





SEAL OF QUALITY
NIKITA PAPERS LIMITED

Corporate Identification Number: U74899DL1989PLC129066

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL & TELEPHONE	WEBSITE
A-10 Floor 1st Land Mark Near Deepali Chowk Saraswati Vihar, Pitampura, North West, New Delhi, India - 110034	C-10, Industrial Estate Panipat Road, Shamli, Muzaffarnagar, Uttar Pradesh, India, 247776	Ms. Shefali Gupta	info@nikitapapers.com +91-79054 62919	www.nikitapapers.com
OUR PROMOTERS				
MR. ASHOK KUMAR BANSAL, MR. SUDHIR KUMAR BANSAL, MR. AYUSH BANSAL, MR. ABHINAV BANSAL, MR. ANUJ BANSAL, MS. SANDHYA BANSAL, ASHOK KUMAR BANSAL & SONS HUF, NARESH CHAND BANSAL & SONS HUF, SUDHIR KUMAR BANSAL & SONS HUF, AYUSH BANSAL & SONS HUF, ABHINAV BANSAL & SONS HUF AND ANUJ BANSAL & SONS HUF				
DETAILS OF OFFER TO PUBLIC, PROMOTERS/ SELLING SHAREHOLDERS				
Type	Fresh Issue Size (By amount in Rs. Lakh)	OFS* Size (by amount in Rs.Lakh)	Total Issue Size (By amount in Rs. Lakh)	Eligibility
Fresh Issue	Upto 64,94,400 Equity Shares aggregating to Rs. [●]	Nil	Upto 64,94,400 Equity Shares aggregating to Rs. [●]	THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.
Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders				
Name Of Selling Shareholder	Type	Number Of Equity Shares Offered/Amount	Weighted Average Cost of Acquisition (In ₹ Per Equity Share) *	
Nil				
<i>P: Promoter, PG: Promoter Group, OSS: Other Selling Shareholders, WACA: Weighted Average Cost of Acquisition on fully diluted basis</i>				
RISK IN RELATION TO THE FIRST OFFER				
This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of our Equity Shares is ₹10/- each. The Floor Price, Cap Price and the Issue Price (as determined by our Company, in consultation with the BRLM, in accordance with SEBI (ICDR) Regulations, and as stated in "Basis for Issue Price" beginning on [●]) 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 or regarding the price at which the Equity Shares will be traded after listing.				
GENERAL RISK				
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this 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 in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to section titled "Risk Factors" appearing on page no.28 of this Draft Red Herring Prospectus.				
ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue which is material in the context of this Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.				
LISTING				
The Equity Shares issued through Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").				
LEAD MANAGER TO THE ISSUE			REGISTRAR TO THE ISSUE	
 Fastrack Finsec Category-I Merchant Banker FAST TRACK FINSEC PRIVATE LIMITED SEBI Registration No. INM000012500 Office No. V-116, 1 st Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001 Tel No.: +91-11-43029809 Contact Person: Ms. Sakshi / Mr. Rakesh Email: mb@ftfinsec.com ; investor@ftfinsec.com Website: www.ftfinsec.com			 SKYLINE FINANCIAL SERVICES PRIVATE LIMITED SEBI Registration No.: INR000003241 D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020 Tel No: +91-11-40450193-97; Fax No: +91-11-26812683 Contact Person: Mr. Anuj Rana Email: ipo@skyclinerta.com Website: www.skyclinerta.com	
OFFER PROGRAMME				
ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]			ISSUE OPENS ON: [●]	
			ISSUE CLOSES ON: [●]	

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY. THIS IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR UNITS OR SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY OUTSIDE INDIA.



NIKITA PAPERS LIMITED
CIN: U74899DL1989PLC129066

Our Company was originally incorporated as a Private Limited Company with the name "Nikita Papers Private Limited" pursuant to a certificate of incorporation dated August 18, 1989 issued by the ROC in accordance with provisions of the Companies Act, 1956. Thereafter upon conversion into a public company, pursuant to a shareholders' resolution dated May 26, 2003, the name of the company finally changed to "Nikita Private Limited" and fresh certificate of incorporation was issued by the ROC dated June 12, 2003. As on date of this Draft Red Herring Prospectus, the Corporate Identification Number of our Company is U74899DL1989PLC129066. For further details of incorporation please refer to section titled "Our History and Certain Other Corporate Matters" beginning on page no.205 of this Draft Red Herring Prospectus.

Registered Office: A-10 Floor 1st Land Mark Near Deepali Chowk Saraswati Vihar Pitampura, North West, Delhi, India, 110034

CIN: U74899DL1989PLC129066; **Website:** www.nikitapapers.com; **E-Mail:** info@nikitapapers.com

Company Secretary and Compliance Officer: Ms. Shefali Gupta; **Telephone No.:** +91-79054 62919

PROMOTERS: Mr. Ashok Kumar Bansal, Mr. Sudhir Kumar Bansal, Mr. Ayush Bansal, Mr. Abhinav Bansal, Mr. Anuj Bansal, Ms. Sandhya Bansal, Ashok Kumar Bansal & Sons HUF, Naresh Chand Bansal & Sons HUF, Sudhir Kumar Bansal & Sons HUF, Ayush Bansal & Sons HUF, Abhinav Bansal & Sons HUF and Anuj Bansal & Sons HUF



ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED [●]: NOTICE TO THE INVESTORS ("THE ADDENDUM")

INITIAL PUBLIC OFFERING OF UP TO 64,94,400 EQUITY SHARES OF RS. 10/- EACH ("EQUITY SHARES") OF NIKITA PAPERS LIMITED ("NIKITA", "NPL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. [●] LAKHS ("THE OFFER"), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS 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 [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] %, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITION OF [●] (WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, A REGIONAL NEWSPAPER WHERE OUR REGISTERED OFFICE IS LOCATED, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NSE (NSE EMERGE) FOR THE PURPOSE OF THE UPLOADING ON THEIR WEBSITE .

