included cost of direct materials and the labor cost and a proportion of manufacturing overhead based on the normal operating capacity, but excluding the borrowing costs. Cost is determined on "*First in First out basis (FIFO)*".

c) Stock in Trade:- Cost included the purchase price and other direct or indirect costs incurred in bringing the inventories to their present location and conditions. Cost is determined on "*Weighted Average Basis*".

All other inventories of stores and spares, consumables, project material at site are valued at cost. The stock of waste or scrap is valued at net realizable value.

“Net Realizable Value” is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sales of the products.

h) Prior Period Items :-

All identifiable items or income and expenditure pertaining to prior period are accounted through ‘Prior Period Income/ Expenses Account’.

i) Revenue Recognition :-

Revenue is recognized when it is probable that economic benefit associated with the transaction flows to the Company in ordinary course of its activities and the amount of revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into the account contractually defined terms of payments, net of its returns, trade discounts and volume rebates allowed.

Revenue includes only the gross inflows of economic benefits, including the excise duty, received and receivable by the Company, on its own account. Amount collected on behalf of third parties such as sales tax, value added tax and goods and service tax (GST) are excluded from the Revenue.

Sale of goods is recognized at the point of dispatch of goods to customers, sales are exclusive of Sales tax, Vat, GST and Freight Charges if any. The revenue and expenditure are accounted on a going concern basis.

Interest Income is Recognized on a time proportion basis taking into account the amount outstanding and the rate applicable i.e. on the basis of matching concept..

Dividend from investments in shares / units is recognized when the company.

As per a recent ICAI opinion, the benefit of DEPB is recognized in the year of export itself, provided no uncertainty exists,

Other items of Income are accounted as and when the right to receive arises.

j) Accounting for effects of changes in foreign exchange rates:-

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transactions.

Any income or expenses on account of exchange difference either on settlement or on Balance sheet Valuation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

Foreign currency transactions accounts are given in the notes of accounts.

Commodity Hedging: - The realized gain or loss in respect of commodity hedging contracts, the principal period of which has expired during the year, is recognized in profit and loss account. In respect of contracts, that are outstanding as on date of Balance sheet are valued at prevailing market price and the resultant loss, if any, is provided.

k) Borrowing Cost :-

Borrowing Cost includes the interest, commitments charges on bank borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying property, plants and equipments are capitalized as a part of cost of that property, plants and equipments. The

amount of borrowing costs eligible for capitalization is determined in accordance with the Accounting Standards – 16 “Borrowing Costs”. Other Borrowing Costs are recognized as expenses in the period in which they are incurred.

In accordance with the Accounting Standard – 16, exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustments to interest costs are recognized as Borrowing Costs and are capitalized as a part of cost of such property, plants and equipments if they are directly attributable to their acquisition or charged to the Standalone Statement or Profit and Loss.

l) Related Party Disclosure :-

The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Accounting Standard are given in notes of accounts.

m) Accounting for Leases :-

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risk and rewards incidental to the ownership to the Company is classified as a finance lease.

The Company as a lessee:

a) Operating Lease:- Rental payable under the operating lease are charged to the Standalone Statement of Profit and Loss on a Straight line basis over the term of the relevant lease.

b) Finance Lease:- Finance lease are capitalized at the commencement of the lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against the income over the period of the lease.

The Company has not provided any of its assets on the basis of operating lease or finance lease to others.

n) Cash flow:-

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of past or future cash receipts and payments. The cash flows from regular operating, investing and financing activities of the company are segregated.

o) Earnings Per Share :-

The Company reports the basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20, “Earnings per Share”. Basic EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the year by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all potential Equity Shares, except where the results are Anti - Dilutive.

The weighted average number of Equity Shares outstanding during the period is adjusted for events such a Bonus Issue, Bonus elements in right issue, share splits, and reverse share split (consolidation of shares) that have changed the number of Equity Shares outstanding, without a corresponding change in resources.

p) Taxes on Income :-

- **Current Tax: -**

Provision for current tax is made after taken into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

• **Deferred Taxes:-**

Deferred Income Tax is provided using the liability method on all temporary difference at the balance sheet date between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes.

- I. Deferred Tax Assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available in the future against which this items can be utilized.
- II. Deferred Tax Assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on tax rates (and the tax) that have been enacted or enacted subsequent to the balance sheet date.

q) Discontinuing Operations :-

During the year the company has not discontinued any of its operations.

r) Provisions Contingent liabilities and contingent assets:-

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as Contingent Liability.

A disclosure for a Contingent Liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation is reported as Contingent Liability. In the rare cases, when a liability cannot be measures reliable, it is classified as Contingent Liability. The Company does not recognize a Contingent Liability but disclosed its existence in the standalone financial statements.

s) Event after Reporting Date:-

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

All the events occurring after the Balance Sheet date up to the date of the approval of the restated financial statement of the Company by the board of directors, have been considered, disclosed and adjusted, wherever applicable, as per the requirement of Accounting Standards.

ANNEXURE 5 SHARE CAPITAL

Share Capital	As At 30th November 2022		As At 31st March 2022		As At 31st March 2021		As At 31st March 2020	
	Number	Amt. Rs. In Lakhs	Number	Amt. Rs. In Lakhs	Number	Amt. Rs. In Lakhs	Number	Amt. Rs. In Lakhs
Authorised								
Equity Shares of Rs.10 each	4,50,000.00	45.00	4,50,000.00	45.00	4,50,000.00	45.00	3,50,000.00	35.00
Issued	-		-		-		-	
Equity Shares of Rs.10 each	4,50,000.00	45.00	4,50,000.00	45.00	4,50,000.00	45.00	2,95,000.00	29.50
Subscribed & Paid up	-		-		-		-	
Equity Shares of Rs.10 each fully paid up	4,50,000.00	45.00	4,50,000.00	45.00	4,50,000.00	45.00	2,95,000.00	29.50
Total	4,50,000.00	45.00	4,50,000.00	45.00	4,50,000.00	45.00	2,95,000.00	29.50

RECONCILIATION OF NUMBER OF SHARES

Particulars	Equity Shares		Equity Shares		Equity Shares		Equity Shares	
	Number	Amt. Rs. In Lakhs	Number	Amt. Rs. In Lakhs	Number	Amt. Rs. In Lakhs	Number	Amt. Rs. In Lakhs
Shares outstanding at the beginning of the year	4,50,000.00	45.00	4,50,000.00	45.00	2,95,000.00	29.50	2,95,000.00	29.50
Shares Issued during the year	-	-	-	-	1,55,000.00	15.50	-	-
Shares bought back during the year	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year	4,50,000.00	45.00	4,50,000.00	45.00	4,50,000.00	45.00	2,95,000.00	29.50

The Company has only one class of equity shares having a per value of Rs. 10/- Per Share is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares by the shareholders.

Details of Shares held by shareholders holding more than 5% of the aggregate shares in the co.

Name of Shareholder	As At 30th November 2022		As At 31st March 2022		As At 31st March 2021		As At 31st March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kishan Tekchandani	2,02,490.00	45.00%	2,02,490.00	45.00%	2,02,490.00	45.00%	97,490.00	33.05%
Raina Tekchandani	2,47,500.00	55.00%	2,47,500.00	55.00%	2,47,500.00	55.00%	-	0.00%
Harish Tekchandani	-	0.00%	-	0.00%	-	0.00%	99,990.00	33.89%
Omprakash Tekchandani	-	0.00%	-	0.00%	-	0.00%	97,490.00	33.05%

ANNEXURE 6 RESERVE AND SURPLUS

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
A. Securities Premium Account				
Opening Balance	151.50	151.50	12.00	12.00
Add : Credited on Share issue	-	-	139.50	-
Closing Balance	151.50	151.50	151.50	12.00
B. Surplus				
Opening balance	(48.11)	(108.50)	(134.14)	(158.36)
(+) Net Profit/(Net Loss) For the current year	106.72	60.37	29.68	24.21
(-) Tax Provision Set Off	-	(0.02)	4.04	-
(-) Proposed dividend				
(-) Tax on dividend				
(-) Adjustment in F.A as per Companies Act, 2013				
Closing Balance	58.61	(48.11)	(108.50)	(134.14)
Total	210.11	103.39	43.00	(122.14)

ANNEXURE 7 LONG TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Secured				
(a) Term loans				
From Financial Institutions				
AU Small Finance Bank	-	-	1.48	4.23
HDFC Bank	22.57	32.53	13.07	10.05
(b) Other Loans and advances				
Sub-total (a)	22.57	32.53	14.55	14.28
Unsecured				
(a) Term loans				
From Financial Institutions				
RBL Bank	-	4.81	11.98	-
Bajaj Finance	11.16	18.03	17.59	-
HDFC Bank	-	4.72	11.84	-
Urgo Capital	-	-	5.50	-
(b) From Promoters/ Promoters Group/ Group Companies/Directors & their Relatives				
Sub-total (b)	11.16	27.56	46.90	-
Total	33.73	60.09	61.45	14.28

ANNEXURE 7.1 LONG TERM BORROWINGS

Sr. No.	Lender	Nature of facility	Date of Sanction of Loan	Amount outstanding as at November 30, 2022 (In Lakhs)	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
1	AU	Term	26-Nov-	-	10.00%	Payable in 48	First paripasu by way of

	Small Finance Bank	Loan	2018			monthly instalments of Rs. 12,741/- commencing from 10.10.2018.	equitable mortgage of Ultra Light Commercial Vehicle- Mahindra Bolero
2	AU Small Finance Bank	Term Loan	26-Nov-2018	-	10.00%	Payable in 48 monthly instalments of Rs. 12,741/- commencing from 10.10.2018.	First paripasu by way of equitable mortgage of Ultra Light Commercial Vehicle- Mahindra Bolero
3	HDFC Bank	Term Loan	16-Mar-2019	-	10.00%	Payable in 48 monthly instalments of Rs. 11,923/- commencing from 15.04.2019.	First paripasu by way of equitable mortgage of Ultra Light Commercial Vehicle- Maruti Super Carry.
4	HDFC Bank	Term Loan	1-Dec-2021	4.73	7.41%	Payable in 48 monthly instalments of Rs. 14,330/- commencing from 15.01.2022.	First paripasu by way of equitable mortgage of Ultra Light Commercial Vehicle- Maruti Super Carry.
5	HDFC Bank	Term Loan	11-Nov-2021	4.42	7.41%	Payable in 48 monthly instalments of Rs. 13,735/- commencing from 15.12.2021.	First paripasu by way of equitable mortgage of Ultra Light Commercial Vehicle- Maruti ECO Cargo Non AC.
6	HDFC Bank	Term Loan	19-Nov-2021	4.42	7.41%	Payable in 48 monthly instalments of Rs. 13,735/- commencing from 15.12.2021.	First paripasu by way of equitable mortgage of Ultra Light Commercial Vehicle- Maruti ECO Cargo Non AC.
7	HDFC Bank	Term Loan	31-Jul-2021	4.00	7.50%	Payable in 48 monthly instalments of Rs. 13,445/- commencing from 10.09.2021.	First paripasu by way of equitable mortgage of Ultra Light Commercial Vehicle- Maruti Super Carry.
8	HDFC Bank	Term Loan	31-Jul-2021	4.00	7.50%	Payable in 48 monthly instalments of Rs. 13,445/- commencing from 10.09.2021.	First paripasu by way of equitable mortgage of Ultra Light Commercial Vehicle- Maruti Super Carry.
9	HDFC Bank	Term Loan	20-Dec-2021	4.80	7.41%	Payable in 48 monthly instalments of Rs. 14,555/- commencing from 15.01.2022.	First paripasu by way of equitable mortgage of Ultra Light Commercial Vehicle- Maruti Super Carry.
10	HDFC Bank	Term Loan	22-Feb-2021	7.28	7.58%	Payable in 48 monthly instalments of Rs. 29,545/- commencing from 15.03.2021.	First paripasu by way of equitable mortgage of Ultra Light Commercial Vehicle- Eicher 1049.

11	HDFC Bank	Term Loan	29-Feb-2020	1.74	9.75%	Payable in 48 monthly instalments of Rs. 11,613/- commencing from 05.04.2020.	First paripasu by way of equitable mortgage of Ultra Light Commercial Vehicle- Maruti Super Carry.
12	Bajaj Finserv	Term Loan	18-Nov-2021	7.50	17.00%	Payable in 36 monthly instalments of Rs. 35,852/-.	Company Taken Loan for regular business purpose.
13	Bajaj Finserv	Term Loan	30-Sep-2020	14.66	17.00%	Payable in 48 monthly instalments of Rs. 72,484/-.	Company Taken Loan for regular business purpose.
14	HDFC Bank	Term Loan	30-Sep-2020	7.22	16.50%	Payable in 36 monthly instalments of Rs. 71,207/-.	Company Taken Loan for regular business purpose.
15	RBL Bank	Term Loan	30-Sep-2020	7.35	18.25%	Payable in 36 monthly instalments of Rs. 73,101/-Payable 5th of every month.	Company Taken Loan for regular business purpose.
16	HDFC Bank	Term Loan	26-Feb-2020	-	11.00%	Payable in 48 monthly instalments of Rs. 14,165/- commencing from 20.03.2020.	First paripasu by way of equitable mortgage of Ultra Light Commercial Vehicle- Eicher - 1049 Diesel.
17	URGO Bank	Term Loan	22-Oct-2020	-	19.00%	Payable in 24 monthly instalments of Rs. 76,862/- commencing from 10.12.2020.	Company Taken Loan for regular business purpose.

ANNEXURE 8 SHORT TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Secured				
(a) Loan Payable on Demand from banks				
HDFC Bank	148.38	148.28	-	-
(b) Current maturities of Long Term Debt (i.e. Term Liability classified as current)				
AU Small Finance Bank	-	1.48	2.75	2.48
HDFC Bank	12.81	12.12	5.01	3.16
	161.19	161.87	7.76	5.65
Unsecured				
(a) From Financial Institutions				
K K Finance	3.04	3.04	-	-
(b) Current maturities				

of Long Term Debt (i.e. Term Liability classified as current)				
RBL Bank	7.35	7.16	5.98	-
Bajaj Finance	11.00	9.24	5.56	-
HDFC Bank	7.22	7.11	6.04	-
Urgo Capital	-	5.66	7.54	-
(b) From Promoters/ Promoters Group/ Group Companies/Directors & their Relatives	38.29	228.54	163.99	305.96
(c) Loans and advances from others	121.67	136.50	165.08	154.00
Total	349.78	559.13	361.94	465.60

ANNEXURE 9 TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Outstanding dues of micro enterprises and small enterprises	-	-	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises				
Unbilled				
Not Due	46.37	64.40	45.17	38.15
Outstanding for Following Period from Due date				
Less than 01 Years	25.53	70.79	25.65	57.36
01-02 Years	-	1.17	1.17	0.87
02-03 Years	-	-	-	-
More than 3 Years	-	-	-	-
Disputed Outstanding dues of micro enterprises and small enterprises	-	-	-	-
Disputed Outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
Total	71.90	136.35	71.99	96.37

ANNEXURE 10 OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(i) Statutory Remittance				
(i) PF Payable	-	-	-	0.09
(ii) ESCI Payable	-	-	-	1.22
(iii) TDS Payable	1.41	1.43	-	-
(iii) Advanced from Customers	220.47	0.12	39.16	38.78
(iv) Deposits from Customers/ Stores	1.00	2.50	-	-
(v) Other Payables (Specify Nature)				
Unpaid Expenses	3.82	3.86	-	5.05
Others	-	0.15	-	0.45
Total	226.70	8.06	39.16	45.58

ANNEXURE 11 SHORT TERM PROVISIONS

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Provision For				
(a) Employee benefits				
(i) Contribution to PF	-	-	-	-
(ii) Contribution to ESIC	-	-	-	-
(iii) Bonus	-	-	-	-
(v) Professional tax Payable	-	-	-	-
(b) Others (Specify nature)				
(i) Income Tax	35.07	13.31	2.24	4.20
(ii) Provision for Audit Fees	0.30	0.30	0.30	0.30
Total	35.37	13.61	2.54	4.50

ANNEXURE 13 NON CURRENT INVESTMENTS

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Investment In Partnership Firms	509.30	-	-	
Investment In Pizza store Franchise	-			
Aggregate amount of unquoted Investments	509.30	-	-	
Aggregate Market Value of Quoted				
Total	509.30			