Potential Bidders may note the following

- The Chapter titled "Summary of Offer Documents" beginning on page 19 of the Draft Red Herring Prospectus has been updated
- The Chapter titled "Risk Factors" beginning on page 28 of the Draft Red Herring Prospectus has been updated.
- The Chapter titled "General Information" beginning on page 66 of the Draft Red Herring Prospectus has been updated.
- The Chapter titled "Capital Structure" beginning on page 76 of the Draft Red Herring Prospectus has been updated
- The Chapter titled "Object of the Issue" beginning on page 110 of the Draft Red Herring Prospectus has been updated.
- The chapter titled "Our Business" beginning page 176 of the Draft Red Herring Prospectus has been updated.
- The Chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operation" beginning on page 288 of the Draft Red Herring Prospectus has been updated.
- The Chapter titled "Financial Information" beginning on page 237 of the Draft Red Herring Prospectus has been updated.
- The Chapter titled "Legal and Other information" beginning on page 298 of the Draft Red Herring Prospectus has been updated.
- The Chapter titled "Government and Other approvals" beginning on page 301 of the Draft Red Herring Prospectus has been updated.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
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 <p>FAST TRACK FINSEC PRIVATE LIMITED SEBI Registration No. INM000012500 Office No. V-116, 1st Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001 Tel No.: +91-11-43029809 Contact Person: Ms. Sakshi/Mr. Rakesh Email: mb@ftfinsec.com; investor@ftfinsec.com Website: www.ftfinsec.com</p>	 <p>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED SEBI Registration No.: INR000003241 D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020 Tel No: +91-11-40450193-97; Fax No: +91-11-26812683 Contact Person: Mr. Anuj Rana Email: ipo@skylinerta.com Website: www.skylinerta.com</p>
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OFFER PROGRAMME

ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]	ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]
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SECTION I –GENERAL

DEFINITIONS AND ABBREVIATIONSs

Company Related Terms

Terms	Description
Promoters or Our Promoters	Promoters of our Company being, Mr. Ashok Kumar Bansal, Mr. Sudhir Kumar Bansal, Mr. Ayush Bansal, Mr. Abhinav Bansal, Mr. Anuj Bansal, Ms. Sandhya Bansal, Ashok Kumar Bansal & Sons HUF Naresh Chand Bansal & Sons HUF, Sudhir Kumar Bansal & Sons HUF, Ayush Bansal & Sons HUF, Abhinav Bansal & Sons HUF and Anuj Bansal & Sons HUF.

SECTION II: SUMMARY OF OFFER DOCUMENT

PROMOTERS

The promoters of our Company are Mr. Ashok Kumar Bansal, Mr. Sudhir Kumar Bansal, Mr. Ayush Bansal, Mr. Abhinav Bansal, Mr. Anuj Bansal, Ms. Sandhya Bansal, Ashok Kumar Bansal & Sons HUF, Naresh Chand Bansal & Sons HUF, Sudhir Kumar Bansal & Sons HUF, Ayush Bansal & Sons HUF, Abhinav Bansal & Sons HUF and Anuj Bansal & Sons HUF

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

S.NO	NAME OF SHAREHOLDER	Pre issue		Post issue	
		No. of equity shares	As a % of Issued Capitals	No. of equity shares	As a % of Issued Capital
PROMOTER					
1	Mr. Ashok Kumar Bansal	2543853	13.10	2543853	10.31
2	Mr. Sudhir Kumar Bansal	1775930	9.77	1775930	7.20
3	Mr. Anuj Bansal	1004720	5.53	1004720	4.07
4	Smt. Sandhya Bansal	947150	5.21	947150	3.84
5	Mr. Abhinav Bansal	802940	4.42	802940	3.25
6	M/s Naresh Chand Bansal & Sons HUF	305387	1.68	305387	1.24
7	Mr. Ayush Bansal	298490	1.64	298490	1.21
8	M/s Ashok Kumar Bansal & Sons HUF	294500	1.62	294500	1.19
9	M/s Ayush Bansal & Sons HUF	243770	1.34	243770	0.99
10	M/s Sudhir Kumar Bansal & Sons HUF	165490	0.91	165490	0.67
11	M/s Abhinav Bansal & Sons HUF	125210	0.69	125210	0.51
12	M/s Anuj Bansal & SONS	63650	0.35	63650	0.26
	TOTAL	8571090	47.16	8571090	34.74
PROMOTER GROUP					
13	Smt. Mithllesh Bansal	1753320	9.65	1753320	7.11
14	Mr. Rachit Bansal	911050	5.01	911050	3.69
15	M/S Alliance Farms & Agriculture Ltd	861650	4.74	861650	3.49
16	Smt. Neera Bansal	753350	4.15	753350	3.05
17	Smt. Antara Rakesh	583490	3.21	583490	2.37
18	Smt. Suruchi Mittal	294500	1.62	294500	1.19
19	Smt. Riha Bansal	166250	0.92	166250	0.67
20	Ravindra Manchanda	123500	0.68	123500	0.50
21	Kanwal Manchanda	95000	0.52	95000	0.39
22	Sudhir Agarwal	88350	0.49	88350	0.29
23	Smt. Sangita Gupta	88350	0.49	88350	0.36
24	Nikita Agarwal	76000	0.41	76000	0.31
25	Pooja Manchanda	76000	0.41	76000	0.31

26	Shri Ashok Kumar Mittal	66500	0.37	66500	0.27
27	Aditi Bansal	47500	0.26	47500	0.19
28	Sunil Agarwal	28500	0.16	28500	0.11
29	Suresh Mittal	23750	0.13	23750	0.09
	TOTAL	6037060	33.22	6037060	24.08
	GRAND TOTAL	1,46,08,150	80.38	1,46,08,150	58.82

WEIGHTED AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY OUR PROMOTER IN LAST ONE YEAR

The weighted average cost of acquisition of equity shares by our promoters in last one year which has been calculated by taking average amount paid by them to acquire our equity shares is as follows:

Name of shareholders	No. of shares bought or sold	Weighted Average Price (in Rs.) **
Sandhya Bansal	448650	0*

**In the preceding year, shares were acquired through Bonus.*

*** As Certified by Mittal Goel & Associates., Chartered Accountants vide certificate dated October 23, 2024.*

AVERAGE COST OF ACQUISITION OF THE EQUITY SHARE FOR THE PROMOTER

The average cost of acquisition per Equity Share by our promoters which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Name of shareholders	No. of shares bought or sold	Average cost of Acquisition (in Rs.) *
Sandhya Bansal	947150	28.31

** As Certified by Mittal Goel & Associates., Chartered Accountants vide certificate dated October 23, 2024.*

SECTION III- RISK FACTORS

INTERNAL RISK FACTORS:

- 1. Raw material cost fluctuations impact the profitability and stability of businesses across various industries, necessitating adaptive strategies for procurement and pricing.**

Fluctuations in raw material costs can profoundly affect operational efficiency and overall profitability. **Waste paper serves as a primary raw material for producing the finished product of the company, i.e., kraft paper.** Fluctuations in the cost of waste paper can stem from factors such as changes in recycling rates, market demand for paper products, and global economic conditions. When waste paper costs rise, it increases the input expenses for production, potentially squeezing profit margins unless offset by improved operational efficiency. Conversely, lower waste paper costs can enhance profitability, allowing for more competitive pricing or increased investment in technology and infrastructure. To navigate these fluctuations effectively, companies in the paper industry often employ strategies like optimizing collection and sorting processes, diversifying feedstock sources, and closely monitoring market trends to adapt their operations accordingly.

- 3. Certain of our corporate filings and records are not traceable, while certain corporate records have errors. We cannot assure that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard**

Since the company was incorporated in 1989, it is not possible to trace all secretarial records since incorporation. We are unable to trace copies of certain records. So, certain of our Company's corporate regulatory filings and records are not traceable as the relevant information was not available in the records maintained by our Company or on the online portal of the Ministry of Corporate Affairs ("MCA Portal") or in the physical records available at the ROC.

We cannot assure you that the filings were made in a timely manner and that we shall not be subject to any penalty imposed by the regulatory authorities in this respect.

Details of such filing are mentioned below:

S. No.	Name of documents	Purpose	Status
1.	Form 5	Notice of consolidation, division etc. /Increase in share capital/Increase in number of members. This form was physically filed with ROC for increase in authorized share capital of the company from 75,00,000 to 2,50,00,000 pursuant to the meeting of shareholders held on 25.04.1994	Form not available in records
2.	Form 2	This is return of allotment filed for allotment of 1,01,000 Equity Shares @ Rs. 10 each aggregating to Rs. 10,10,000/- on 21.12.1990	Form not available in records
3.	Form 2	This is return of allotment filed for allotment of 1,60,000 Equity Shares @ Rs. 10 each aggregating to Rs. 16,00,000/- on 25.03.1994	List of allottees is not traceable
4.	Form 2	This is return of allotment filed for allotment of 50,000 Equity Shares @ Rs. 10 each aggregating to Rs. 5,00,000/- on 09.05.1994	Form not available in records
5.	Form 2	This is return of allotment filed for allotment of 15,00,000 Equity Shares @ Rs. 10 each aggregating to Rs. 10,10,000/- on by way of Bonus Issue on 28.07.1994	Form not available in records

Steps taken by Company:

Company has made effort to find out the copy of above-mentioned forms in inhouse records as well as on V2 portal through view public documents filed with Ministry of Corporate Affairs.

Further also made effort to search out the documents physically by visiting Manesar office for record keeping of documents filed with Ministry of Corporate Affairs.

Company has obtained the Search Report from the Neetu Saini & Associates, Company Secretaries dated April 15, 2024.

6. *Our Company had filed certain Annual Returns (MGT-7) and Financial Statements (AOC-4/ AOC-4 XBRL) with delayed fees and Company cannot assure that no proceedings or regulatory actions will be initiated against it in relation to the non-filing and delayed filing.*

Our company has filed **Annual Returns (MGT-7) and Financial Statements (AOC-4/ AOC-4 XBRL)** with delayed fees with ROC in the past years. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

We would like to inform you that following are the certain **Annual Returns (MGT-7) and Financial Statements (AOC-4/ AOC-4 XBRL)** forms that the company has filed with delayed fees with ROC:

Sl. No.	Particulars of forms	Financial year	No of days delayed	Reason for delay
1.	MGT-7 (Annual Return)	2021-22	2 days	Due to Non-availability of the Directors
2.	AOC-4 XBRL	2021-22	5 days	Due to Non-availability of the Directors
3.	AOC-4 XBRL	2015-16	24 days	Due to Non-availability CFO due to some medical reasons.

****Note:** the above data is based on the Challans available on the website of Ministry of Corporate Affairs i.e. (<https://www.mca.gov.in/mcafoportal/checkFilingStatus.do>) for MGT -7 and AOC -4. The challans of Annual Return (MGT -7) were available from the financial year 2008-09 and Challan for Financial Statement (AOC-4) are available from financial year 2014-15.

9. *We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations*

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt.

As on March 31, 2024 our total outstanding indebtedness was ₹ 14722.51 Lakhs.

Our significant indebtedness results in substantial amount of debt service obligations which could lead to:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry; affecting our credit rating;
- limiting our ability to borrow more money both now and in the future; and

- increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company.

13. Our lenders have charge over our movable and immovable properties in respect of finance availed by us.

We have provided security in respect of loans/facilities availed by us from banks and financial institutions by creating a charge over our movable and immovable properties. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations.