ANNEXURE 12 PROPERTY, PLANT AND EQUIPMENT

(Rs. In Lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation					Net Block		
	Balance as at 31st March 2019	Additions	Disposals	Balance as at 31st March 2020	Balance as at 31st March 2019	Depreciation charge for the year	Adjustment due to Prior Depreciation	On disposals	Balance as at 31st March 2020	Balance as at 31st March 2020	Balance as at 31st March 2019
Tangible Assets											
Office Building	-	0.51	-	0.51	-	0.01	-	-	0.01	0.50	-
Plant and Equipment	168.41	5.62	-	174.04	25.50	9.85	16.12	-	51.47	122.57	142.92
Electrical Installations/ Equipments	2.91	1.30	-	4.21	0.26	0.54	0.39	-	1.20	3.01	2.65
Furniture and Fixtures	17.36	1.10	-	18.46	-	1.84	1.92	-	3.76	14.69	17.36
Vehicles	35.44	24.33	4.31	55.47	8.34	4.25	5.44	4.09	13.93	41.54	27.10
Computers & Printers	1.61	0.62	-	2.22	0.89	0.20	0.13	-	1.22	1.00	0.72
Intangible Assets											
Trademark	0.65	-	-	0.65	-	0.07	-	-	0.07	0.59	0.65
Total	226.38	33.48	4.31	255.56	34.98	16.76	24.01	4.09	71.67	183.89	191.40

(Rs. In Lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation					Net Block		
	Balance as at 31st March 2020	Additions	Disposals	Balance as at 31st March 2021	Balance as at 31st March 2020	Depreciation charge for the year	Adjustment due to Prior Depreciation	On disposals	Balance as at 31st March 2021	Balance as at 31st March 2021	Balance as at 31st March 2020
Tangible Assets											
Office Building	0.51	-	-	0.51	0.01	0.02	-	-	0.03	0.48	0.50
Plant and Equipment	174.04	6.24	-	180.28	51.47	10.14	-	-	61.60	118.67	122.57
Electrical Installations/ Equipments	4.21	3.48	-	7.70	1.20	0.59	-	-	1.79	5.91	3.01
Furniture and Fixtures	18.46	9.50	-	27.96	3.76	1.94	-	-	5.71	22.25	14.69
Vehicles	55.47	25.39	12.46	68.40	13.93	6.16	-	4.83	15.26	53.14	41.54
Computers & Printers	2.22	1.94	-	4.16	1.22	0.38	-	-	1.60	2.55	1.00
Intangible Assets											

Trademark	0.65	-	-	0.65	0.07	0.07	-	-	0.13	0.52	0.59
Total	255.56	46.55	12.46	289.65	71.67	19.29	-	4.83	86.13	203.52	183.89

(Rs. In Lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation					Net Block		
	Balance as at 31st March 2021	Additions	Disposals	Balance as at 31st March 2022	Balance as at 31st March 2021	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st March 2022	Balance as at 31st March 2022	Balance as at 31st March 2021
Tangible Assets											
Office Building	0.51	-	-	0.51	0.03	0.02	-	-	0.05	0.46	0.48
Plant and Equipment	180.28	5.41	-	185.69	61.60	10.13	-	-	71.74	113.95	118.67
Electrical Installations/ Equipments	7.70	0.12	-	7.81	1.79	0.57	-	-	2.36	5.45	5.91
Furniture and Fixtures	27.96	-	-	27.96	5.71	1.94	-	-	7.65	20.31	22.25
Vehicles	68.40	35.38	-	103.78	15.26	5.92	-	-	21.18	82.60	53.14
Computers & Printers	4.16	1.88	-	6.04	1.60	0.23	-	-	1.83	4.20	2.55
Intangible Assets											
Trademark	0.65	-	-	0.65	0.13	0.07	-	-	0.20	0.46	0.52
Total	289.65	42.78	-	332.43	86.13	18.87	-	-	105.00	227.43	203.52

(Rs. In Lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation					Net Block		
	Balance as at 31st March 2022	Additions	Disposals	Balance as at 31st Nov 2022	Balance as at 31st March 2022	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st Nov 2022	Balance as at 31st Nov 2022	Balance as at 31st March 2022
Tangible Assets											
Office Building	0.51	-	-	0.51	0.05	0.01	-	-	0.06	0.45	0.46
Plant and Equipment	185.69	1.31	-	187.00	71.74	6.78	-	-	78.52	108.48	113.95
Electrical Installations/ Equipments	7.81	0.38	-	8.20	2.36	0.40	-	-	2.76	5.44	5.45
Furniture and Fixtures	27.96	-	-	27.96	7.65	1.30	-	-	8.94	19.01	20.31

Vehicles	103.78	-	-	103.78	21.18	4.55	-	-	25.73	78.05	82.60
Computers & Printers	6.04	0.13	-	6.17	1.83	0.18	-	-	2.01	4.16	4.20
Intangible Assets											
Trademark	0.65	-	-	0.65	0.20	0.07	-	-	0.26	0.39	0.46
ERP Software	-	4.16	-	4.16	-	0.28	-	-	0.28	3.88	-
Capital Work In Progress											
Outlet	-	22.95	-	22.95	-	-	-	-	-	22.95	-
Total	332.43	28.93	-	361.36	105.00	13.55	-	-	118.56	242.80	227.43

ANNEXURE 14 INVENTORIES

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
a. Raw Material (Valued at Lower of Cost or NRV as per FIFO Method)	103.09	128.57	62.43	13.93
b. Semi-Finished Goods (Valued at Estimated Cost)	56.23	23.88	26.01	4.29
c. Finished Goods (Valued at Lower of Cost or NRV as per FIFO Method)	28.11	31.22	15.61	3.21
Total	187.43	183.68	104.05	21.43

ANNEXURE 15 TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Undisputed Trade Receivable - Considered good				
Not Due	177.63	28.99	43.55	101.98
Outstanding for Following Period from Due date				
Less than 6 Months	110.23	117.97	99.83	75.39
6 Months - 1 Years	21.87	161.04	5.94	0.32
01-02 Years	-	-	-	1.42
02-03 Years	-	-	-	-
More than 3 Years	-	-	-	-
Undisputed Trade Receivable - Considered doubtful	-	-	-	-
Disputed Trade Receivable - Considered good	-	-	-	-
Disputed Trade Receivable - Considered Doubtful	-	-	-	-
Total	309.73	307.99	149.32	179.11

ANNEXURE 16 CASH AND CASH EQUIVALENTS

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
a. Cash on Hand	12.18	15.50	4.09	2.20
b. Balance with Banks				
(i) in Current Accounts	2.47	5.08	2.83	2.17
Total	14.65	20.58	6.91	4.37

ANNEXURE 17 SHORT TERM LOANS AND ADVANCES

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(Unsecured and Considered Good)				
a. Loans and advances to Directors/ Promoters/ Promoter Group/ Associates/ Relatives of Directors/Group Company	1.00	1.00	1.00	1.00
b. Balance with Government Authorities	124.43	78.60	58.08	44.52
c. Others (specify nature)				
Advance to Suppliers	10.40	1.63	-	1.73
Loans & Advances to Employees	12.51	9.19	11.19	2.63
Others	20.50	9.78	-	-

Total	168.84	100.20	70.28	49.88
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ANNEXURE 18 OTHER CURRENT ASSETS

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) Deposits	189.54	51.80	46.52	45.13
(b) Prepaid Expenses	0.66	0.66	0.61	-
(d) Accruals				
Interest accrued on deposits	-	-	-	-
(c) Others				
Deferred Revenue Exp.	-	-	-	-
Total	190.19	52.46	47.12	45.13

ANNEXURE 19 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) Contingent Liabilities				
a. Claims against the company not acknowledged as debts	20.76	20.76	20.76	20.76
b. Guarantees	-	-	-	-
c. Other Money for which the company is contingently liable	-	-	-	-
(b) Commitments				
Total	20.76	20.76	20.76	20.76

ANNEXURE 20 REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Sale of Products	780.15	1,118.05	1,263.57	1,053.58
Other Operating Revenues	2.59	4.01	2.65	4.98
Total	782.74	1,122.05	1,266.21	1,058.56

ANNEXURE 21 PARTICULARS OF SALE OF PRODUCTS

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Sale of Products				
Manufactured Goods				
Sale of Breads	651.42	900.03	1,057.60	827.06
Sale of Other Bakery Products	117.02	201.25	189.53	210.72
Traded Goods				
Chocolate and Confectionery Products	11.70	16.77	16.43	15.80
Sub-total	780.15	1,118.05	1,263.57	1,053.58
Other Operating Revenues				
Income from Sale of Waste Material	-	-	0.54	-
Discount Received	1.33	3.79	1.79	4.58
Rate Difference Income	1.26	0.21	0.31	0.40
Sub-total	2.59	4.01	2.65	4.98
Total	782.74	1,122.05	1,266.21	1,058.56

ANNEXURE 22 OTHER INCOME

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Interest Income				
Interest on Deposits	-	-	0.21	0.17
Other Income				
Creditor Written off	-	-	-	0.10
Rounding off	0.00	0.00	0.01	-
Profit on Sale of Assets	-	-	-	0.68
Other Income	1.85	2.82	0.66	0.12
Total	1.86	2.83	0.87	1.08

ANNEXURE 22.1 DETAILS OF OTHER INCOME AS RESTATED

(Rs. In Lakhs)

Particulars	For the year ended 30th November, 2022	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020	Nature
Other income	1.86	2.83	0.87	1.08	
Net Profit After Tax as Restated	106.72	60.37	29.68	24.21	
Percentage	2%	5%	3%	4%	
Source of Income					
Interest on Deposits	-	-	0.21	0.17	Non-Recurring and related to business activity
Creditor Written off	-	-	-	0.10	Non-Recurring and related to business activity
Rounding off	0.0031396	0.00	0.01	-	Non-Recurring and related to business activity.
Profit on Sale of Assets	-	-	-	0.68	Non-Recurring and not related to business activity.
Other Income	1.85	2.82	0.66	0.12	Non-Recurring and not related to business activity.
Total Other income	1.86	2.83	0.87	1.08	

ANNEXURE 23 COST OF MATERIAL CONSUMED

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Raw Material				
Opening Stock of Raw Material	128.57	62.43	13.93	69.05
Add: Purchase of Raw Material	338.86	659.37	836.26	615.26
Less: Closing Stock of Raw Material	103.09	128.57	62.43	13.93
Total	364.35	593.23	787.76	670.38

ANNEXURE 23.1 PARTICULARS OF PURCHASE OF PRODUCTS

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Raw Material for Baking Products				
Local Purchased	338.86	659.37	836.26	615.26
Total	338.86	659.37	836.26	615.26

ANNEXURE 24 PURCHASES OF STOCK-IN-TRADE

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Purchase of Chocolate and Confectionery Products	10.41	14.93	15.11	14.22
Total	10.41	14.93	15.11	14.22

ANNEXURE 25 CHANGES IN INVENTORIES

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Inventories at the end of the year				
Finished Goods	28.11	31.22	15.61	3.21
Work-In-Process	56.23	23.88	26.01	4.29
Inventories at the beginning of the year				
Finished Goods	31.22	15.61	3.21	19.73
Work-In-Process	23.88	26.01	4.29	9.86
Net (Increase)/decrease	-29.24	-13.48	-34.12	22.09

ANNEXURE 26 EMPLOYEE BENEFITS EXPENSES

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) Salaries and Wages	60.56	124.49	103.03	84.94
(b) Contributions to Provident Fund & Other Fund				
Provident fund	-	-	0.44	0.09
ESIC	0.57	9.84	0.45	0.93
Total	61.14	134.33	114.53	86.58

ANNEXURE 27 FINANCE COST

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
(a) Interest expense :-				
(i) Borrowings	29.22	40.20	33.51	30.60
(ii) on TDS	-	-	0.03	0.16
(iii) on Professional Tax	-	-	-	-
(iv) on Provident Fund	-	-	-	-
(v) on ESIC	-	-	-	-
(vi) on Late payment of Other Taxes	-	-	0.02	0.00
(b) Other borrowing costs	1.60	4.35	2.04	5.43
Total	30.82	44.55	35.61	36.19

ANNEXURE 28 DEPRECIATION AND AMORTISATION
(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Depreciation Exp	13.55	18.87	19.29	16.76
Amortization Exp	-	-	-	8.17
Total	13.55	18.87	19.29	24.93

ANNEXURE 29 OTHER EXPENSES
(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Manufacturing Expenses				
Consumption of stores and Spare Parts	0.04	-	3.17	0.19
Gas & Fuel Exp.	76.41	108.43	86.97	52.33
Factory Expenses	2.02	1.52	3.61	1.63
Electricity Expenses	17.56	16.93	14.54	13.98
Freight charges	5.54	7.94	35.41	3.23
Water Expenses	1.11	1.95	-	-
Labour charges	-	-	1.07	0.69
Selling & Distribution Expenses				
Distribution Cost	10.10	12.38	17.16	46.06
Transportation Exp.	10.43	13.13	18.16	9.05
Packing & Forwarding Goods Expenses	1.09	7.22	3.93	2.23
Discount Paid	-	4.20	7.52	0.97
Sales Promotion	0.93	4.52	1.25	0.12
Establishment Expenses				
Advertisement Expenses	-	0.80	0.20	4.74
Rates & Taxes	1.59	0.20	13.30	-
Repair & Maintenance Exp	10.68	10.96	13.96	7.29
Travelling Exp	0.26	3.59	0.83	2.31
Legal & Professional Fees	15.07	1.03	1.10	0.10
Rent Exp.	36.36	49.25	50.54	34.48
Insurance Exp	1.89	1.16	0.80	1.25
Auditor Fees	0.30	0.30	0.30	0.30
Printing & Stationery Exp	0.80	0.91	1.79	1.05
Telephone and Mobile Exp.	0.49	0.88	0.90	0.29
Loss on sale of assets	-	-	1.31	-
Professional Fees	1.75	1.15	3.06	1.50
Security Exp.	-	2.86	3.13	1.14
Electrical Expenses	0.32	1.43	1.31	0.70
Office exp.	0.20	1.05	0.14	0.18
Commission Exp.	0.01	1.16	1.91	-
Courier & Postage Charges	-	0.21	0.02	0.01
Prior Period Expenses	-	-	-	56.68
Miscellaneous Expense	8.24	6.31	5.82	1.54
Total	203.20	261.49	293.22	244.04

ANNEXURE 29.1 PRIOR PERIOD ITEMS
(Rs. In Lakhs)

Particulars	As at 30th November	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
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	2022			
Adjustment of Depreciation Exp	-	-	-	24.01
Amortization Exp for Prior Perid	-	-	-	32.67
Total	-	-	-	56.68

ANNEXURE 29.2 PAYMENT TO AUDITORS AS:

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Payment to auditors				
a. Statutory Audit fees	0.30	0.15	0.15	0.15
b. for taxation matters	-	0.10	0.10	0.10
c. for company law matters	-	0.05	0.05	0.05
d. for management services	-	-	-	-
e. for other services	-	-	-	-
f. for reimbursement of expenses	-	-	-	-
Total	0.30	0.30	0.30	0.30

ANNEXURE 30 DEFERRED TAX ASSETS

(Rs. In Lakhs)

Particulars	As at 30th November 2022	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
WDV as per book	242.80	227.43	203.52	183.89
WDV as per IT	149.40	159.74	142.22	122.57
Time Difference	93.41	67.69	61.30	61.32
Disallowance u/s 43B	-	-	(0.89)	(1.31)
Brough forward Unabsorbed Loss & Depreciation	(130.48)	(195.70)	(229.17)	(251.84)
Total	(37.07)	(128.01)	(168.75)	(191.83)
As per B/S (Liability)/(Asset)	(9.64)	(33.28)	(43.88)	(49.88)
Transfer to P & L A/c (Loss)/(Profit)	23.64	10.59	6.00	(63.01)

ANNEXURE 31 RECONCILIATION OF RESTATED PROFIT

(Rs. In Lakhs)

Particulars	For the year ended 30th November, 2022	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	157.89	47.54	28.95	15.53
Adjustments for:				
Income Tax Provision	-	-1.57	3.76	-
Deferred Tax Liability / Asset Adjustment	-51.17	-14.23	-5.89	60.88
Profit/Loss on Sale of Assets	-	-	-1.31	2.13
Depreciation Adjustment As per Compnies Act 2013	-	17.56	1.93	2.35
MAT Credit	-	11.07	2.24	-
Prior Priod Items Adjustments	-	-	-	-56.68
Net Profit/ (Loss) After Tax as Restated	106.72	60.37	29.68	24.21

Note:

1. Income Tax Provision

There is difference in taxation as per audited books and restated books as the taxation provision is calculated on restated profits.

2. Deferred Tax Liability/ Asset Adjustment

In Audited Financial Statements, there was mistake in calculating Deferred Tax Asset/Liability which is rectified in Restated Financial Statements.

3. MAT credit Entitlement

In the restatements for the purpose of calculation purpose MAT has been worked out and taxation rate applied of Company only and hence the Credit has been recognised in the books of accounts as per the MAT credit entitlement guidelines as required.

4. Profit/Loss on Sale of Assets

Due to Change of depreciation amount profit/(loss) on sale of fixed assets amount also restated as required.