Following the details of open charges held by lenders:

S. No.	Details of Charge Created	Short particulars of property charged charge
1	HDFC BANK LIMITED Charge ID: 100826144 Amount of charge: 10,83,00,000 Date of Last modification/ creation of charge: 30.10.2023	First Pari Passu charge with PNB over moveable fixed assets of the company present and future. First Pari passu charge on current assets of the company along with PNB
2	HDFC BANK LIMITED Charge ID: 100826131 Amount of charge: 60,00,00,000 Date of Last modification/creation of charge: 30.10.2023	First Pari Passu charge with PNB over moveable fixed assets of the company present and future. First Pari passu charge on current assets of the company along with PNB
3	HDFC BANK LIMITED Charge ID: 100756080 Amount of charge: 29,35,000 Date of Last modification/creation of charge: 13.06.2023	Vehicle Loan, charge created by way of hypothecation of vehicle
4	HDFC BANK LIMITED Charge ID: 100702934 Amount of charge: 38,00,000 Date of Last modification/creation of charge: 12.01.2023	Vehicle Loan, charge created by way of hypothecation of vehicle
5	Axis Bank Limited Charge ID: 100539033 Amount of charge: 52,67,00,000 Date of Last modification/creation of charge: 15.06.2023	First Pari passu charge with PNB over current assets of the company including cash margin both present and future, Second pari passu charge with PNB over entire current assets of the company, both present and future and Second charge on Primary & Collateral Securities except Guarantees 100% Guarantee from NCGTC. Second pari passu charge with PNB over movable fixed assets of the company both present and future and For Term Loan: First charge of Axis Bank over movable assets financed from Axis Bank Term loan First charge of PNB over movable assets financed from PNB Bank Term loan

		<p>First pari passu charge with PNB over unencumbered movable fixed assets of the company, both present and future</p> <p>Second pari passu charge with PNB over movable assets of the company financed by Axis</p> <p>Second pari passu charge with Axis over movable assets of the company financed by PNB</p> <p>ECLGS:</p> <p>Second charge on Primary & Collateral Securities except Guarantees 100% Guarantee from NCGTC</p>
6	<p>Small Industries Development Bank of India</p> <p>Charge ID: 100408602</p> <p>Amount of charge: 2,92,00,000</p> <p>Date of Last modification/creation of charge: 29.01.2021</p>	<p>All machinery & equipment, tools, spares, accessories which has been proposed to be acquired under PRATHAM scheme</p>
7	<p>Oriental Bank of Commerce</p> <p>Charge ID: 100268119</p> <p>Amount of charge: 42,00,00,000</p> <p>Date of Last modification/creation of charge: 04.06.2019</p>	<p>First exclusive charge by way of hyp. of plant & machinery and other fixed assets purchased out of bank finance and Eq. mortgage of original along with certified copy of lease deed no.-159 dated 08.01.1991 executed by DIC Muzaffarnagar and original supplementary lease deed dated 29.06.11 executed by DIC Muzaffarnagar No. 6855.</p>
8	<p>Punjab National Bank</p> <p>Charge ID: 80043552</p> <p>Amount of charge: 1,09,35,00,000</p> <p>Date of Last modification/creation of charge: 04.10.2023</p>	<p>As per Deed of Hypothecation executed on 04.10.2023 and sanction letter dated 04.10.2023</p>
9	<p>HDFC Bank Limited</p> <p>Charge ID: 100481261</p> <p>Amount of Charge: 16,00,000</p> <p>Date of Creation:22/07/2021</p>	<p>Vehicle Loan, charge created by way of hypothecation of vehicle</p>

14. We have not yet placed orders in relation to the Capital expenditure towards setting up a Power Plant*. In the event of any delay in placing the orders, or in the event the vendors are not able to provide in a timely manner, or at all, the same may result in time and cost over-runs.

We intend to utilize portions of the Net Proceeds for Funding Capital expenditure towards setting up a Power Plant. While we have procured quotations from various vendors in relation to the capital expenditure to support our expanding operations, we have not placed any firm orders for any of them. For details in respect of the foregoing, please see “**Objects of the Issue**” on page 110. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure that we will be able to undertake such capital expenditure at the costs indicated by such quotations or that there will not be cost escalations over and above the contingencies proposed to be funded out of the Net Proceeds. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays and technological changes.

*Design, manufacture, and supply of 9.325 MW Extraction Condensing STG Set and auxiliaries and Waste to Energy boiler, Gross Steam Pressure 45 bar (g), Technology: Flexi Source.

15. The Inventory Turnover Ratio of the company is decreasing.

Our business depends on production decisions made in advance based on our estimate of the demand for our products from customers taking into account historical trends. We typically maintain reasonable level of inventory of materials, work in progress, traded goods and finished goods.

The table below sets forth certain parameters for the year/period indicated:

Particulars	As at 31 March, 2024	As at 31 March, 2023	As At 31 March, 2022
Inventory turnover ratio	8.08	9.58	10.29

If we overestimate demand for our products, we run the risk of purchasing more materials than necessary, which could expose us to risks and costs associated with prolonged storage of some of these materials, and materially affect our results of operations.

16. Certain Agreements, deeds or licenses may be in the previous name of the company.

Certain agreements, deeds, or licenses may be in the name of the erstwhile name of company “Nikita Papers Private Limited”. In case, we fail to change the name in the agreements, deeds or licenses it may cause an adverse effect on Our Company’s business & operations although we do not foresee any challenge in doing so.

The details of the certain agreement in the old name are as follow:

1. Transfer Deed of Property “Behind C-10, Industrial Estate, Panipat Road, Shamli-247776 Khasra No.1580,1581,158 2, 1583,1586”. With Nakli Gurjar S/o Sandal Gurjar as per agreement
2. Lease Deed for the property “C-10, Industrial Estate, Panipat Road, Shamli247776”. With District industry centre, Muzaffarnagar, UP through its Deputy Manager.
3. Lease Deed for the property “C-11, Industrial Estate, Panipat Road, Shamli247776”. With District industry centre, Muzaffarnagar, UP through its Deputy Manager.

17. Our Company has obtained insurance coverage which may not adequately cover all potential losses to which we may be subject to, and this may have a material adverse effect on our business, result of operations and financial conditions.

Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business. There can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. Accordingly, to the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flows may be affected. There is a risk that our insurance policies may not be sufficient in covering all losses in which we or any third parties may suffer. If we suffer in an event for which we are not adequately insured, there is a risk that it could have a material adverse effect on our business, results of operations and financial condition.

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

The Company has obtained the following kind of insurance policies:

Insurance Details FY-2024-25						
S.N.	Policy	Policy No	Sum Insured	Claims	Settlement	In-Process

1	FIRE, STFI, Basic, Earth Quake.	253902/11/2025/1	1,250,000,000	0	0	
2	W.C (Employee Insurance Policy)	010W002048500000	59,421,324	0	0	
3	MBD	84000044- 245800000002	31,265,201	123,500	in Process	123,500
4	MBD	84000044- 245100000002	76,136,859	0	0	0
5	MBD	84000044- 245100000003	5,762,810	0	0	0
6	MBD	253902/44/2025/1	6,356,053	233,000	in Process	233,000
7	MBD	253902/44/2025/2	53,042,896	0	0	0
8	MBD	253902/44/2025/3	46,587,873	0	0	0
9	MARINE	253902/21/2025/2	3,000,000,000	0	0	0

Insurance Details FY-2023-24						
S.N	Policy	Policy No	Sum Insured	Claims	Settlement	In-Process
1	FIRE	253902/11/2024/32	1,250,000,000	0	0	0
2	W.C.	D099524315	59,421,324	109,166	109,166	0
3	MBD	253902/44/2024/1	31,830,847	2,374,000	955,000	860,000
4	MBD	253902/44/2024/2	76,136,859	94,587	67,058	0
5	MBD	253902/44/2024/3	5,762,810	12,000	0	12,000
6	MBD	253902/44/2024/4	4,938,567	22,050	6,000	0
7	MBD	253902/44/2024/5	51,518,900	758,111	183,616	173,531
8	MBD	253902/44/2024/6	50,387,076	299,342	In Process	299,342
9	MARINE	253902/21/2024/1	4,000,000,000	415,186	In Process	415,186

Insurance Details FY-2022-23						
S. N	Policy	Policy Number	Sum Insured	Claims	Settlement	In-Process
1	FIRE	253902/11/2023/1	1,500,000,000	0	0	0
2	W.C.	D062407366	50,000,000	207,813	207,813	0
3	MBD	253902/44/2023/1	31,062,740	1,381,200	164,432	733,000
4	MBD	253902/44/2023/2	71,731,567	331,687	204,488	0
5	MBD	253902/44/2023/3	5,762,810	193,150	57,458	0
6	MBD	253902/44/2023/7	5,065,976	26,050	8,268	0
7	MBD	253902/44/2023/5	45,817,196	248,400	103,300	0
8	MBD	253902/44/2023/6	41,910,208	121,735	51,294	0
9	MARINE	2455/00021603/000/00	200,000,000	331,908	168,704	0

There were no major losses incurred to the company during past 3 years, if any minor losses incurred then it did not exceed the insurance cover.

28. *Our Company has not obtained registration under ESI Act, 1948, as it is not currently applicable on the company but in future the company may be required to obtain the ESI registration if ESI Act, 1948 becomes applicable on the company.*

The company is not required to obtain registration under the Employee State Insurance Act, 1948, as the corporate office/factory is located in Shamli District, Uttar Pradesh, which is not notified under the ESI Act, 1948. Additionally, the registered office employs less than ten employees. Not having ESIC registration does not impact the operation of the company, as it already holds adequate insurance (Workmen Compensation). However, the company would be required to obtain ESI registration once the ESI Act, 1948, becomes applicable to the company. If the company does not take ESI registration when required, regulatory action may be taken against the company by the relevant authorities.

33. *We are subject to quality requirements and strict technical specifications by our customers. Our failure to comply with the quality standards and technical specifications prescribed by such customers may lead to loss of business from such customers and could negatively impact our reputation, which would have an adverse impact on our business prospects and results of operations.*

Our customers maintain strict quality standards. Our products go through various quality checks at various stages at our manufacturing facilities. Failure of our products to meet the quality standards expected by our customers may result in rejection and reworking of our products. This may result in our customers cancelling present or future purchases of our products.

Further, we may also be subject to the liability claims being initiated against us by our customers. We do not have any product liability insurance to protect us against such claims and any liability incurred pursuant to such claims is required to be funded by the Company. While we have put in place quality control procedures, we cannot assure that our products will always be able to achieve the quality standards expected by our customers. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the manufacturing of our products. Further, any lapses in quality may impact our long-term relationships with customers, which is one of our key strengths. Any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business and results of operations.

However, the Nikita Papers limited is committed to supply of good quality of Kraft Papers to our valuable customers. **We have a past track record of zero loss of customer due to poor quality. If any complain received from the customer regarding poor or bad quality of kraft Paper, we do the onsite checking of the concerned Goods.** If any damaged or poor-quality goods are found by us at customer's site which were supplied by us, we will compensate the customer accordingly. This will lead to a healthy relationship between our valuable customers and company.

54. *Some of our Directors are unable to provide us an authentic copy of their educational certificate.*

Our directors, Mr. Ashok Kumar Bansal, Mr. Sudhir Bansal, and Ms. Sandhya Bansal, possess the necessary qualifications for their respective positions. Mr. Ashok Kumar Bansal holds a Bachelor of Commerce degree, Mr. Sudhir Bansal holds a Bachelor of Science degree, and Ms. Sandhya Bansal holds an MA in Hindi.

Unfortunately, the original copies of their degrees had been lost. However, an FIR had been lodged with the authorities regarding the loss of these documents and due to lack of documentation, the qualifications of these directors are shown as NIL at the particular places in the DRHP.