5. Depreciation Adjustment As per Companies Act 2013

In Audited Financial statement depreciation on fixed assets are not charged in line with companies act, 2013, so same should be incorporated in restated financial statement.

6. Prior Priod year Deffered Tax Adjustments

1. Due to change in depreication in earlier years same shall be adjusted as perior period items.
2. In the Financial Year 2014-15 compay has made deferred revenue expenditure but same shall not be amortised till 2022, but it should be amortised in 5 years equally from the Financial Year 2014-15, so first 4 year amount covered under prior priod Adjustments."

7. To Give Explanatory Notes regarding Adjustments

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the latest audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

Due to changes in accounting policies and other adjustments as stated above, the Company has recalculated the Income-tax provision and MAT Credit Entitlement and Set-off thereof at the rate of normal Tax rate applicable at the end of relevant year and accordingly, their readjusted amounts have been provided in Tax Shelter.

ANNEXURE 32 RELATED PARTY TRANSACTION

i) Names of related parties and description of relationship with the company

A) Key managerial personnel and their relatives

- Kishan Tekchandani - Managing Director
- Raina Tekchandani - Whole Time Director
- Lachhmandas Tekchandani - Relative of Director
- Maya Tekchandani - Relative of Director
- Harish Tekchandani - Relative of Director

B) Entities under common control/ Entities over which the Promoter has significant influence

- Mahalaxmi Mirchi Co.
- Lachhmandas Diyaldas - Frim of Director's Relative
- Lotus International
- Barkha Enterprise

(Rs. In Lakhs)

Name		Nature of Transaction	Amount Outstanding as on 30.11.2022 Payable/ (Receivable)	Amount of Transaction Debited Till 30.11.2022	Amount of Transaction Credited Till 30.11.2022	Amount Outstanding as on 31.03.22 Payable/ (Receivable)	Amount of Transaction Debited in 2021-22	Amount of Transaction Credited in 2021-22	Amount Outstanding as on 31.03.21 Payable/ (Receivable)	Amount of Transaction Debited in 2020-21	Amount of Transaction Credited in 2020-21	Amount Outstanding as on 31.03.20 Payable/ (Receivable)	Amount of Transaction Debited in 2019-20	Amount of Transaction Credited in 2019-20	Amount Outstanding as on 01.04.2019 Payable/ (Receivable)
Kishan Tekchandani	Director	Director Remuneration	0.31	10.94	6.15	5.11	9.13	13.79	0.45	15.29	9.85	5.90	8.15	7.20	6.85
Kishan Tekchandani	Director	Unsecured loan	0.64	177.00	101.50	76.14	15.20	33.95	57.39	118.40	4.75	171.04	17.00	138.50	49.54
Raina Tekchandani	Director	Director Remuneration	12.53	66.82	66.00	13.35	1.10	9.00	5.45	1.95	7.20	0.20	7.00	7.20	-
Raina Tekchandani	Director	Unsecured loan	18.85	483	481	20.85	19	38	2.20	62	57	7.45	24.25	-	31.70
Lachhmandas Tekchandani	Relative of Director	Unsecured loan	5.00	-	-	5.00	-	-	5.00	-	-	5.00	-	5.00	-
Lachhmandas Diyaldas	Enterprise in which director/ Relative of Director is Interested	Unsecured loan	13.80	59	5	67.85	10	19	58.85	21	38	39.27	27	21	46
		Interest Paid							-	-	3	-	-	-	-

Maya Tekchandani	Relative of Director	Unsecured loan	-	40.00	21.50	18.50	-	3.15	15.35	56.65	12.00	60.00	-	60.00	-
Mahalaxmi Mirchi Co.	Enterprise in which director/Relative of Director is Interested	Unsecured loan	-	124.89	84.70	40.19	7.00	22.00	25.19	10.00	12.00	23.19	2.00	2.00	23.19
Harish Techandani	Relative of Director	Unsecured loan	-	90.00	90.00	-	-	-	-	-	-	-	-	-	-
Lotus International	Enterprise in which director/Relative of Director is Interested	Loand & Advances	-	140.10	140.10	-	-	-	-	-	-	-	-	-	-
Barkha Enterprise	Enterprise in which director/Relative of Director is Interested	Investment	-205.00	205.00	-	-	-	-	-	-	-	-	-	-	-

ANNEXURE 33 SUMMARY OF ACCOUNTING RATIOS

(Rs. In Lakhs)

Particulars	For the year ended 30th November, 2022	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
Restated PAT as per P& L Account	106.72	60.37	29.68	24.21
Weighted Average Number of Equity Shares at the end of the Year/Period (Pre-Bonus Issue)	4,50,000	4,50,000	2,95,425	2,95,000
Weighted Average Number of Equity Shares at the end of the Year/Period (Post Bonus Issue)	52,20,000	52,20,000	50,65,425	50,65,000
No. of equity shares at the end of the year/period (Pre-Bonus Issue)	4,50,000	4,50,000	4,50,000	2,95,000
No. of equity shares at the end of the year/period (Post Bonus Issue)	52,20,000	52,20,000	52,20,000	50,65,000
Net Worth	255.11	148.39	88.00	-92.64
Earnings Per Share				
Basic & Diluted EPS	23.72	13.42	10.05	8.21
Adjusted Basic & Diluted EPS	2.04	1.16	0.59	0.48
Return on Net Worth (%)	41.83%	40.68%	33.73%	-26.14%
Net Asset Value Per Share (Rs) (Pre-Bonus Issue)	56.69	32.97	19.56	(31.40)
Net Asset Value Per Share (Rs) (Post Bonus Issue)	4.89	2.84	1.69	(1.83)
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00	10.00

1. Ratios have been calculated as below:

Basic and Diluted Earnings Per Share (EPS) (Rs.)

$$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period}}$$

Return on Net Worth (%)

$$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$$

Net Asset Value per equity share (Rs.)

$$\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year / period}}$$

2. The figures for the period ended November 30, 2022 are not annualised.

3. Bonus Issue of shares are made on December 20, 2022 the effect of which has been incorporated in the restatements while calculating the above accounting Ratios.

ANNEXURE 34 STATEMENT OF TAX SHELTERS

(Rs. In Lakhs)

Particulars	For the year ended 30th November, 2022	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit before tax as per books (A)	130.36	70.96	35.68	-38.80

Normal Corporate Tax Rate (%)	26.00%	26.00%	26.00%	26.00%
Normal Corporate Tax Rate (Other Source)(%)	26.00%	26.00%	26.00%	26.00%
MAT Rates	15.060%	15.060 %	15.060 %	15.060 %
Tax at notional rate of profits	33.89	18.45	9.28	-
Adjustments :				
Permanent Differences(B)				
Expenses disallowed/Income disallowed under Income Tax Act, 1961				
Interstet on late payment of taxes	-	-	0.06	0.16
Loss/(Profit) on sale on assets	-	-	-	-
Unpaid ESIC	-	-	-	-
Prior Period Items	-	-	-	56.68
Total Permanent Differences(B)	-	-	0.06	56.84
Income from Other Sources	-	-	0.21	0.17
Total Income considered separately (C)	-	-	0.21	0.17
Timing Differences (D)				
Difference between tax depreciation and book depreciation	(2.77)	(5.74)	(1.38)	5.94
Depraciation as per P & L A/c	13.55	18.87	19.29	24.93
Depreciation as per Income tax	16.32	24.61	20.68	18.99
Disallowance u/s 43B	-	-	0.89	1.31
Total Timing Differences (D)	(2.77)	(5.74)	(2.27)	4.63
Net Adjustments E = (B+D)	(2.77)	(5.74)	(2.21)	61.47
Tax expense / (saving) thereon	(0.72)	(1.49)	(0.57)	15.98
Short Term Capital Gain (F)	-	-	-	-
Interest of Fixed Diposit	-	-	-	-
Interest on Deposits	-	-	0.21	0.17
Interest on IT	-	-	-	-
Income from Other Sources (G)	-	-	0.21	0.17
Addition u/s 28 to 44DA (Deduction claimed in Normal business)				
Deduction u/s VI-A	-	-	-	-
Loss of P.Y. Brought Forward & Adjusted(H)	191.91	246.06	277.29	299.96
Brought Forward Busniess Loss	18.18	83.41	116.88	139.55
Brought Forward Capital Gain loss	112.30	112.30	112.30	112.30
Brought Forward Depreciation	34.60	34.60	34.60	34.60
Brought Forward MAT Credit	26.83	15.76	13.52	13.52
Taxable Income/(Loss) (A+E+F+G)	-	-	-	-
Taxable Income/(Loss) as per MAT	130.36	70.96	14.35	-38.80
Adjustments as per MAT	-	-	-21.33	-
Tax as per MAT	21.76	11.07	2.24	-6.05
Basic Tax	19.55	10.64	2.15	-5.82
Surcharge	1.37	-	-	-
Edu ess	0.84	0.43	0.09	-0.23
Tax as per Normal Calculation	-	-	-	-
Basic Tax	-	-	-	-
Surcharge	-	-	-	-
Edu ess	-	-	-	-
MAT Credit Used	-	-	-	-
Income Tax as returned/computed	21.76	11.07	2.24	-
Interest Payable	-	-	-	-
Tax paid as per normal or MAT	MAT	MAT	MAT	-

ANNEXURE 35 CAPITALISATION STATEMENT AS AT 30TH NOVEMBER, 2022

(Rs. In Lakhs)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	349.78	349.78
Long Term Debt (B)	33.73	33.73
Total debts (C)	383.51	383.51
Shareholders' funds		
Equity share capital	45.00	1,242.00
Reserve and surplus - as restated	210.11	1,173.11
Total shareholders' funds	255.11	2,415.11
Long term debt / shareholders' funds	0.20	0.01
Total debt / shareholders' funds	2.24	0.16

Notes:

1. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at November 30, 2022.
2. Short term Debts includes current maturities of long-term debt.
3. For post issue Capitalization calculation has been done considering the allotment of shares in the IPO & Bonus issue as under:
 - (i) Allotment dtd. 10/12/2022 of 22,00,000 shares @ 30 and
 - (ii) Bonus issue of 47,70,000 shares and
 - (iii) Issue of shares through IPO of 50,00,000 Shares @ 30.
4. The figure of short term/long term debt as appearing on November 30, 2022 has only been considered for calculation purpose.

ANNEXURE 36 RATIO ANALYSIS

Ratio	Numerator	Denominator	November 30, 2022*	March 31, 2022	March 31, 2021	March 31, 2020	% change from March 31, 2022 to November 30, 2022	% change from March 31, 2021 to March 31, 2022	% change from March 31, 2020 to March 31, 2021
Current ratio	Current Assets	Current Liabilities	1.27	0.93	0.79	0.49	-	16.76%	62.05%
Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.50	4.17	4.81	(5.18)	-	-13.27%	192.88%
Debt Service Coverage ratio*	Earnings for debt service	Interest & Lease Payments + Principal Repayments	2.28	1.60	1.87	0.15	-	-14.50%	1113.19%
Return on Equity ratio*	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.53	0.51	(12.79)	(0.23)	-	103.99%	-5433.88%
Inventory Turnover ratio*	Revenue from sales of products	Average Inventory	4.20	7.77	20.14	17.55	-	-61.41%	14.76%
Trade Receivable Turnover Ratio*	Revenue from operations	Average Trade Receivable	2.54	4.92	7.72	8.45	-	-36.24%	-8.65%
Trade Payable Turnover Ratio*	Purchase of Goods	Average Trade Payables	3.35	6.47	10.11	7.69	-	-36.00%	31.45%
Net Capital Turnover Ratio*	Revenue from operations	Working capital	4.19	(21.53)	(12.94)	(3.39)	-	-66.44%	-281.07%
Net Profit ratio	Net Profit	Revenue from operations	0.14	0.05	0.02	0.02	-	129.11%	2.50%
Return on Capital Employed*	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.25	0.14	0.14	(0.02)	-	7.04%	739.25%

*Ratio of November 30, 2022 are annualised to ensure consistent disclosure of numbers as compared to previous full year ended March 31, 2022.

Notes:

Percentage Change from 31st March 2020 to 31st March 2021

Particular	Reasons
Current ratio	Due to Decrease in Short Term borrowings and an Increase in Inventories from the last year.
Debt- Equity Ratio	Due to the new allotment of shares which affects the ratio positively.
Debt Service Coverage ratio	The repayment of the loan before its closure schedule in March 2020 shows a major effect on the Ratio.
Return on Equity ratio	Due to New share allotment which increases equity fund and affects ratio negatively.
Trade Payable Turnover Ratio	Due to Increase in Purchase of goods.
Net Capital Turnover Ratio	Due to a Decrease in Short Term borrowings and an Increase in Inventories from the last year which affects working capital positively but at the same proportion of sales, not increases which ultimately affects the ratio negatively.
Return on Capital Employed	Due to increase in EBIT and an increase in shareholder's funds as allotment of new shares both affect positively in ratio.

Percentage Change from 31st March 2021 to 31st March 2022

Particular	Reasons
Return on Equity ratio	Due to net profit doubled compared to last year.
Inventory Turnover ratio	Due to the increase in inventory in F.Y. 2021-22, which lead to an increase in average inventory.
Trade Receivable Turnover Ratio	Due to post covid effect it takes a longer time to collect on its credit sales, which affects the ratio negatively.
Trade Payable Turnover Ratio	Due to post covid effect company is taking a longer time to pay off its supplier compared to last year.
Net Capital Turnover Ratio	Due to post covid effect turnover decreases, which affects ratio negatively.
Net Profit ratio	Due to net profit doubled compared to last year.

37. The previous year's figures have been reworked, regrouped, and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current annual financial statements and are to be read in relation to the amounts and other disclosures relating to the current financial year.
38. Since the company has taken Unsecured loan which is given by director of company but for that company has not any agreement in writing.
39. *The Company has not made an actuarial valuation for provision of Gratuity as per AS 15 and accounted for gratuity when gratuity is claimed by the employee at the time of retirement. To that extent the profit & loss account of the company does not represent true & fair result of the company performance.*
40. *The company neither collect nor deposited amount of provided fund and ESIC as per the statutory obligation. To that extent the profit & loss account of the company does not represent true & fair result of the company performance.*
41. The Company has not revalued its Property, Plant and Equipment under restated period under consideration.
42. There has been no Capital work in progress restated period under consideration except:

CWIP/ Intangible Assets Under Development Property Under Development From 01 th April, 2022 to 30 th November, 2022	Amount In Development for Period				
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	22.95	-	-	-	22.95
Projects Temporarily suspended	-	-	-	-	-

43. There is no Intangible assets under development under restated period under consideration.
44. Credit and Debit balances of unsecured loans, Trade Payables, sundry Debtors, loans and Advances are subject to confirmation and therefore the effect of the same on profit could not be ascertained.
45. The Company does not have any charges or satisfaction which is yet to be registered with ROC or beyond the statutory period.
46. The Company have not any 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).
47. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
48. No proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.
49. The company has not been declared as willful defaulter by any bank or financial institution or government or government authority.
50. The company does not have transaction with the struck off under section 248 of companies act, 2013 or section 560 of Companies act 1956.
51. The company is in compliance with the number of layers prescribed under clause (87) of section 2 of company's act read with companies (restriction on number of layers) Rules, 2017.

52. Corporate Social Responsibility (CSR)

The section 135 (Corporate social responsibility) of companies act, 2013 is not applicable to the company.

53. Notes forming part of accounts in relation to Micro and small enterprise

Based on information available with the company, on the status of the suppliers being Micro or small enterprises, on which the auditors have relied, the disclosure requirements of Schedule III to the Companies Act, 2013 with regard to the payments made/due to Micro and small Enterprises are given below:

Sr. No	Particulars	Period Ended on 30 st Nov, 2022		Year Ended on 31 st March 2022		Year Ended on 31 st March 2021		Year Ended on 31 st March 2020	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
I	Amount due as at the date of Balance sheet	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
II	Amount paid beyond the appointed date during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
III	Amount of interest due and payable for the period of delay in making payments of principal during the year beyond the appointed date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
IV	The amount of interest accrued	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	and remaining unpaid as at the date of Balance sheet									
--	------------------------------------------------------	--	--	--	--	--	--	--	--	--

The company has initiated the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) but has not received the same in totality. The above information is compiled based on the extent of responses received by the company from its suppliers.

54. Title deeds of immovable Property

Title deeds of immovable property has not been held in the name of promoter, director, or relative of promoter/ director or employee of promoters / director of the company, hence same are held in the name of the company.

55. Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties:-

No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

56. Shares Held By Promoters At the End of the Year

Sr. No.	Promoter Name	No. Of Shares as on 30.11.2022	% Of Total Shares	No. Of Shares 2021-22	% Of Total Shares	No. Of Shares 2020-21	% Of Total Shares	No. Of Shares 2019-20	% Of Total Shares	% Change
1	Kishan Tekchandani	2,02,490	45%	2,02,490	45%	2,02,490	45%	97490	33.05%	11.95%
2	Raina Tekchandani	2,47,500	55%	2,47,500	55%	2,47,500	55%	-	-	55%
3	Harish Tekchandani	-	-	-	-	-	-	99,990	33.89%	-33.89%
4	Omprakash Tekchandani	-	-	-	-	-	-	99,990	33.89%	33.89%

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

The following discussion is intended to convey management’s perspective on our financial condition and results of operations for the period ended on November 30, 2022 and for the year ended on March 31, 2022, March 31, 2021 and March 31, 2020. You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled “*Risk Factors*” beginning on page 13 of this Draft Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“Fiscal Year”) are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Kelson Foods Limited, our Company. Unless otherwise indicated, financial information included herein are based on our “*Restated Financial Statements*” for period ended on September, 2021 and for the Financial Years 2020-21, 2019-20, and 2018-19 included in this Draft Prospectus beginning on page 104 of this Draft Prospectus.

BUSINESS OVERVIEW

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:

After the date of last financial year i.e. November 30, 2022, there is no any significant development occurred in the Company except the Company started its new venture name “UNCLE DONALD’S PIZZA”. For further details please refer Chapter titled “Business Overview” beginning on page 67 of the Draft Prospectus.

KEY FACTORS AFFECTING THE RESULTS OF OPERATION:

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

1. Changes in Laws and Regulations that apply to our Industry.
2. Changes in Fiscal, Economic or Political conditions in India
3. Company’s inability to retain the experienced staff
4. Failure to adapt the changing technology in our industry of operation may adversely affect our business
5. Failure to comply with regulations prescribed by authorities of the jurisdiction in which we operate
6. Competition with existing and new entrants
7. Reduction of the sub contract from the big contracting Company.

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer “Annexure 4” beginning under Chapter titled “Financial Information of our Company” beginning on page no. 104 of the Draft Prospectus.

Financial performance of the stub period for the period ended on November 30, 2022

(₹ in Lacs)

Income from continuing operations	Amount	%
Revenue from operations		-
Revenue from operations	782.74	99.76
Total	782.74	
Other Income	1.86	0.24
Total Revenue	784.60	
Expenses		
Cost of Material Consumed	345.52	44.04
Employee benefits expense	61.14	7.79
Finance Costs	30.12	3.84
Other expenses	203.2	25.90
Depreciation and amortisation expenses	13.55	1.73

Total Expenses	653.53	83.29
Restated profit before tax from continuing operations	131.07	16.71
Total tax expense	23.64	
Restated profit after tax from continuing operations (A)	107.43	13.69

Income from Operations

The Total income from the operation for the stub period ended on November 30, 2022 was ₹784.60 Lacs which includes revenue from operation of ₹782.74 lacs and other income of ₹1.86 lacs.

Total Expenditure

The total expenditure for stub period ended on November 30, 2022 was ₹653.53 lacs which is 83.29% of the total revenue for the stub period. The major expenditure which is part of the total expenditure is Cost of Material consumed amounting to ₹345.52 lacs (44.04 %), other expenses amounting to ₹203.20 lacs (25.90%) and Employee Benefit Expenses amounting to ₹61.14 lacs (7.79%).

EBDTA

The EBDTA for the stub period was ₹ 174.74 lacs representing to 22.27 % of total Revenue.

Profit after Tax

The profit after Tax for the stub period was ₹107.43 lacs representing to 13.69% of the total revenue.

RESULTS OF KEY OPERATIONS

(₹ in lakhs)

Particulars	For the year ended on		
	31.03.2022	31.03.2021	31.03.2020
Income from continuing operations			
Revenue from operations	1,122.05	1,266.21	1058.56
Total Revenue	1,122.05	1,266.21	1,058.56
% of growth	(11.39)	19.62	
Other Income	2.83	0.87	1.08
% total Other Income	0.25	0.07	0.10
Total Revenue	1,124.88	1,267.08	1,059.64
% of Total revenue	(11.22)	19.58	
Expenses			
Cost of Material Consumed	594.68	768.75	706.69
% total Revenue	52.87	60.67	66.69
Employee benefits expense	134.33	114.53	86.58
% Increase/(Decrease)	17.29	32.28	
Finance Costs	44.55	35.61	36.19
% Increase/(Decrease)	25.11	(1.60)	
Other expenses	261.49	293.22	244.04
% Increase/(Decrease)	(10.82)	20.15	
Depreciation and amortisation expenses	18.87	19.29	24.93
% Increase/(Decrease)	(2.18)	(22.62)	
Total Expenses	1,053.92	1,231.40	1,098.43
% to total revenue	93.69	97.18	103.66
EBDITA	134.38	90.58	22.33
% to total revenue	11.95	7.15	2.11
Restated profit before tax from continuing operations	70.96	35.68	(38.79)
Exceptional Item			
Total tax expense	10.93	5.50	(63.01)

Restated profit after tax from continuing operations (A)	60.03	30.18	24.22
% to total revenue	5.34	2.38	2.29

COMPARISON OF F.Y. 2021-22 WITH F.Y. 2020-21:

Income from Operations

The company is selling the Bakery products under the brand name “Breadman”. Currently at our outlets we offer, variety of breads, dry products like cookies, cream rolls, rusk and khari, we also offer the cakes, pastries, muffins and chocolates. In the F.Y. 2021-22, Company's total revenue was ₹1124.88 Lakhs, which is decreased by 11.22% in compare to F.Y. 2020-21 total Income Of ₹1267.08 Lakhs. In F.Y. 2021-22, Company had changed its financial policies and disallowed the customers for the long payment cycle, which cause increase in working capital in the Company. Further, the Company had closed the non-profitable and/or less developed products as well as outlets in the market, due to which the overall turnover of the Company in F.Y. 2021-22 is decreased compare to F.Y. 2020-21, but the profit margin is increased in the same financial year.

Expenditure:

Material Consumed

The Material Consumed in F.Y. 2021-22 was ₹ 594.68 lakhs which was ₹768.75 lacs in F.Y. 2020-21. The Material Consumed expenses was 52.87 % in the F.Y. 2021-22 as compared to 60.67 % in F.Y. 2020-21. The Company improves its quality of the products by using better quality raw material & greeted yield as well as change the recipes of their main product i.e “Breads”, due to which the consumption of raw material is decreased in the F.Y. 2021-22 in compare to F.Y. 2020-21 and also able to achieve good profit margin in the said product.

Employee Benefits Expenses:

The Employee expenses for F.Y. 2021-22 was ₹134.33 Lakhs against the expenses of ₹114.53 Lakhs in F.Y. 2020-21 showing increase by 17.29%. The increase in the employee expenses was due to increment to the staff after Covid 19.

Finance Cost:

The Finance Cost for the F.Y. 2021-22 was ₹44.55 Lakhs against the cost of ₹35.61 Lakhs in the F.Y. 2020-21 showing increase by 25.11%. The Finance cost is increased on account of increase of borrowing by the Company.

Other Expenses

Other Expenses decreased to ₹261.49 lakhs for F.Y. 2021-22 against ₹293.22 Lakhs in F.Y. 2020-21 showing decrease of 10.82%. The other expenses decrease on account of decrease of rental income and better utilisation of gas resulting into reduction in cost of gas and fuel expenses.

Depreciation and Amortisation Expenses:

The Depreciation for F.Y. 2021-22 was ₹18.87 Lakhs as compared to ₹19.29 Lakhs for F.Y. 2020-21. The depreciation was decreased by 2.18% in F.Y. 2021-22 as compared to F.Y. 2020-21. The depreciation is reduced as the Company is providing the depreciation on W.D.V method and reduction of asset value and no further addition in the fixed asset result in to reduction of depreciation amount.

EBDITA

The EBDTA for F.Y. 2021-22 was ₹134.38 Lakhs as compared to ₹90.58 Lakhs for F.Y. 2020-21. The EBDTA was 11.95 % in FY 2021-22 of total Revenue as compared to 7.15% in FY 2020-21. The EBDITA is increased on account of reduction of cost of materials consumed, and reduction of other expenses in FY 2021-22 compare to FY 2020-21.

Profit after Tax (PAT)

PAT is ₹60.03 Lakhs for the F.Y. 2021-22 as compare to ₹30.18 Lakhs in F.Y. 2020-21. The PAT was 5.34% of total revenue in F.Y. 2021-22 compared to 2.38% of total revenue in F.Y. 2020-21. The PAT is increased on account of reduction of cost of materials consumed, and reduction of other expenses in FY 2021-22 compare to FY 2020-21.

COMPARISON OF F.Y. 2020-21 WITH F.Y. 2019-20:

Income from Operations

The company is selling the Bakery products under the brand name “Breadman”. Currently at our outlets we offer, variety of breads, dry products like cookies, cream rolls, rusk and khari, we also offer the cakes, pastries, muffins and chocolates. In the F.Y. 2020-21, Company's total revenue was ₹1267.08 Lakhs, which is increased by 19.58% as compare to F.Y. 2019-20 total Income of ₹1059.64 Lakhs.

Expenditure:

The Cost of Material Consumed in F.Y. 2020-21 was ₹768.75 lakhs which was ₹ 706.69 lacs in F.Y. 2019-20. The cost of material consumed was 60.67 % in the F.Y. 2020-21 as compared to 66.69% in F.Y. 2019-20. The increase in cost of material was on account of increase in the prices of materials on account of COVID 19, the cost of material was increased in FY 2020-21 as compared to FY 2019-20.

Employee Benefits Expenses:

The Employee expenses for F.Y. 2020-21 was ₹114.53 Lakhs against the expenses of ₹86.58 Lakhs in F.Y. 2019-20 showing increase by 32.28% due to increase in production as well as marketing staff for the expansion in sales and production.

Finance Cost:

The Finance Cost for the F.Y. 2020-21 was ₹35.61 Lakhs against the cost of ₹36.19 Lakhs in the F.Y. 2019-20 showing decrease of 1.60 %. The Decrease in finance cost is marginal. The borrowing at the end of year is also reduced.

Other Expenses

Other Expenses decreased to ₹293.22 Lakhs for F.Y. 2020-21 against ₹244.04 Lakhs in F.Y. 2019-20 showing increase of 20.15 %. The increase in expenses on account of increase in the business of the company by 19.58% in FY 2020-21 compared to FY 2019-20.

Depreciation and Amortisation Expenses:

The Depreciation for F.Y. 2020-21 was ₹19.29 Lakhs as compared to ₹24.93 Lakhs for F.Y. 2019-20. The depreciation decreased by 22.62 % in F.Y. 2020-21 as compared to F.Y. 2019-20. The depreciation in FY 2019-20 was high on account of amortizing amount of ₹8.16 which was nil in FY 2020-21.

EBDITA

The EBDTA for F.Y. 2020-21 was ₹90.58 Lakhs as compared to ₹22.33 Lakhs for F.Y. 2019-20. The EBDTA was 7.15 % of total Revenue as compared to 2.11 % in F.Y. 2019-20. The Company had incurred losses in FY 2019-20, hence the EBDITA was low as compared to FY 2020-21.

Profit after Tax (PAT)

PAT is ₹30.18 Lakhs for the F.Y. 2020-21 in compare to ₹24.22 Lakhs in F.Y. 2019-20. The PAT was 2.38 % of total revenue in F.Y. 2020-21 compared to 2.29 % of total revenue in F.Y. 2019-20. In FY 2019-20, the company had incurred loss and on account of Deferred Tax Asset, the PAT shows 24.22 lcs. In fact, the PBT in FY 2019-20 was loss.

Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years other than shut down of business due to COVID-19.

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

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in ‘Factors Affecting our Results of Operations’ and the uncertainties described in the section entitled “*Risk Factors*” beginning on page 13 of this Draft Prospectus. To our knowledge, except as we have described in this Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

3. Income and Sales on account of major product/main activities

Income and sales of our Company on account of major activities derives from Bakery business.

4. Whether the company has followed any unorthodox procedure for recording sales and revenues

Our Company has not followed any unorthodox procedure for recording sales and revenues.

5. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled “*Risk Factors*” beginning on page 13 in this 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.

6. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in revenues are by and large linked to increases in volume of business.

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

The Company is in the business of manufacture, the relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page no 59 of this Draft Prospectus.

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

Our Company has not announced any new services or business segment.

9. The extent to which business is seasonal.

Our Company’s business is not seasonal,

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

Our Company is not dependent on any single or few suppliers of customers.

11. Competitive conditions.

Competitive conditions are as described under the Chapters titled “*Industry Overview*” and “*Business Overview*” beginning on pages 59 and 67, respectively of this Draft Prospectus.

FINANCIAL INDEBTEDNESS

Other Loans:

Sr. No	Name of the Bank/ NBFC	Security	Amount Sanctioned	Amount o/s as on 30-11-22 As Per Co Books
1.	HDFC Bank	Maruti Super Carry	460000	173570.63
2.	HDFC Bank	Eicher 1049 Cng Truck	1210062	727772.38
3.	HDFC Bank	Maruti Super Carry	556000	399764.04
4.	HDFC Bank	Maruti Super Carry	556000	399764.04
5.	HDFC Bank	Maruti Ecco Cargo	569000	442112.47
6.	HDFC Bank	Maruti Ecco Cargo	569000	442112.46
7.	HDFC Bank	Maruti Super Carry	593692	472700.89
8.	HDFC Bank	Maruti Super Carry	603000	480113.94
9.	Bajaj Finance old		2512000	1466027.00
10.	Bajaj Finance Top Up		1005600	750362.00
11.	RBL Bank		2015000	735162.00
12.	HDFC Bank u/s Loan		2011250	722329.39
	Total			7211791.24

B) UNSECURED BORROWINGS

As on November 30, 2022 the outstanding unsecured loans Repayable on Demand from the following parties:

Sr. No	Name of person	Amount outstanding as on November 30,2022	Rate of Interest
Promoter and Promoter group			
1.	Kishan Lachhmandas Tekchandani	64,383	Interest Free
2.	Lachhmandas Tekchandani (Personal)	5,00,000	Interest Free
3.	Raina Kishan Tekchandani	18,85,000	Interest Free
4.	Lachhmandas Diyaldas	13,80,000	Interest Free
Other than Promoter and Promoter group			
1	Ashok Awatram Sadhwani-HUF	5,00,000	14.14%
2	Ashokkumar Santumal HUF	5,00,000	14.00%
3	Bhagwandas Santumal HUF	5,00,000	14.00%
4	Bharti Rajkumar Kheskani	5,00,000	14.40%
5	K. Ghanshyamdas	5,17,250	15.00%
6	K. Mahendra Enterprise	20,00,000	14.00%
7	K K Finance	3,04,368	11.00%
8	Murlidhar Bhugromal Kheskani HUF	2,50,000	14.40%
9	Rajkumar Murlidhar Kheskani – HUF	2,50,000	14.40%
10	Sanjay Nandlal Khanchandani	25,00,000	15.00%
11	Satishkumar Narandas	25,00,000	15.00%
12	Swati Ashokkumar Sadhwani	5,00,000	14.40%
13	HT Ajmer	1,50,000	Interest Free
14	N.L. Vaghela	10,00,000	Interest Free
15	Prashant Vaswani	5,00,000	Interest Free
	Total	1,63,01,001	

(C) OTHER CREDIT FACILITIES:

As on November 30, 2022 the outstanding Credit Facilities from the following parties

Sr. No	Name of person	Amount of Credit	Amount outstanding as on November 30,2022	Terms of Repayment	Rate of Interest	Charge ID
1	HDFC Bank*	150 Lakh	1,48,37,740	12 Months	8.15	100461651

***Terms & Conditions:**

Financial Covenants: The Partners/Promoters Tangible Net-Worth (Capital+ USL from Promoters Family-Investment-L&A to group concerns/To Non-business purpose) to be maintained at Rs. 500.00 Lacs

Special Condition:

Present Release to be restricted to Rs. 100.00 Lacs and balance after 6 months basis satisfactory account conduct, churn to the tune of at least 80% being routed through HDFC Bank a/c, no other bank account.

Please find the lines of closure:

1. Validate the cash transaction (which is not reflecting in the bank account)
2. Undertaking from customer that at least 80% of its sales will be deposited in bank account
3. "Churn monitoring to be done after 6 months from date of disbursement and it should be at least 80%, else limits to be realigned accordingly".
4. Other bank account to be close within 30 days from the date of disbursement.
5. Customer to convert USL to Share capital and make the net worth positive before disbursement ---USL to the tune of Rs. 150.00 Lacs to be converted to capital prior to the release of the limits. Same to be vetted by credit.
6. Undertaking from customer that will not avail any secured / unsecured loan from any bank / NBFC / FI in future without written permission of HDFC Bank.
7. Undertaking from client that the churn shall improve to be bare minimum 80%.
8. Criminal case number 247/2019 to close before disbursement of limits.

Specific Conditions:

1. No dividend to be declared/ no withdrawal in form of salary/remuneration/incentive/commission by the Promoters/Partners in case of over dues with bank.
2. To route minimum 100% of sale proceeds through HDFC bank only and other bank accounts to be closed within 1 month of disbursal/takeover.
3. No withdrawals of unsecured loans on during the currency of the overdraft.
4. No interest to be paid on unsecured loans in case of any over dues with bank.
5. Unsecured loans will be converted into Equity as and when required to maintain positive tangible net worth.

The bank reserves an unconditional right to cancel the undrawn/unused/unavailed portion of the loan/facility sanctioned at any time during the currency of the loan/facility, without any prior notice to the borrower. Such instances will be notified with in 30 days. If such change is to your disadvantage, you may within 60 days and without notice close your account or switch it without having to pay any extra charges or interest.

OTHER FINANCIAL INFORMATION

ANNEXURE 36 RATIO ANALYSIS

Ratio	Numerator	Denominator	November 30, 2022*	March 31, 2022	March 31, 2021	March 31, 2020	% change from March 31, 2022 to November 30, 2022	% change from March 31, 2021 to March 31, 2022	% change from March 31, 2020 to March 31, 2021
Current ratio	Current Assets	Current Liabilities	1.27	0.93	0.79	0.49	-	16.76%	62.05%
Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.50	4.17	4.81	(5.18)	-	-13.27%	192.88%
Debt Service Coverage ratio*	Earnings for debt service	Interest & Lease Payments + Principal Repayments	2.28	1.60	1.87	0.15	-	-14.50%	1113.19%
Return on Equity ratio*	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.53	0.51	(12.79)	(0.23)	-	103.99%	-5433.88%
Inventory Turnover ratio*	Revenue from sales of products	Average Inventory	4.20	7.77	20.14	17.55	-	-61.41%	14.76%
Trade Receivable Turnover Ratio*	Revenue from operations	Average Trade Receivable	2.54	4.92	7.72	8.45	-	-36.24%	-8.65%
Trade Payable Turnover Ratio*	Purchase of Goods	Average Trade Payables	3.35	6.47	10.11	7.69	-	-36.00%	31.45%
Net Capital Turnover Ratio*	Revenue from operations	Working capital	4.19	(21.53)	(12.94)	(3.39)	-	-66.44%	-281.07%
Net Profit ratio	Net Profit	Revenue from operations	0.14	0.05	0.02	0.02	-	129.11%	2.50%
Return on Capital Employed*	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.25	0.14	0.14	(0.02)	-	7.04%	739.25%

*Ratio of November 30, 2022 are annualised to ensure consistent disclosure of numbers as compared to previous full year ended March 31, 2022.

Notes:

Percentage Change from 31st March 2020 to 31st March 2021

Particular	Reasons
Current ratio	Due to Decrease in Short Term borrowings and an Increase in Inventories from the last year.
Debt- Equity Ratio	Due to the new allotment of shares which affects the ratio positively.
Debt Service Coverage ratio	The repayment of the loan before its closure schedule in March 2020 shows a major effect on the Ratio.
Return on Equity ratio	Due to New share allotment which increases equity fund and affects ratio negatively.
Trade Payable Turnover Ratio	Due to Increase in Purchase of goods.
Net Capital Turnover Ratio	Due to a Decrease in Short Term borrowings and an Increase in Inventories from the last year which affects working capital positively but at the same proportion of sales, not increases which ultimately affects the ratio negatively.
Return on Capital Employed	Due to increase in EBIT and an increase in shareholder's funds as allotment of new shares both affect positively in ratio.

Percentage Change from 31st March 2021 to 31st March 2022

Particular	Reasons
Return on Equity ratio	Due to net profit doubled compared to last year.
Inventory Turnover ratio	Due to the increase in inventory in F.Y. 2021-22, which lead to an increase in average inventory.
Trade Receivable Turnover Ratio	Due to post covid effect it takes a longer time to collect on its credit sales, which affects the ratio negatively.
Trade Payable Turnover Ratio	Due to post covid effect company is taking a longer time to pay off its supplier compared to last year.
Net Capital Turnover Ratio	Due to post covid effect turnover decreases, which affects ratio negatively.
Net Profit ratio	Due to net profit doubled compared to last year.

CAPITALISATION STATEMENT AS AT 30TH NOVEMBER, 2022

(Rs. In Lakhs)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	349.78	349.78
Long Term Debt (B)	33.73	33.73
Total debts (C)	383.51	383.51
Shareholders' funds		
Equity share capital	45.00	1,242.00
Reserve and surplus - as restated	210.11	1,173.11
Total shareholders' funds	255.11	2,415.11
Long term debt / shareholders' funds	0.20	0.01
Total debt / shareholders' funds	2.24	0.16

Notes:

- The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at November 30, 2022.
- Short term Debts includes current maturities of long term debt.
- For post issue Capitalization calculation has been done considering the allotment of shares in the IPO & Bonus issue as under:
 - Allotment dtd. 10/12/2022 of 22,00,000 shares @ 30 and
 - Bonus issue of 47,70,000 shares and
 - Issue of shares through IPO of 50,00,000 Shares @ 30.
- The figure of short term/long term debt as appearing on November 30, 2022 has only been considered for calculation purpose.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal or Civil proceedings (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five (5) Financial Years, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“Materiality Policy”), in each case involving our Company, Promoters and Directors (the “Relevant Parties”).

For the purpose of point (V) above, our Board has considered and pass the Resolution for identification of material litigation involving the Relevant Parties in its meeting held on January 13, 2023 and has considered for identification of material litigation involving the Relevant Parties.

In terms of the Materiality, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters since incorporation including outstanding action, and tax matters, would be considered ‘material’ if:

- (a) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of Rs. 5.00 Lakhs shall be considered material; or
- (b) the monetary liability is not quantifiable, however, the outcome of any such pending proceedings may have a bearing on the business, operations, performance, prospects or reputation of our Company.

Except as stated in this section, there are no Outstanding Material Dues (as defined below) to creditors; or outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on January 13, 2023 determined that outstanding dues to creditors in excess of Rs. 5.00 lakhs as per the restated financials for the period ended November 30, 2022 shall be considered as material dues (“Material Dues”).

Unless otherwise stated to the contrary, the information provided is as of the date of this Draft Prospectus.

Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at www.kelsongroup.in. It is clarified that for the purposes of the above, pre – litigations notices received by our Company Promoters, and the Directors shall, unless otherwise decided by the Board, not be considered as material litigations until such time that litigations proceedings are initiated before any judicial forum.

PART I – LITIGATIONS INVOLVING OUR COMPANY

A. LITIGATIONS AGAINST OUR COMPANY

- 1) Criminal Litigations
NIL
- 2) Civil Proceedings
NIL
- 3) Taxation Matters

INCOME TAX		
Assessment Year	Tax Liability (in ₹Lacs)	Date of Demand raised
Income Tax		
2015-16	18.64	22.11.2017
2012-13	0.24	23.01.2014
2014-15	0.95	08.05.2015
2017-18	0.15	14.05.2019
2011-12	0.24	24.05.2012
Total	20.22	

- 4) Proceedings against Our Company for economic offences/securities laws/ or any other law
NIL
- 5) Penalties in Last Five Years
NIL
- 6) Pending Notices against our Company
NIL
- 7) Past Notices to our Company
NIL
- 8) Disciplinary Actions taken by SEBI or stock exchanges against Our Company
NIL
- 9) Defaults including non-payment or statutory dues to banks or financial institutions
NIL
- 10) Details of material frauds against the Company in last five years and action taken by the Companies.
NIL

B. LITIGATIONS FILED BY OUR COMPANY

- 1) Criminal Litigations
NIL
- 2) Civil Proceedings
NIL
- 3) Taxation Matters
NIL
- 4) Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law.
NIL

PART II –LITIGATIONS INVOLVING DIRECTOR(S) OF OUR COMPANY

A. LITIGATIONS AGAINST DIRECTOR(S) OF OUR COMPANY

- 1) Criminal Litigations
NIL
- 2) Civil Proceedings
NIL
- 3) Taxation Matters
NIL
- 4) Past Penalties imposed on our Directors
NIL
- 5) Proceedings initiated against our Directors for economic offences/securities laws/ or any other law
NIL
- 6) Directors on list of wilful defaulters of RBI
NIL

B. LITIGATIONS FILED BY DIRECTOR(S) OF OUR COMPANY

- 1) Criminal Litigations
NIL
- 2) Civil Proceedings
NIL
- 3) Taxation Matters
NIL

PART III –LITIGATIONS INVOLVING PROMOTER(S) OF OUR COMPANY

A. LITIGATIONS AGAINST PROMOTER(S) OF OUR COMPANY

- 1) Criminal Litigations
NIL
- 2) Civil Proceedings
NIL
- 3) Taxation Matters
NIL
- 4) Past Penalties imposed on our Promoters
NIL
- 5) Proceedings initiated against our Promoters for economic offences/securities laws/ or any other law

- NIL
- 6) Penalties in Last Five Years
NIL
- 7) Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in the past
NIL
- 8) Adverse finding against Promoter for violation of Securities laws or any other laws
NIL

B. LITIGATIONS FILED BY PROMOTERS(S) OF OUR COMPANY

- 1) Criminal Litigations
NIL
- 2) Civil Proceedings
NIL
- 3) Taxation Matters
NIL

PART IV –LITIGATIONS INVOLVING SUBSIDIARY COMPANY:

As On Date Of this Draft Prospectus, Our Company Does Not Have Any Subsidiary Company.

PART V –LITIGATIONS INVOLVING GROUP COMPANY:

As On Date Of This Draft Prospectus, Our Company Does Not Have Any Litigations Involving Group Company.

PART VI –OTHER MATTERS

NIL

PART VII –DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES

NIL

PART VIII –OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

NIL

PART IX –MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter - “*Management Discussion and Analysis of Financial Condition and Result of Operation*” on page 143 of this Draft Prospectus, there have been no material developments, since the date of the last audited balance sheet.

PART X –OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

As on November 30, 2022, our Company had Forty-One number of creditors, to whom a total amount of Rs. 71.99 lakhs were outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated January 13, 2023, considered creditors to whom the amount due exceeds Rs. 51.00 lakhs as per our Company's restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

Sr.No.	Particulars	Amount (Rs. in Lakhs)
1.	Amount due to Micro and Small Enterprises.	Nil
2.	Amount due to Material Creditors.	51.00
3.	Amount due to Other Creditors.	20.99

	Total	71.99
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*The above information has been provided as available with the company to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the MSMED Act.

Trade Payables are non-interest bearing and are normally settled within the terms. There are no other amounts paid/payable towards interest/principal under the MSMED, Act. For complete details about outstanding dues to creditors of our Company, please see website of our Company www.kelsongroup.in.

formation provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website: www.kelsongroup.in. would be doing so at their own risk.

WILFUL DEFAULTER / FRAUDULENT BORROWERS

Our Promoters and Directors have not been identified as a willful defaulter or fraudulent borrower in terms of the SEBI ICDR Regulations as on the date of this Draft Prospectus.

GOVERNMENT AND OTHER STAUTORY APPROVALS

In view of the licenses, permissions, approvals, no-objections, certifications, registrations, (collectively "Approvals") from the Government of India and various statutory, regulatory, governmental authorities listed below, our Company have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business activities (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business. It must be distinctly understood that in granting these Approvals, the Government of India and other authority 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.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities. For further details in connection with the regulatory and legal framework within which we operate, please refer "Key Industrials Regulations and Policies" on page 82 of this Draft Prospectus.

Following statement sets out the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business.

(A) Approvals for the Issue

Corporate Approvals

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on March 21, 2023 authorised the Issue subject to the approval of the shareholders of the Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to a resolution dated March 21, 2023 passed in the EGM under Section 62(1)(c) of the Companies Act, 2013 authorised the Issue.

In-principle approval from the Stock Exchange

3. The Company has obtained in-principle listing approval from the SME Exchange of the BSE Limited dated [●].

Agreements with CDSL and NSDL

4. The Company has entered into an agreement dated [●] 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.
5. Similarly, the Company has also entered into an agreement dated [●] 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.
6. The Company's International Securities Identification Number ("ISIN") is [●]

(B) Registration under the Companies Act, 1956/2013*:

Sr. No.	Authority Granting Approval	Approval / Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Registrar of Companies, Gujarat, Dadra & Nagar Haveli.	U15136GJ2003PTC043382 vide Certificate of Incorporation dated December 23, 2003	Companies Act, 1956	Certificate of Incorporation	Valid, till Cancelled
2.	Registrar of Companies, Ahmedabad	U15136GJ2003PTC043382 vide Certificate of Incorporation dated August 09, 2018.	Companies Act, 2013	Certificate of Incorporation pursuant to change of name	Valid, till Cancelled
3.	Registrar of Companies,	U15136GJ2003PTC043382	Companies	Certificate of	Valid, till

	Ahmedabad	vide Certificate of Incorporation dated January 08, 2019.	Act, 2013	Incorporation pursuant to change of name	Cancelled
4.	Registrar of Companies, ROC – Ahmedabad	U15136GJ2003PLC043382 vide Certificate of Incorporation dated March 15, 2023.	Companies Act, 2013	Fresh Certificate of Incorporation consequent upon conversion from private to public company	Valid, till Cancelled

(C) Registration under various Acts/Rules relating to Income Tax and Goods and Service Tax*:

Sr. No.	Authority Granting Approval	Approval/Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Income Tax Department - (PAN)	AAJCS0811M	Income Tax Act, 1961	Permanent Account Number	Valid, till Cancelled
2.	Income Tax Department - (TAN)	AHMS13449C	Income Tax Act, 1961	Tax Deduction and collection Account Number	Valid, till Cancelled
3.	Central Board of Indirect Taxes & Customs	24AAJCS0811M1ZD	The Central Goods and Services Tax Act, 2017	GST Certificate, Gujarat	Valid, till Cancelled



(D) Registration and Approvals under Statutory and Regulatory Act(s)*:

Sr. No.	Authority Granting Approval	Approval/Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Employees' State Insurance Corporation	3700134972000099	Employee State Insurance Act, 1948	Registration with ESIC Authority	Valid, till cancelled
2.	Employees' Provident Fund Organisation	GJAHD2819116000	Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Employees' Provident Fund	Valid, till cancelled
3.	Ministry of Micro, Small and Medium Enterprises, Government of India	UDYAM-GJ-01-0016955	The Micro, Small and Medium Enterprises Development Act, 2006	Udyam Registration Certificate	Valid, till cancelled
4.	Office of JT. Director General of Foreign Trade, Ahmedabad	IEC Certificate No: O811013146**	Import-Export Rules and Regulation	Import - Export Permission	Valid, till Cancelled
5.	Food Safety and Standards Authority of India	License Number: 10719026000303	Food Safety and Standards Act, 2006	State License for General Manufacturing	Valid Up to 07 th March, 2024
6.	Assistant Controller Legal Metrology, Ahmedabad District	Registration No: GUJ/ACLM/LM/300000/PCR/1018	Legal Metrology (Packaged Commodities) Rules, 2011	Packer of packaged Commodities	Valid, till Cancelled


(E) Intellectual Property Related Approvals:

As on date of the Draft prospectus the below mentioned trademarks Registered on our Company name*:

Sr. No.	Date of Registration	Trademark No.& Class	Mark	Validity
1.	30/09/2005	1388542 in Class 29	MOM'S TOUCH	Ten Years from 30/09/2015

2.	28/04/2018	2712901 in Class 32	LA-NUTRINK	Ten Years from the date of Application i.e. 04/04/2014
3.	02/09/2019	4112284 in Class 30		Ten Years from the date of Application i.e. 09/03/2019
4.	05/06/2022	4112285 in Class 30		Ten Years from the date of Application i.e. 09/03/2019
5.	02/09/2019	4112286 in Class 30	BAKISH	Ten Years from the date of Application i.e. 09/03/2019

List of Trademarks applied but not yet registered:*

Sr. No.	Date of Application	Trademark No.& Class	Mark	Status
1.	18/11/2022	5689011 in Class 30		Codification
2.	18/11/2022	5689012 in Class 43		Codification

(F) Approvals under the Factories Act and its Rules:

Sr. No.	Authority Granting Approval*	Approval/Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Directorate Industrial Safety & health, Gujarat State	44279	Factories Act, 1948 and Rules made thereunder	License to work a Factory	Valid Up to 31 st December, 2022**

**The License is expired as on the date of Draft Prospectus. The Company is in process to renew the same.

(G) Approvals applied for up gradation but not yet received:

Sr. No	Description	Authority
1.	Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019	Amdavad Municipal Corporation

Note: *All the Approvals/Licenses/Registration are in name of Kelson Foods Private Limited company is taking necessary steps to get the same in the name of Kelson Foods Limited.

** The IEC Certificate is on the name of Kelson Foods Private Limited, company is taking necessary steps to get the same in the name of Kelson Foods Limited.