55. *The directors of our company don't have the experience of the listed company and the requirements of being a listed company may strain our resources.*

The Directors of the company don't have the experience of the listed Company; however, the Directors have the experience of the Paper Industry. We are not a listed company. We have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, Directors and the Company will incur significant legal,

accounting, corporate governance, and other expenses that we did not incur as an unlisted company. We will be subject to the equity listing agreement with the Stock Exchange which will require us to file audited annual and half yearly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a listed company, Directors and the Company will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required.

As a result, our management's attention may be diverted from business concerns, which may adversely affect our business, prospects, financial condition, and results of operations. Further, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge but cannot assure that we will be able to do so in a timely and efficient manner.

56. Due to the downturn in the paper industry, raw material prices have fallen significantly. This decline may lead to instability among suppliers, potentially affecting their reliability and quality. If the paper industry recovers, however, raw material prices could rise again, resulting in higher production costs and subsequently squeezing profit margins.

Due to the downturn in the paper industry, raw material prices have fallen significantly. This decline may lead to instability among suppliers, with falling raw material prices, suppliers may struggle financially. This instability could lead to disruptions in supply, lower quality materials, or even the loss of key suppliers, that may affect the production continuity.

If the paper industry stabilizes and demand for raw materials rebounds, prices could rise again. This increase in raw material costs would subsequently raise production expenses of the company. If the selling prices remain unchanged or can't keep pace with rising costs, the profit margins may decrease if the increase in the cost of raw materials not transfer to the customers.

However, there is no such past instances happened in the last three years. Except in the financial year 2022-23 to 2023-24 wherein the price of Raw Material had been fallen substantially by 20% due to decline in the Paper Industry.

SECTION IV: INTRODUCTION OF THE ISSUE

CAPITAL STRUCTURE

Note: The issuer company is in compliance with the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of Draft Red Herring Prospectus.

Shareholding of the Promoters of our Company

As on the date of this Draft Red Herring Prospectus, our Promoters – Mr. Ashok Kumar Bansal, Mr. Sudhir Kumar Bansal, Mr. Ayush Bansal, Mr. Abhinav Bansal, Mr. Anuj Bansal, Ms. Sandhya Bansal, Ashok Kumar Bansal & Sons HUF, Naresh Chand Bansal & Sons HUF, Sudhir Kumar Bansal & Sons HUF, Ayush Bansal & Sons HUF, Abhinav Bansal & Sons HUF and Anuj Bansal & Sons HUF holds total 85,71,090 Equity Shares 47.16% representing of the pre-issue paid up share capital of our Company.

Details of build-up of shareholding of the Promoters

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
Ms. Sandhya Bansal							
21.12.1990	Allotment	2000	10	10	Cash	NA	Negligible
21.03.1994	Allotment	1000	10	10	Cash	NA	Negligible
09.05.1994	Allotment	5000	10	10	Cash	NA	0.02
28.07.1994	Allotment	16000	10	N.A.	N.A.	NA	0.08
01.10.2014	Allotment	50000	10	10	Cash	NA	0.28
24.03.2022	Allotment	424500	10	10	Cash	NA	2.34
28.12.2023	Allotment	448650	10	N.A.	N.A.	NA	2.47

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are pledged.

Our shareholding pattern

- As on the date of this Draft Red Herring Prospectus, there are no partly paid-up shares/outstanding convertible securities/warrants in our Company.
- Following are the details of the holding of securities of persons belonging to the category “Promoter and Promoter Group” and “public” before and after the Issue:

S.NO	NAME OF SHAREHOLDER	Pre issue		Post issue	
		No. of equity shares	As a % of Issued Capitals	No. of equity shares	As a % of Issued Capital
PROMOTER					
1	Mr. Ashok Kumar Bansal	2543853	13.10	2543853	10.31

2	Mr. Sudhir Kumar Bansal	1775930	9.77	1775930	7.20
3	Mr. Anuj Bansal	1004720	5.53	1004720	4.07
4	Smt. Sandhya Bansal	947150	5.21	947150	3.84
5	Mr. Abhinav Bansal	802940	4.42	802940	3.25
6	M/s Naresh Chand Bansal & Sons HUF	305387	1.68	305387	1.24
7	Mr. Ayush Bansal	298490	1.64	298490	1.21
8	M/s Ashok Kumar Bansal & Sons HUF	294500	1.62	294500	1.19
9	M/s Ayush Bansal & Sons HUF	243770	1.34	243770	0.99
10	M/s Sudhir Kumar Bansal & Sons HUF	165490	0.91	165490	0.67
11	M/s Abhinav Bansal & Sons HUF	125210	0.69	125210	0.51
12	M/s Anuj Bansal & SONS	63650	0.35	63650	0.26
	TOTAL	8571090	47.16	8571090	34.74
<u>PROMOTER GROUP</u>					
13	Smt. Mithlesh Bansal	1753320	9.65	1753320	7.11
14	Mr. Rachit Bansal	911050	5.01	911050	3.69
15	M/S Alliance Farms & Agriculture Ltd	861650	4.74	861650	3.49
16	Smt. Neera Bansal	753350	4.15	753350	3.05
17	Smt. Antara Rakesh	583490	3.21	583490	2.37
18	Smt. Suruchi Mittal	294500	1.62	294500	1.19
19	Smt. Riha Bansal	166250	0.92	166250	0.67
20	Ravindra Manchanda	123500	0.68	123500	0.50
21	Kanwal Manchanda	95000	0.52	95000	0.39
22	Sudhir Agarwal	88350	0.49	88350	0.29
23	Smt. Sangita Gupta	88350	0.49	88350	0.36
24	Nikita Agarwal	76000	0.41	76000	0.31
25	Pooja Manchanda	76000	0.41	76000	0.31
26	Shri Ashok Kumar Mittal	66500	0.37	66500	0.27
27	Aditi Bansal	47500	0.26	47500	0.19
28	Sunil Agarwal	28500	0.16	28500	0.11
29	Suresh Mittal	23750	0.13	23750	0.09
	TOTAL	6037060	33.22	6037060	24.08
<u>NON-PROMOTERS & OTHERS</u>					
30	Coeus Global Opportunity Fund	1807850	9.95	1807850	7.33
31	Akash Gupta & Sons	285000	1.57	285000	1.16
32	Abhinav Agarwal	95000	0.5	95000	0.39
33	Shri Naresh Gupta	71250	0.39	71250	0.29
34	Prerit Bansal	71250	0.39	71250	0.29
35	Shri Jaipal Jain	71250	0.39	71250	0.29
36	Abhinav Agarwal HUF	66500	0.37	66500	0.27
37	Shri Vishal Gupta	66500	0.37	66500	0.27
38	Akhil Gupta	66500	0.37	66500	0.27
39	Mukesh Goel	66500	0.37	66500	0.27
40	Shri Dinesh Kumar	66500	0.37	66500	0.27
41	Rajan Manchanda	61750	0.34	61750	0.25