FINANCIAL INFORMATION OF OUR GROUP COMPANIES

As per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group Companies which is covered under the applicable Accounting Standard (AS-18) as per the Restated Financial Statements of our Company. Further in addition to it, pursuant to a resolution of our Board dated January 13, 2023 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if any such company is an *Associate Company* of our Company or our Company is an *Associate Company* of such Company.

There is no company which is considered material by the Board of Directors of our Company to be identified as Group Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE OFFER

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on March 21, 2023, subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 62(1) (c) vis-à-vis of the Companies Act, 2013.

The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to Section 62(1) (c) vis-à-vis of the Companies Act, 2013 at the Extra Ordinary General Meeting of our Company held on March 21, 2023.

We have received In- Principle Approval from BSE SME vide their letter dated [●] to use the name of BSE in the Prospectus for listing of our Equity Shares on SME Platform of BSE. BSE Ltd is the Designated Stock Exchange.

PROHIBITION BY SEBI

Our Company, Promoters, Promoter Group and 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.

CONFIRMATION

1. Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Prospectus.
2. Our Directors are not in any manner associated with the securities market and no action has been taken by the SEBI against any of the Directors or any entity with which our Directors are associated as promoters or directors in past (5 five) years.

DECLARATION AS WILFUL DEFAULTERS & FUGITIVE ECONOMIC OFFENDER

Neither our Company, our Promoters, our Directors, have been identified as a willful defaulter or a fugitive economic offender by the RBI or other government authorities.

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 Offer” in terms of the SEBI (ICDR) Regulations, 2018.

Our company is eligible for the Issue in accordance with Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up (face value) capital is more than ten crores and upto twenty-five crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Platform", in this case being the "BSE SME"). Our Company also complies with eligibility conditions laid by SME Platform of BSE for listing of Equity Shares.

We confirm that:

1. In accordance with Regulation 246 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.
2. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this issue has been hundred percent (100%) 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 no. 29 of this Draft Prospectus.

3. In accordance with Regulation 268 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, otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within four working days from the date our Company becomes liable to unblock it, then our Company and every officer in default shall, on and from expiry of four days, be liable to unblock such application money with interest as prescribed under the SEBI Regulations, the Companies Act, 2013 and applicable laws.
4. 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 no. 29 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:

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

Our Company is incorporated under the Companies Act, 1956.

2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.

The post issue paid up capital (face value) of the Company will be ₹ 12.42 crores, less than ₹25 crores.

3. Positive Net Worth

(₹ in lakhs)

Particulars	November 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Net Worth as per Restated Financial Statement	255.97	148.54	88.50	(92.64)

4. Net Tangible Assets of Rs. 150.00 Lakh

Our Net Tangible Assets as per the latest audited financial statements i.e as on November 30, 2022 is ₹ 251.70.

5. Track Record

(A) The company should have (combined) a track record of at least 3 years.

Our Company satisfies the criteria of Track Record

(₹ in lakhs)

Particulars	November 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Net Profit as per Restated Financial Statement	107.43	60.03	30.18	24.21

6. The company or the firm or the firm which have been converted into the company should have combined positive cash accruals (earnings before depreciation and tax) in any of the year out of last three years and its net worth should be positive.

The Company has positive Cash Accruals

(₹ in Lacs)

Particulars	November 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Earnings before depreciation and tax	87.40	7.54	(19.23)	(99.92)

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: [●]

8. Company shall mandatorily have a website.

Our Company has a live and operational website: www.kelsongroup.in.

Certificate from the applicant company stating the following:

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

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.

No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.

There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to BSE for listing on SME Segment.

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 ("BSE SME").

SEBI DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT 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 OFFER DOCUMENT/ OFFER DOCUMENT. THE LEAD MERCHANT BANKER, INTERACTIVE FINANCIAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. 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 OFFER DOCUMENT/ OFFER DOCUMENT, 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, INTERACTIVE FINANCIAL SERVICES LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 23, 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 OFFER DOCUMENT/OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/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 OFFER DOCUMENT/OFFER DOCUMENT.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 30, 32 AND SECTION 33 OF THE COMPANIES ACT, 2013.

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.

CAUTION- DISCLAIMER FROM OUR COMPANY, OUR DIRECTORS AND THE LM

Our Company, our Directors, and the LM accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website: www.kelsongroup.in. or any website of any affiliate of our Company, any of the Group Companies, would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement entered into between the Underwriters, and our Company. All information shall be made available by our Company and the LM to the public and investors at large including our website: www.kelsongroup.in and www.ifinservices.in would be doing so at their own risk and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere. None among our Company or any member of the Syndicate is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

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 minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, 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 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 Ahmedabad 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 Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of 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 UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993

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), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States

in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations 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, wherever requires, 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

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE. Our Company has obtained In-principle approval from BSE Limited by way of its letter dated [●] for listing of equity shares on SME Platform of BSE Limited.

BSE Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform of BSE is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013”

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees 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 fifty lakh rupees or with both.

CONSENTS

The written consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory and Peer Review Auditor, Bankers to the Company, Legal Advisor to the Issue, the Lead Manager to the Issue, Underwriter, Registrar to the Issue, Market Makers and Banker's to Issue and Sponsor Bank to act in their respective capacities have been obtained.

Above consents will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of filing of the Prospectus for registration with the ROC. – **NOTED FOR COMPLIANCE**

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. D G M S & Co., Chartered Accountants., Peer Review Auditors, of the Company have agreed to provide their written consent to the inclusion of their report, Restated Financial Statements dated January 25, 2023 and the Statement of Tax Benefits dated March 21, 2023 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.

Further, such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus. – **NOTED FOR COMPLIANCE**

EXPERT OPINION

Except for Peer Review Auditors' reports on the Restated Financial Statements issued by M/s. D G M S & Co Chartered Accountants and Statement of Tax Benefits issued by M/s. D G M S & Co., Chartered Accountants; we have not obtained any other expert opinions.

PREVIOUS PUBLIC OR RIGHTS ISSUE

The Company has not made any Public or Right issue during last five years.

COMMISSION OR BROKERAGE

We have not made any public issue in last five years. Hence, no sums have been paid or payable as Commission or Brokerage.

COMMISSION PAYABLE TO SCSBS

The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them. However, in case, where ASBA Application Form are being procured by Syndicate Members / sub syndicate, then selling commission would be payable to Syndicate Members / sub syndicate and for processing of such ASBA Application Form, SCSBs would be given a prescribe fee of ₹10 per ASBA Application Form processed by them.

CAPITAL ISSUE DURING THE LAST THREE YEARS

Our Company and Group Companies/Entities have not made any capital issue during the last three years.

PERFORMANCE VIS-À-VIS objects;

Except as stated in the chapter titled "*Capital Structure*" beginning on page 38 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last 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 and Promoter Group Companies have their equity shares listed on any stock exchange.

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 Interactive Financial Services Ltd, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, and the website of Lead Manager at www.ifinservices.in

Disclosure of Price Information of Past Issues Handled By Interactive Financial Services Ltd

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing
1.	Bhatia Colour Chem Limited(BSE SME)	40.00	80	March 24, 2022	40.00	-36.50% (-0.69%)	-40.56% (-8.79%)	-30.00% (+2.68%)
2.	Global Longlife Hospital and Research Ltd (BSESME)	49.00	140	May 04, 2022	141.10	-40% (+0.27%)	-43.64% (+4.39%)	-47.00% (+9.12%)
3.	Rachana Infrastructure Ltd (NSE EMERGE)	76.28	135	June 10, 2022	138.00	+62.44% (+0.09%)	+250.04% (+8.78%)	+716.59% (+16.17)
4.	Dipna Pharmachem Limited (BSE SME)	15.21	38	September 08, 2022	32.00	-41.05% -2.51%	-44.74% (+4.92%)	NA
5.	Pace E-Commerce Ventures Limited (BSE SME)	66.53	103	October 20, 2022	104.50	-61.99% (+4.16%)	NA	NA

Sources: Share price data is from www.bseindia.com and www.nseindia.com

Note:

1. The BSE Sensex is considered as the Benchmark Index
2. Prices on BSE /NSE are considered for all of the above calculations
3. In case 30th/90th/180th day are not completed
4. NIFTY50 has considered as the benchmark index of NSE

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds Raised	Nos of IPOs trading at discount on 30th Calendar day from	Nos of IPOs trading at premium on 30thCalendar day	Nos of IPOs trading at discount on 180thCalendar day	Nos of IPOs trading at premium on 180thCalendar day
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		(₹ Cr)	listing date			from listing date			from listing date			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%
2021-22	1	40.00	NA	1	NA	NA	NA	NA	1	NA	NA	NA	NA	
2022-23	4	207.02	1	2	NA	1	NA	NA	1	NA	1	NA	NA	

Track Record of past issues handled by Interactive Financial Services Limited

For details regarding track record of the Lead Manager to the Offer 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.ifinservices.in.

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

All grievances relating to the Offer 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 centre 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 blocked on application and designated branch or the collection centre 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.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

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 seven (7) business 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.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on March 21, 2023. For further details, please refer the chapter titled “*Our Management*” on page no. 91 of Draft Prospectus.

Our Company has also appointed Shivani Mittal, 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:

Shivani Mittal

Company Secretary and Compliance Officer

Kelson Foods Limited

B-1222, 12th Floor, Sun Westbank, Opp City Gold Cinema, Ashram Road,
Ahmedabad - 380009, Gujarat, India.

Tel No: +91 9825008570

Website: www.kelsongroup.in

E-mail: office@kelsongroup.in

SECTION VIII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Prospectus, the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. 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(s), the RBI, ROC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchange(s), the ROC and/or any other authorities while granting its approval for the Offer 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 forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association 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 of our Company" beginning on page 206 of this Draft Prospectus.

Authority for the Present Issue

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on March 21, 2023 and approved by the shareholders of our Company vide a special resolution at the Extra Ordinary General Meeting held on March 21, 2023 pursuant to section 62(1)(c) of the Companies Act.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of

Directors. For further details, please refer to section titled "*Dividend Policy*" and "Main Provisions of Article of Association" beginning on page no 103 and 206 respectively of this Draft Prospectus.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ 30 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 54 of the Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares. At any given point of time there shall be only one (1) denomination of Equity Shares of our Company, subject to applicable law.

Compliance with SEBI (ICDR) Regulations, 2018

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:

- 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;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of Articles of Association" beginning on page 206 of the Draft Prospectus.

Minimum Application Value; Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of 4,000 Equity Shares and the same may be modified by SME Platform of BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 4,000 Equity Share subject to a minimum allotment of 4,000 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 (1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies collected shall be refunded within four (4) Working days of closure of Offer. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholder, to the extent applicable and 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 Ahmedabad.

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.

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, 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 Regulation 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.

Nomination Facility to Investor

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of Joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety 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 Offer

ISSUE OPENS ON [•]
ISSUE CLOSES ON [•]

- In terms of Regulation 265 of ICDR Regulations, the issue shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.
- In terms of Regulation 266(3) of ICDR Regulations, in case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Issue Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the provisions of sub-regulation 266(1).

In terms of the UPI Circulars, in relation to the Issue, the Lead Manager will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Offer Closing Date, the Issuer shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding Four (4) Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

In case of

- any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked.
- any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock;
- any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock;
- any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any further notification from the SEBI after filing of this Draft Prospectus may result in changes in the timelines.

Submission of Application Forms:

Issue period (except the Issue Closing Date)	
Submission and Revision of Application Form	Only between 10.00 a.m. and 5.00 p.m. IST
Issue Closing Date	
Submission and Revision of Application Form	Only between 10.00 a.m. and 3.00 p.m. IST

On the Issue Closing Date, for uploading the Application Forms:

1. 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 Exchanges, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges.

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 03.00 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 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.

It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.

In accordance with SEBI (ICDR) Regulations, 2018, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from SME Platform of BSE may be taken as the final data for the purpose of Allotment.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten as per Regulation 260(1) of SEBI ICDR Regulation.

If the issuer does not receive the subscription of hundred per cent (100%) of the offer through Draft Prospectus on the date of closure of the issue including devolvement of underwriters, if any, or if the subscription level falls below hundred per cent (100%) after the closure of issue on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchange for the securities so offered under the Draft Prospectus, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond Four (4) Working Days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen per cent per annum (15% p.a).

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

Arrangements for Disposal of Odd Lots

The trading of the equity shares will happen in the minimum contract size of 4,000 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 SME Platform of BSE Limited.

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 days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the public Issue Account shall be transferred to the Refund Account.

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

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page 38 of the 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 206 of the Draft Prospectus.

Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- a) If the Paid-up Capital of our Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor 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 BSE 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

- b) If the Paid-up Capital of our company is more than ₹ 10 crores and the capitalization of our equity is more than ₹25 crores and our company have been listed on SME Platform for at least two years, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor 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 though this issue are proposed to be listed on the SME Platform of BSE Limited (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform of BSE Limited for a minimum period of three years from the date of listing of shares offered though this Draft Prospectus.

For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please see "General Information" beginning on page 29 of the Draft Prospectus.

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.

Allotment of Equity Shares in Dematerialized Form

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, 2018 the trading of the Equity Shares shall only be in dematerialised 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 the Draft Prospectus:

- Tripartite agreement dated [●] among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated [●] 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 Exchanges. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extant policy 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, FIIs 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.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty-five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME platform of BSE Limited "BSE SME"). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 169 and 178 respectively of this Draft Prospectus.

Public Issue of 50,00,000 Equity Shares of Face Value of ₹ 10.00/- each fully paid (The "Equity Shares") for cash at a price of ₹ 30.00/- per Equity Shares (including a premium of ₹ 20/- per equity share) aggregating to ₹ 1500.00 lacs ("the offer") by our Company.

Particulars	Net Issue to Public	Market Maker reservation portion
Number of Equity Shares	47,44,000* Equity Shares	2,56,000 Equity Shares
Percentage of Issue Size available for allocation	94.88% of the Issue Size.	5.12 % of the Issue Size
	38.20% of the Post Issue Paid up capital	2.06 % of the Post Issue Paid up capital
Basis of Allotment/ Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 4000 Equity Shares and Further allotment in multiples of 4000 Equity Shares each. For further details, please refer to the section titled "Issue Procedure" on page 178 of this Draft Prospectus.	Firm Allotment
Mode of Application	Retail Individual Investors may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI Payment facility) shall apply through ASBA Only.	Through ASBA mode Only.
Minimum Application Size	<u>For OIB and NII:</u> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000. <u>For Retail Individuals:</u> Such number of equity shares where application size is of at least 4,000 Equity Shares.	2,56,000 Equity Shares
Maximum Bid	<u>For OIB and NII:</u> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Size does not exceed 47,44,000 Equity Shares subject to adhere under the relevant laws and regulations as applicable. <u>For Retail Individuals:</u> Such number of Equity Shares so that the Application Value does not exceed ₹ 2,00,000	2,56,000 Equity Shares
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
Trading Lot	4,000 Equity Shares	4,000 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	

Particulars	Net Issue to Public	Market Maker reservation portion
	submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant.	

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

Note:

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

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details, please refer chapter titled “Issue Procedure” beginning on page 178 of this Draft Prospectus.

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

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 (“CAN”) and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company, and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company, and Lead Manager would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with the applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

Pursuant to the SEBI ICDR Regulations, 2018 the ASBA process is mandatory for all investors excluding Anchor Investors and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Application forms. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 (“UPI Circular”) in addition to ASBA Process has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”), consequent reduction in timelines for listing in a phased manner. Further, SEBI vide its circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 has notified Phase II for detail implementation refers below “Phased implementation of Unified Payments Interface”. Applicants applying through the ASBA process or UPI Mechanism should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs hence applicant shall ensure that ASBA Bank Account has sufficient Balance.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by Stock Exchange to act as intermediaries for submitting Application Forms are provided on the website of the Stock Exchange. For details on their designated branches for submitting Application Forms, please refer the above-mentioned Stock Exchange website.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA)

for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars 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 is 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 will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue to be six Working Days during this phase.

Phase III: 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.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

Fixed Price Issue Procedure

The offer is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process. Wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.

Investors should note that Equity Shares will be allotted to successful Applicants in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. Applicants will not have the option of getting allotment of the Equity Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.

Availability of Draft Prospectus/Prospectus and Application Forms

Copies of the Application Form and the Draft prospectus / 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 Centers only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians and 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.

**Application Forms will also be available on the website of the NSE (www.nseindia.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).

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.

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 exchange(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/Client ID and PAN, on a real time, basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

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:

- FPIs other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non-Institutional Investors (NIIs) category;
- Mutual Funds registered with SEBI;
- VCFs registered with SEBI;
- FVCIs registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;

- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;
- Nominated Investor and Market Maker
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.
- 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. Overseas Corporate Bodies

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.

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 rematerialised 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 Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals

Application 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, 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), 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.

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 up to 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 21 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' norms. 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").

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:

- 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.
- 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.
- 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.
- 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.
- 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.

Maximum and Minimum Application Size

1. For Retails Individual Applicants

The Application must be for a minimum of 4,000 Equity Shares and in multiples of 4,000 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.

2. 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 4,000 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 Application.

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.

The above information is given for the benefit of the Applicants. The 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. 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

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 the 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

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 ₹45 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment Mechanism

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the bid Amount (issue price) in the bank account specified in the Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)

In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to 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:

- a) Investors shall create UPI ID
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) 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
- e) 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
- f) 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:

- a) 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.
- b) 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
- c) 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.

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.

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(s).
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:
 - i. Name of the Applicant;
 - ii. IPO Name;
 - iii. Application Form number;
 - iv. Investor Category;
 - v. PAN (of First Applicant, if more than one Applicant);
 - vi. DP ID of the demat account of the Applicant;
 - vii. Client Identification Number of the demat account of the Applicant;
 - viii. UPI ID (RIIs applying through UPI Mechanism)
 - ix. Numbers of Equity Shares Applied for;
 - x. 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
 - xi. Bank account number
 - xii. 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.

7. 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.
8. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
9. 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.
10. 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.
11. 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 RIIs wishes to withdraw the applications during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

Signing of Underwriting Agreement

The issue is 100% Underwritten. For further details please refer to Section titled "General Information" on page no. 29 of this Draft Prospectus.

Filing of the Offer Document with the ROC

For filing details, please refer Chapter titled "General Information" beginning on page 29 of this Draft Prospectus.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where registered office of the Company is situated.

Price Discovery & Allocation of Equity shares

- a) 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.
- b) 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.
 - c) 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.
 - d) 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.
 - e) 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 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.

Issuance of Confirmation Allocation Note ("CAN")

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Offer Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Offer Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

Designated Date

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

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 Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, 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 forms. 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. 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 Prospectus;
 22. Ensure that you have correctly signed the authorisation/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 Bidders 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;

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, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
4. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
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 BRLM 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. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
8. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
9. Do not submit the General Index Register number instead of the PAN;
10. 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.
11. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
12. 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;
13. 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;
14. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
15. 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;
16. 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;

17. 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);
18. 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;
19. Do not submit more than five (5) ASBA Forms per ASBA Account;
20. 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
21. 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.
22. 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.

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, Applicants 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:

- i. All applications are electronically strung on first name, address (1st line) and applicant 's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband 's name to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made. In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client norms by the depositories. The Company reserves the right to reject, in 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 Book Running 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:

- 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.
- 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 or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without 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.

Grounds for Technical Rejections

Applicants are requested to note that Application may be rejected on the following additional technical grounds.

- a. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- b. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- c. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- d. PAN not mentioned in the Application Form;
- e. GIR number furnished instead of PAN;
- f. Applications for lower number of Equity Shares than specified for that category of investors;
- g. Applications at a price other than the Fixed Price of the Issue;
- h. Applications for number of Equity Shares which are not in multiples as stated in the chapter titled "Issue Structure";
- i. Category not ticked;
- j. Multiple Applications as defined in the Prospectus;
- k. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- l. Applications accompanied by Stock invest/ money order/ postal order/ cash;
- m. Signature of sole Applicant is missing;
- n. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- o. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- p. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- q. Applications by OCBs;
- r. Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- s. Applications not duly signed;
- t. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- u. Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- v. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- w. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- x. Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹2,00,000, received after 3.00 pm on the Issue Closing Date;

- y. Applications not containing the details of Bank Account and/or Depositories Account.
- z. Applications under the UPI Mechanism submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
- aa. Application 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.

Equity Shares in Dematerialized Form with NSDL or 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:

- a) a tripartite agreement dated [●] with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated [●] with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN No: [●]

- a) 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.
- b) 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.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) 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.
- e) 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.
- f) 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.
- g) 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.
- h) 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 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>KELSON FOODS LIMITED Shivani Mittal Company Secretary and Compliance Officer Address: Tel No: B-1222, 12th Floor, Sun Westbank, Opp City Gold Cinema, Ashram Road, Ahmedabad - 380009, Gujarat, India Website: www.kelsongroup.in Tel No: +91 98250 08570 E-mail: office@kelsongroup.in</p>	<p>Bigshare Services Private Limited Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Center, Mahakali Caves Road, Andheri East, Mumbai-400093 Tel No: +91 22-62638200 Fax No +91 22-62638299 Website: www.bigshareonline.com E-Mail: ipo@bigshareonline.com Contact Person: Aniket Chindarkar SEBI Reg. No.: INR000001385</p>
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Disposal of Applications

With respect to Investors, our Company shall ensure dispatch of Allotment Advice, refund orders (except for applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account of Depository Participants of the Applicants and submit the documents pertaining to the Allocation to the Stock Exchange(s) on the Investor Bidding Date. In case of Applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 4 Working Days from the Bid/Offer Closing Date.

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:

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

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of “imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud”.

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.

AT PAR FACILITY

Letters of Allotment or refund orders or instructions to Self-Certified Syndicate Banks in Application Supported by Blocked Amount process. The issuer shall ensure that “at par” facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

Grounds for Refund

Non-Receipt of Listing Permission

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in

Draft Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within four days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of forth days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond four days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013)

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 50 failing which the entire application monies may be refunded forthwith.

Mode of Refunds

- a) **In case of ASBA Bids:** Within 6 (six) Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid, for any excess amount blocked on Application, for any ASBA Bids withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer.
- b) In the case of Applicant from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- c) **In case of Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;
- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the 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;
- (iii) **Direct Credit** - Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) **RTGS** - Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicants 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 BRLM or the Registrar to the Offer or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Offer, 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 Draft Prospectus.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as maybe specified by SEBI.

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 Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

BASIS OF ALLOTMENT

Allotment will be made in consultation with Stock Exchange (The Designated Stock Exchange). In the event of oversubscription, 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 4,000 equity shares the allotment will be made as follows:
 - a. Each successful applicant shall be allotted 4,000 equity shares; and
 - b. The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 4,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 4,000 equity shares subject to a minimum allotment of 4,000 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 4,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in the Draft Prospectus.
6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
 - a. A minimum of 50% of the net offer 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 offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor 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 which shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Undertaking by our Company

Our Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. 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 us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. The Equity Shares proposed to be issued by it in the Issue shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Issue;
9. If the Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within fifteen (15) days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period
10. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh draft prospectus with Stock Exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
11. That the Promoters' contribution in full, if required, shall be brought in advance before the Issue opens for subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on Applicants in accordance with applicable provisions under SEBI ICDR Regulations;
12. 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;
13. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
14. That it shall comply with such disclosure and account norms specified by SEBI from time to time

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 utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI and Master Direction – Foreign Investment in India (updated upto March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US 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 Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES
OF ASSOCIATION**

**MAIN PROVISIONS OF ARTICLES OF ASSOCIATION
OF
KELSON FOODS LIMITED**

Title of Article	Article Number	Content
PRELIMINARY		The Regulations contained in Table ‘F’ in the First Schedule to (The Companies Act, 2013) shall apply to the Company except in so far as otherwise expressly incorporated hereinafter.
INTERPRETATION	1.	<p>1 In these regulations</p> <p>(a) “Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and any previous Company Law, so far as may be applicable.</p> <p>(b) “Articles” means these Articles of Association of the Company or as altered from time to time.</p> <p>(c) "Associate Company", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.</p> <p>Explanation. —For the purposes of this clause, "significant influence" means control of at least twenty per cent of total share capital, or of business decisions under an agreement;</p> <p>(d) “Board of Directors” or “Board”, means the collective body of the directors of the Company and shall include a Committee thereof.</p> <p>(e) “Company” means KELSON FOODS LIMITED.</p> <p>(f) “Control” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.</p> <p>(g) “Depositories Act” means the Depositories Act, 1996, or any statutory modification or re-enactment thereof, for the time being in force.</p> <p>(h) “Depository” means a depository as defined under Section 2(1)(e) of the Depositories Act.</p> <p>(i) “Director” means a member of the Board appointed in accordance with these Articles, including any additional and/or alternate director.</p> <p>(j) “Debenture” includes Debenture stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not.</p> <p>(k) “Document” includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.</p> <p>(l) “General Meeting” means a general meeting of the Shareholders of the Company, whether an annual general meeting or an extraordinary general meeting.</p> <p>(m) “Independent Director” shall have the meaning ascribed to it in the Act.</p> <p>(n) “Key Managerial Personnel” means the Chief Executive officer or the managing director or the manager; the company secretary; whole-time director; Chief Financial Officer; and such other officer as may be notified from time to time in the Rules.</p> <p>(o) “Ordinary & Special Resolution” shall have the meanings assigned to these terms by Section 114 of the Act.</p> <p>(p) “Promoter” means a person—</p> <p>(a) who has been named as such in a prospectus or is identified by the company in the annual return referred to in Section 92; or</p> <p>(b) who has control over the affairs of the Company, directly or indirectly whether as a shareholder, director or otherwise; or</p> <p>(c) in accordance with whose advice, directions or instructions the Board of Directors</p>

		<p>of the Company is accustomed to act: Provided that nothing in sub clause (c) shall apply to a person who is acting merely in a professional capacity; (q) “Public Company” means a company which— (a) is not a private company and; (b) has a minimum paid-up share capital, as may be prescribed: Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles (r) “Rules” means the applicable rules for the time being in force as prescribed under relevant Sections of the Act. (s) “Seal” means the Common Seal of the Company. (t) “Secretary” is a Key Managerial Person appointed by the Directors to perform any of the duties of a Company Secretary. (u) “The office” means the Registered Office for the time being of the Company. Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender. Reference in these articles to any provision of the Act shall, where the context so admits, be construed as a reference by any statute for the time being in force. Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Act or Rules, or any statutory modification thereof in force at the date at which these Articles become binding on the Company.</p>
SHARE CAPITAL AND VARIATION OF RIGHTS	2.	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association with power to Board of Directors to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges, or conditions may be, thought fit and upon the sub division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub division.
	3.	The Board may issue and allot shares in the Capital of the Company for consideration other than cash.
Kinds of Share Capital	4.	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: (a) Equity share capital: (i) with voting rights; and / or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference share capital
Certificate of Shares	5.	(1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide: (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 such charges as may be fixed by the Board for each certificate after the first. (2) 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.
	6.	A person opts to hold any shares with the depository, the Company shall intimate such depository the details of allotment of the shares to enable the depository to enter in its records the name of such person as the beneficial owner of that shares.
	7.	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 Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.
Commission for placing of Shares	8.	(1) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture stock or other securities of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture stock or other securities of the Company but so that the statutory conditions and requirements shall be observed and complied with. The amount of rate of commission shall not exceed the rate as may be fixed under the Companies Act, 2013, the Rules and SEBI guidelines wherever applicable. (2) The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash or in share, debentures or debenture stock of the Company, (whether fully paid or otherwise) or in any combination thereof.
Variation of members' rights	9.	(1) 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 or issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class and all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in question. (2) 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.
Issue and redemption of preference shares	10.	Subject to the provisions of the Act and Rules made in this behalf, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
Further issue of capital	11.	(1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to – (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or (b) employees under any scheme of employees' stock option; or (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above. (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules and SEBI guidelines.
Issue of Securities at a Premium	12.	The Company shall have power to issue Securities at a premium and shall duly comply with the provision of Sections 52 of the said Act.
LIEN	13.	(1) 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 member, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause. (2) 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.

	14.	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 to the person entitled thereto by reason of his death or insolvency.
	15.	To give effect to such sale, the Board of Directors may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
	16.	The net proceeds of the sale after payment of the costs of the sale shall be received by the Company and applied or towards payment or such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for debts or liabilities 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.
	17.	In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
	18.	The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.
SHARE WARRANTS	19.	The Company may issue Share warrants subject to, and in accordance with, the provisions of the Act and the applicable rules/ regulations/ guidelines. The Board may in its discretion, with respect to any Share which is fully paid up, on application in writing signed by the person registered as holder of the Share, and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) with respect to the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a Share warrant.
	20.	(1) The bearer of a Share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of two (2) clear days from the time of deposit, as if the depositor's name were inserted in the Register of Members as the holder of the Shares included in the deposited warrant. (2) Not more than one person shall be recognised as the depositor of the Share warrant. (3) The Company shall, on two (2) days' written notice, return the deposited Share warrant to the depositor.
	21.	(1) Except as herein otherwise expressly provided, no person shall, as bearer of a Share warrant, sign a requisition for calling a meeting of the Shareholders of the Company, or attend, or vote or exercise any other privilege of a Shareholder at a meeting of the Shareholders, or be entitled to receive any notices from the Company. (2) The bearer of a Share warrant shall be entitled in all other respects to the same privileges and advantages as if such person were named in the Register of Members as the holder of the Shares included in the warrant, and such person shall be a Shareholder.
	22.	The Board may, from time to time, make rules as to the terms on which (if it deems fit) a new Share warrant or coupon may be issued by way of renewal in case of

		defacement, loss or destruction.
POWER TO BORROW	23.	The Board may, from time to time, and at its discretion, subject to the provisions of the Act and these Articles, accept deposits from Shareholders either in advance of calls or otherwise and generally raise or borrow moneys, either from the Directors, their friends and relatives or from others for the purposes of the Company and/or secure the payment of any such sum or sums of money, provided however, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in ordinary course of business) and remaining outstanding and undischarged at that time exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company in a General Meeting by an ordinary resolution. The Board may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions as it thinks fit, and in particular by receiving deposits, issue of bonds, debentures perpetual, redeemable, debenture stock, or any security of the Company or by mortgage or charge or other security upon all or any part of the property or undertaking of the Company (both present and future), including its uncalled capital for the time being; provided that the Board shall not give any option or right to any person for making calls on the Shareholders in respect of the amount unpaid for the time being on the Shares held by them, without the previous sanction of the Company in a General Meeting.
CALLS ON SHARES	24.	(1) 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. (2) 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. (3) A call may be revoked or postponed at the discretion of the Board.
	25.	(1) A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments. (2) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
	26.	If a sum called in respect of the shares is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest upon the sum at such rate not exceeding 10% per annum or at such lower rate, if any, as the Board may determine, but the Board of Directors shall be at liberty to waive payment of that interest wholly or in part.
	27.	(1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. (2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
	28.	The Board – (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
	29.	Neither a judgement nor a decree in favour of Company for calls or other moneys due in respect of any share, nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall, from time to time, be due from any member in respect of any share, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such

		money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
	30.	The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.
TRANSFER OF SHARES	31.	(1) The instrument of transfer shall be in writing and all provisions of the Companies Act, 2013 and of any statutory modification thereof for the time being shall be duly complied within respect of all transfer of shares and the registration thereof. (2) The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof.
	32.	The Board may, subject to the right of appeal conferred by Section 58 of the Act, decline to register any transfer of shares (not being fully paid shares) to a person of whom they shall not approve and they may also decline to register any transfer of shares on which the Company has a lien.
	33.	The Board of Directors may also decline to recognise any instrument of transfer unless: a. the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act; b. the instrument of transfer is accompanied by the certificate of shares to which it relates and such other evidence as the Board of Directors may reasonably require to show the right of transferor to make the transfer; and c. the instrument of transfer is in respect of only one class of shares.
	34.	On giving not less than seven days' previous notice or such lesser period in accordance with the Act 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. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.
TRANSMISSION OF SHARES	35.	(1) 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 but nothing in this Article 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.
	36.	(1) Any person becoming entitled to a share in consequence of the death or insolvency of member may, upon such evidence being produced as may from time to time, be required by the Board and subject as hereinafter provided, elect either: a. to be registered himself as holder of the shares; or b. to make such transfer of the shares as the deceased or insolvent member could have made. (2) The Board shall, in either case, have the same right to decline or suspend registration as they would have had, if the deceased or insolvent member had transferred the shares before his death or insolvency.
	37.	(1) If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing by him stating that he so elects. (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. (3) All the limitations, restrictions and provisions or these regulations to the rights to transfer and the registration of transfer 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 of transfer were a transfer signed by that member. (4) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the

		Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or 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.
	38.	The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.
FORFEITURE OF SHARES	39.	If a member fails to pay any call or installment of a call, on the day appointed for payment thereof, the Board may at any time thereafter, during such time as the call or installment remains unpaid, serve a notice on him requiring to pay such call or installment together with interest which may have accrued.
	40.	The notice shall name a further day (not earlier than the expiry of fourteen days from the date of service thereof) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non <input type="checkbox"/> payment on or before the day and at the place appointed the shares in respect of which the call was made shall be liable to be forfeited.
	41.	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 of Directors to that effect.
	42.	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
	43.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
	44.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
	45.	A forfeited share shall become the property of the Company and may be sold, re <input type="checkbox"/> allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Board thinks fit, and at any time before a sale, re <input type="checkbox"/> allotment or disposition the forfeiture may be cancelled on such terms as it thinks fit.
	46.	A member 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 moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with interest thereon at such rate as the Board may determine.
	47.	A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company, and that a share 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.
	48.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and after his name has been entered in the Register of Members in respect of such shares the validity of the sale shall not be impeached by any person.
	49.	Upon any sale, re <input type="checkbox"/> allotment or other disposal under the provisions of the preceding

		Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
	50.	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
	51.	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
	52.	The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.
ALTERATION OF CAPITAL	53.	Subject to the provisions of the Act, the Company may – (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) subdivide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (e) 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.
	54.	Where any shares have been converted into stock: a. the holders of such stock may transfer the same, or any part thereof, in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit, but the Board may from time to time, if it thinks fit, fix the minimum amount of stock transferable, with power nevertheless at its discretion to waive the observance of such rules in any particular case, provided 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 these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock holder” respectively.
	55.	The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — (a) its share capital; and/or (b) any capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital.
JOINT HOLDERS	56.	Where two or more persons are registered as joint holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship, subject to the following provisions: a. The person whose name stands first on the register in respect of such shares shall alone be entitled to delivery of certificate thereof. b. Any one of such persons may give effectual receipts for any dividend, bonus or return of capital payable in respect of such share and such joint holders shall be

		<p>severally, as well as jointly liable for payment of all installments and calls due in respect of such share/shares.</p> <p>c. Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators, of a deceased member in whose names any share stands shall be for the purpose of this Article be deemed joint holders thereof;</p> <p>d. On death of any one or more of such joint holders, the survivors shall be the only persons, recognised by the Company as having any title to or interest in such share, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.</p> <p>e. The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.</p>
CAPITALISATION OF PROFITS	57.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the Profit & Loss Account or otherwise available for distribution; and</p> <p>b. that such sum is accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have entitled thereto if distributed by way of dividend and in the same proportion.</p> <p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;</p> <p>i. paying up any amounts for the time being unpaid on shares held by such members respectively;</p> <p>ii. 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; or</p> <p>iii. partly in the way specified in sub clause (i) and partly in that specified in sub clause (ii).</p> <p>(3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.</p>
	58.	<p>(1) 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> <p>(2) The Board shall have full 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 or other securities 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 or other securities 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> <p>(3) Any agreement made under such authority shall be effective and binding on such members.</p>
BUY-BACK OF SHARES	59.	Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may

		purchase its own shares or other specified securities.
GENERAL MEETINGS	60.	All general meetings other than annual general meeting shall be called extraordinary general meeting.
	61.	The Board may, whenever it thinks fit, call an extraordinary general meeting. A General Meeting of the Company may be called by giving at least clear twenty one day's notice in writing or through electronic mode but a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting. The accidental omission to give notice to or the non-receipt of notice by, any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.
PROCEEDINGS AT GENERAL MEETINGS	62.	(1) 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. (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the Chair is vacant. (3) The quorum for a general meeting shall be as provided in the Act.
	63.	The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
	64.	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.
	65.	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.
	66.	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
	67.	(1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. (2) The Chairman shall exercise an absolute discretion in the matters as are or could reasonably be regarded as defamatory of any person, irrelevant or immaterial to the proceedings or detrimental to the interests of the Company. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
ADJOURNMENT OF MEETING	68.	The Chairman of the meeting may suo moto or 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, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. 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. Save as aforesaid, it shall not be necessary to give any notice on an adjournment or of the business to be transacted at an adjourned meeting.
VOTING RIGHTS	69.	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.
	70.	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
	71.	In 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 and for this purpose, seniority shall be determined by the order in which the names

		stand in the Register of Members.
	72.	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, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the office or such other office of the Company as may from time to time be designated by the Board, not less than forty eight hours before the time for holding the meeting or adjourned meeting at which such person claims to vote. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
	73.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
	74.	No member shall, unless the Board otherwise determines, be entitled to vote at any General Meeting, either personally or by proxy, or to exercise any privilege as a Member unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.
	75.	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. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
PROXY	76.	(1) Any member entitled to attend and vote at a general meeting of the Company shall be entitled to appoint any person or attorney whether a member or not as his proxy to attend and vote instead of himself, but the proxy so appointed shall not, unless he is a member, have any right to speak at the meeting and shall not be entitled to vote except on a poll. (2) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
	77.	An instrument appointing a proxy shall be in the form as prescribed in the Rules.
	78.	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
BOARD OF DIRECTORS	79.	a. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen). b. The following shall be the first directors of the Company: 1. Harish Lachhmandas Tekchandani 2. Omprakash Lachhmandas Tekchandani 3. Kishan Lachhmandas Tekchandani c. Subject to the provisions of Section 149 of the Act, the Company may from time to time by Special Resolution increase or reduce the number of Directors within the limits fixed by these Articles, and may also determine in what rotation the increased or reduced number is to vacate the office. A person appointed as a Director shall not act as a Director unless he gives his consent to hold the office as director and such consent has been filed with the Registrar within thirty days of his appointment in such manner as prescribed in the relevant Rules. The Directors shall appoint one women director as per the requirements of section 149 of the Act.
	80.	(i) The Company shall appoint such number of Independent Directors as it may

		<p>deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.</p> <p>(ii) Not less than two-thirds of the total number of Directors of the Company shall:</p> <p>(a) be persons whose period of office is liable to determination by retirement of Directors by rotation; and</p> <p>(b) save as otherwise expressly provided in the said Act; be appointed by the Company in General Meeting.</p> <p>Explanation: for the purposes of this Article “total number of Directors” shall not include Independent Directors appointed on the Board of the Company. The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.</p> <p>(iii) The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.</p> <p>(iv) Subject to the provisions of Section 152 of the Act at every Annual General Meeting, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.</p> <p>(v) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall be eligible for re-election.</p> <p>(vi) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.</p> <p>(vii) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a National Holiday, till the next succeeding day which is not a holiday, at the same time and place.</p> <p>(viii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless :—</p> <p>(a) at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;</p> <p>(b) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;</p> <p>(c) he is not qualified or is disqualified for appointment;</p> <p>(d) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the said Act; or</p> <p>(ix) The Whole-time Directors shall not be liable to retire by rotation.</p>
	81.	<p>(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>(2) The remuneration payable to the Directors, including any Managing or Whole-time Director or Manager, if any, shall be determined in accordance with and subject to the provisions of the Act by a resolution passed by the Company in General Meeting.</p> <p>(3) Every Director shall be paid a sitting fee not exceeding the limits prescribed in the Companies Act, 2013 or any amendment thereof for each meeting of the Board of Directors or of any committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the company or in connection with the</p>

		business of the Company to and from any place.
	82.	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.
	83.	The Board of Directors shall have power at any time, and from time to time, to appoint any person other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time who shall hold office only up to the date of the next Annual General Meeting, or the last date on which the annual general meeting should have been held, whichever is earlier, but shall be eligible for appointment by the Company at that meeting subject to the provisions of the Act.
	84.	The Board of Directors may appoint a person, not being a person holding any alternate directorship for any other Director in the Company, to act as an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an Independent Director unless he is qualified to be appointed as an Independent Director. An Alternate Director shall be entitled to notice of meetings of the Directors, and to attend and vote thereat accordingly. An Alternate Director shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India as aforesaid any provision for the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director. An Alternate Director may be removed by the Board of Directors which may appoint another Alternate Director in his place.
	85.	The Board may appoint any person as a director nominated by any financial institution, bank, corporation or any other statutory body, or if the Company has entered into any obligation with any such institution, bank, corporation or body in relation to any financial assistance by way of loan advanced to the Company or guarantee or given of any loan borrowed or liability incurred by the Company or so long as the Company is indebted. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
	86.	If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board and the person so appointed shall hold office upto the date which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. Subject to the provisions of Section 168 of the Act a Director may at any time resign from his office upon giving notice in writing to the Company of his intention so to do, and thereupon his office shall be vacated.
POWERS OF BOARD	87.	The management and business of the Company shall be vested in the Board of Directors, who may exercise all such powers of the Company as are not by the Act or any statutory modification thereof for the time being in force, or by these presents, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these presents, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
	88.	Subject to the provisions of Section 179 of the Act and other provisions of the Act and rules there under, the Board may delegate from time to time and at any time to committee formed out of the Directors any of its powers, authorities, and discretion for the time being vested in the Board and any such delegations may be made on such terms and subject to such conditions as the Board may think fit.
	89.	The Board may appoint, at any time and from time to time by a power of attorney under the Company's seal any person to be the attorney of the company for such purposes and with such powers, authorities and discretions not exceeding those

		vested in or exercisable by the board under these Articles and for such period and subject to such conditions as the Board may from time to time thinks fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or any of the members of any firm or company, or the members, directors, nominees or manufacturers of any firm or company or otherwise in favour of anybody or persons, whether nominated directly or indirectly by the Board, and any such power of attorney may contain such provision for the protection or convenience of persons dealing with such attorney as the Board may think fit.
	90.	The Board may authorise any such delegate, or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in it.
	91.	Subject to the provisions of Section 179, the Board may delegate all or any of their powers to any Directors jointly or severally or to any one Director at their discretion.
PROCEEDINGS OF THE BOARD	92.	<p>(1) A minimum number of four meetings of the Directors shall have been held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meeting and proceedings, as they think fit.</p> <p>(2) The Chairperson may at any time summon a meeting of the Board and the Chairperson or a Secretary, on the requisition of a Director, shall at any time summon a meeting of the Board. Subject to provisions of Section 173 (3) of the Act, notice of not less than seven days of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the company and shall be sent by hand delivery or by post or through electronic means. The meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one Independent Director of the Company shall be present at the meeting. In the event, any Independent Director is not present at the meeting called at shorter notice, the decision taken at such meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director.</p> <p>(3) The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one third being rounded off as one), or two directors whichever is higher and the directors participating by video conferencing or by other audio visual means shall also be counted for the purposes of quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, being not less than two, shall be the quorum during such time.</p> <p>Explanation: The expressions “interested Director” shall have the meanings given in Section 184(2) of the said Act and the expression “total strength” shall have the meaning as given in Section 174 of the Act.</p> <p>(4) With regard to every meeting conducted through video conferencing or other permitted means, the scheduled venue of the meetings shall be deemed to be in India, for the purpose of specifying the place of the said meeting and for all recordings of the proceedings at the meeting.</p>
	93.	<p>(1) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the votes.</p> <p>(2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>
	94.	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.
	95.	(1) The Chairperson of the Company shall be the Chairperson at meetings of the

		Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be Chairperson of the meeting.
	96.	(1) 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. (2) 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. (3) The participation of Directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
	97.	A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
	98.	(1) A Committee may meet and adjourn as it thinks fit. (2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present. In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
	99.	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.
	100.	Subject to the provisions of the Act, resolutions of the Board may be passed by circulation, if the resolution has been circulated in draft, together with necessary papers, if any, to all the Directors or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the directors or members, who are entitled to vote on the resolution: Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board. A resolution under sub-section (1) shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.
Key Managerial Personnel	101.	Subject to the provisions of the Act, — A Key Managerial Personnel may be appointed by the Board for such term at such remuneration and upon such conditions as it may think fit and the Key Managerial Personnel so appointed may be removed by means of a resolution in the Board Meeting.
REGISTERS	102.	The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.
	103.	(a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. (b) The foreign register shall be open for inspection and may be closed, and extracts

		may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.
THE SEAL	104.	(1) The Board shall provide a common seal for the Company and shall have power from time to time to destroy the same, substitute a new seal in lieu thereof, and the common seal shall be kept at the Registered Office of the Company and committed to the custody of the Whole-time/ Managing Director or the Secretary if there is one. (2) 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 anyone Director or the Secretary or such other person as the Board/ Committee may appoint for the purpose shall sign every instrument to which the seal of the company is so affixed in their presence.
DIVIDENDS AND RESERVE	105.	The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
	106.	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
	107.	(1) 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 applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
	108.	(1) 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. (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. (3) 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.
	109.	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.
	110.	(1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or 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. (2) Every such electronic transfer, cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders may, direct the payment of the cheque or warrant if purporting to be duly endorsed shall be a good discharge to the Company. Payment in any way whatsoever shall be made at the risk of the person entitled to the money represented thereby.
	111.	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.
	112.	Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.
	113.	No dividend shall bear interest against the Company.

ACCOUNTS	114.	<p>(1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act and the Rules.</p> <p>(2) The Board of Directors 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 and documents of the Company or any of them shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorised by the Directors or by the resolution of the Company in General Meeting.</p> <p>(3) Subject to Section 129 of the Act at every Annual General Meeting of the Company the Directors shall lay before the Company a Financial Statements for each financial year. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. Every account when audited and approved by a General Meeting shall be conclusive.</p>
AUDIT	115.	<p>Accounts to be Audited Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.</p>
	116.	<p>Remuneration of Auditors The remuneration of the Auditors shall be fixed by the Board as authorised in a General Meeting from time to time.</p>
WINDING UP	117.	<p>Subject to the applicable provisions of the Act and the Rules made thereunder –</p> <p>(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.</p> <p>(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>
INDEMNITY AND INSURANCE	118.	<p>(a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Company Secretary and other officer or Employee of the Company shall be indemnified by the Company against any liability, and it shall be the duty of Directors out of the funds of the Company to pay, all costs and losses and expenses (including travelling expenses) which any such Director, Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Company Secretary, Officer or Employee or in any way in the discharge of his duties.</p> <p>(b) Subject as aforesaid the Managing Director and every Director, Manager, Company Secretary, or other officer or employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings, whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.</p> <p>(c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.</p> <p>(d) Subject to the provisions of the Act, no Director or other officer of the Company shall be liable for the act, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expense happening to the company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys or the company shall be invested, or for any loss or damage arising from the</p>

		bankruptcy, insolvency, or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his officer or in relation thereto unless the same happen through his own willful act or default.
GENERAL POWER	119.	Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.
SECRECY CLAUSE	120.	No member shall be entitled to inspect the Company works without the permission of the Director, or Managing Director, or to require discovery of or any information respecting any details of the Company's manufacturing process, technology, marketing strategisem trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the Company to communicate to the public.
	121.	Every Director, Managing Director, Manager, Company Secretary, Auditor, Trustee, Members of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company, shall if so required by the Directors before entering upon his duties, or at any time during his term of office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or any meeting or by a Court of Law or by the person to whom such matters relate and expect so far as may be necessary in order to comply with any of the provisions of these Articles or law.

SECTION - X - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at B-1222, 12th Floor, Sun West Bank, Opp City Gold Cinema, Ashram Road Ahmedabad, Gujarat- 380009, India between 10:00 a.m. and 5:00 p.m. (IST) on all Working Days from the date of this Draft 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.

1. Material contracts for the Issue

1. Issue Agreement dated March 21, 2023 between our Company and the Lead Manager.
2. Registrar Agreement dated March 21, 2023 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated March 21, 2023 amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated March 21, 2023 amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated [•] amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement dated [•] amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue.
7. Tripartite agreement dated [•] amongst our Company, National Securities Depository Limited and Registrar to the Issue.

1. 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 March 21, 2023 in relation to the Issue and other related matters.
3. Shareholders' resolution dated March 21, 2023 in relation to the Issue and other related matters.
4. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory and Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Underwriters to the Issue, Bankers to our Company, Banker to our Issue and Market Maker to include their names in this Draft Prospectus and to acting their respective capacities.
5. Peer Review Auditors Report dated January 01, 2023 on Restated Financial Statements of our Company for the period ended on November 30, 2022, March 31, 2022, March 31, 2021 and 2020.
6. The Report dated March 21, 2023 from the Statutory Auditors of our Company, confirming the Statement of Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Prospectus.
7. Copy of Approval dated [•] from the SME Platform of BSE (BSE SME) to use their name in the prospectus for listing of Equity Shares.
8. Agreement dated March 21, 2023 entered into by our Company with Kishan Tekchandani appointment as a Managing Director of the company.
9. Memorandum of Understanding (MOU) dated January 16, 2023 of our new venture "UNCLE DONALD'S PIZZA".
10. Due diligence certificate submitted to BSE Limited dated March 23, 2023 from Lead Manager to the Issue.

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 are true and correct.

Signed by the Directors of the Company:

Name	Designation	Signature
Kishan Tekchandani	Managing Director	Sd/-
Raina Tekchandani	Director	Sd/-
Omprakash Tekchandani	Non-Executive Director	Sd/-
Nevil Soni	Independent Director	Sd/-
Divya Shah	Independent Director	Sd/-

Signed by:

Name	Designation	Signature
Atul Vyas	Chief Financial Officer	Sd/-
Shivani Mittal	Company Secretary and Compliance Officer	Sd/-

Date: March 23, 2023

Place: Ahmedabad