42	Tanvi Manchanda	61750	0.34	61750	0.25
43	Sandeep Jain	61750	0.34	61750	0.25
44	Anil Kumar Goel & Sons	61750	0.34	61750	0.25
45	Dr Anil Sharma	57000	0.31	57000	0.23
46	Navita Agarwal	47500	0.26	47500	0.19
47	Sagar Khatri	28500	0.16	28500	0.11
48	Tushar Gupta	23750	0.13	23750	0.09
49	Ankur Agarwal	23750	0.13	23750	0.10
50	Sushil Bansal	23750	0.13	23750	0.09
51	Gunjan Bhardwaj	23750	0.13	23750	0.09
52	Anil Mittal	23750	0.13	23750	0.09
53	Smt Priyanka Gupta	23750	0.13	23750	0.09
54	Manish Mittal	23750	0.13	23750	0.09
55	Shiv Kumar Mittal	23750	0.13	23750	0.09
56	Reena Gupta	23750	0.13	23750	0.09
57	Sandeep Jain & Sons (HUF)	23750	0.13	23750	0.09
58	Shri Gagan Malhotra	19000	0.11	19000	0.08
59	Shri Kamal Singla	19000	0.11	19000	0.08
60	Smt. Manisha malhotra	19000	0.11	19000	0.08
61	Anju Manchanda	19000	0.11	19000	0.08
62	Naresh Gupta & Sons	14250	0.08	14250	0.06
63	Vineet Gupta HUF	14250	0.08	14250	0.06
64	Smt. Rakhi Jain	14250	0.08	14250	0.06
65	Vandana Sharma	14250	0.08	14250	0.06
66	SMT Kusum Agarwal	11400	0.06	11400	0.05
67	Amrita Agarwal	11400	0.06	11400	0.05
68	Avinash Agarwal	10450	0.06	10450	0.04
69	Sumit Gupta (HUF)	9500	0.05	9500	0.04
70	Sumit Gupta	9500	0.05	9500	0.04
71	Ruchi Gupta	9500	0.05	9500	0.04
72	Bharti Gupta	9500	0.05	9500	0.04
73	Brij Mohan Gupta HUF	9500	0.05	9500	0.04
TOTAL		3565350	19.62	3565350	41,18
GRAND TOTAL		18173500	100	18173500	100

Except mentioned below no public shareholders are not connected to the Company or its directors or its promoter or its promoter group or its group companies:

S.no	Name of shareholder	No of shares held	Nominal value per share	%	Amount	Pan	Relation
1	Kanwal Manchanda	95000	10	0.523	950000	AAKPM9540R	Mother of Riha Bansal (Promoter Group)

2	Nikita Agarwal	76000	10	0.418	760000	AFIPB1480L	Sister of Ayush Bansal(Director)
3	Aditi Bansal	47500	10	0.261	475000	ALGPA5687E	Relative to Anuj Bansal (Promoter)
4	Sudhir Agarwal	88350	10	0.486	883500	AAQPA6240G	Brother of Neera Bansal (Promoter Group)
5	Shri Vishal Gupta	66500	10	0.366	665000	AYEPG2868E	Nephew of Director
6	Shri Naresh Gupta	71250	10	0.392	712500	AAJPG4369F	Brother-in-law of director (Ashok Bansal)
7	Ravindra Manchanda	123500	10	0.680	1235000	AAVPM8744N	Father Of Riha Bansal (Promoter Group)
8	Sunil Agarwal	28500	10	0.157	285000	AARPA5912C	Brother Of Sandhya Bansal (Director)
9	Abhinav Agarwal Huf	66500	10	0.366	665000	AAJHA3969H	HUF of Relative to Director
10	Pooja Manchanda	76000	10	0.418	760000	AFFPM0542P	Sister of Riha Bansal (promoter group)
11	Abhinav Agarwal	95000	10	0.523	950000	AFZPA5664E	Husband of Immediate Relative To Director
12	Tushar Gupta	23750	10	0.131	237500	AZOPC9795W	Nephew of Director
13	Suresh Mittal	23750	10	0.131	237500	AJQPM9179B	Father of Suruchi Mittal (Promoter Group)
14	Smt. Sangeeta Gupta	88350	10	0.486	883500	ADXPG9455H	Immediate Relative to Director
15	M/S Alliance Farms & Agriculture LTD	861650	10	4.741	8616500	AAGCA3596G	Group Entity
16	Naresh Gupta & Sons	14250	10	0.078	142500	AAEHN3374C	HUF of Relative of Director
17	Shri Ashok Kumar Mittal	66500	10	0.366	665000	ACTPM1213E	Director of Group Entity
	Total	1912350					

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

Name of Promoter	No. of shares bought or sold	Average cost of Acquisition (in Rs.) *
Sandhya Bansal	9,47,150	28.31

6. Details of Major Shareholders:

(A) List of Shareholders holding 1.00% or more of the Paid-Up Capital of the Company as on date of this Draft Red Herring Prospectus:

S.No.	Name of shareholders	No. of Equity Shares 1held*	% of Paid-up Capital**
18.	Sandhya Bansal	9,47,150	5.21

(B) List of Shareholders holding 1.00% or more of the Paid-Up Capital of the Company as on date ten days prior to the date of this Draft Red Herring Prospectus:

S.No.	Name of shareholders	No. of Equity Shares 1held*	% of Paid-up Capital**
18.	Sandhya Bansal	9,47,150	5.21

(C) List of Shareholders holding 1.00% or more of the Paid-Up Capital of the Company as on date one year prior to the date of this Draft Red Herring Prospectus:

S.No.	Name of shareholders	No. of Equity Shares 1held*	% of Paid-up Capital**
18.	Sandhya Bansal	4,98,500	2.72

(D) List of Shareholders holding 1.00% or more of the Paid-Up Capital of the Company as on date two years prior to the date of this Draft Red Herring Prospectus:

S.No.	Name of shareholders	No. of Equity Shares 1held*	% of Paid-up Capital**
19..	Sandhya Bansal	4,98,500	2.72

OBJECTS OF THE ISSUE

Details of Utilization of Issue Proceeds

1. Capital expenditure towards setting up a Power Plant

The net proceeds is proposed to be utilized for electricity infra utility plant for captive use. The Company is proposed to set up a 9.0 MW Power Plant with 60 TPH, 45 KSC, 430/400o C-100% RDF/ 100% Biomass Fired Reciprocating Grate Steam Boiler on Turnkey Basis in Shamli, Uttar Pradesh. Water needs at the site is met through boring water.

The overall capacity of the proposed Power Plant to produce the electricity is 9.325 MW/9325KW, however the effective power supply to the plant will be 9 MW/ 9000KW.

The Company plans to set-up the proposed Project in the existing premise of the paper mill. The Land details of the existing paper mill with area is provided in table below:

Khata No.	Land Area (Sq. ft)	Land Address
22, 229, and 240, Part of Khasra No. 1029, 1032, 1032, 1032, 1580, 1581, 1582, 1583, 1586 (Total Campus Area)	7,12,516.65	Plot No. C-9, C-10, C-11, Village Karmu Kheri and Kandela, Shamli, Industrial area, Panipat Road, District Shamli, UP
Project Land Area Proposed for Power Plant (as per Company)	56,502.00	Behind C-10, Village Karmu Kheri and Kandela, Shamli, Industrial area, Panipat Road, District Shamli, UP

Implementation Schedule

Below is the timeline for building and construction:

ACTIVITIES	START DATE	END DATE
Land Purchase & Registration	-	-
Soil Test	NA	NA
Compliance of Statutory Clearance	NA	NA
Basic & Detailed design Engineering	1st August 2024	31st October 2024
Plant Civil Upgradation & Construction	1st September 2024	31st December 2024
Procurement of Critical Equipment	1st September 2024	28th February 2025
Delivery of Equipment	1st November 2024	31st March 2025
Erection	1st December 2024	31st March 2025
Cold Commissioning	1st April 2025	30th April 2025
Hot Commissioning	1st May 2025	31st May 2025

Note: In pursuance to the Regulation 230(1)(e) of SEBI ICDR Regulations 2018, in case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through Internal Accruals and in such case the Funds raised shall be utilized towards recouping of Internal Accruals.

Capacity of proposed power plant:

“The overall capacity of the proposed Power Plant to produce the electricity is 9.325 MW/9325KW, however the effective power supply to the plant will be 9 MW/ 9000KW.”

RATIONALE OF NEW POWER PLANT:

Our campus requires a total of 9-Megawatt (MW) Power to run the daily operations including all activities. Presently 6 MW is sourced from the grid connected from UPPCL and balance 3 MW is own generation from Captive Power Plant. Captive Power plant consists of high-pressure boilers that generate steam at higher pressure which is then passed through steam turbines that generate power by reducing the steam pressure and the balance steam goes to our process for paper making. Steam is used to heat up the drying cylinders used on the paper machine. Our own Captive power plant was operated on clean Biomass fuel consisting of wood waste, bagasse waste and agriculture waste till 2023. Thereafter, on trial basis we converted these boilers to operate partly on Refuse Derived Fuel (RDF) derived from Municipal Solid waste (MSW) and were successful to convert our fuel base in a substantial ratio.

The cost of biomass varies from Rs 3500/- per tonne to Rs 6500/- per tonne and generates average 2.2 tons of steam whereas RDF/MSW fuel costs us Rs 300/- per tonne as it is solid waste treated and supplied by Municipal Bodies and is subsidized to promote consumption in power generation plants. This generates average 1.8 tons of steam bringing the steam generation cost drastically down.

Our interest to setup 9MW waste to energy captive power plant is aimed at generating total power requirement of our campus through own source. This plant would provide us total required steam for the process and total required power for the entire plant. The 6 MW power that we presently purchase from UPPCL would get substituted with own generation and would add a great cost advantage to the production costs. Cost comparison of electricity costs is as follows:

- Cost of electricity from own 3 MW: 3.5 per unit
- Cost of electricity from 6 MW of UPPCL: 6.5 per unit
- Cost of electricity from 9 MW waste to energy: Approx 2.5/- per unit

Total units consumed from UPPCL is approximately 76000 units per day.

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STATEMENT SHOWING SAVING IN POWER COST (COST BENEFIT ANALYSIS) ARE SHOWN BELOW:

Particulars	Sanction Load	Capacity Utilisation	Maximum Unit Produced Per Day	Maximum Unit Consumed Per Day	Planned Unit Produced from Proposed Power Plant	Approx Cost Per Unit	Existing Avg Cost	Existing Avg. Cost Per Unit	Proposed Cost Per Unit	Saving Per Unit	Saving In Rupees Per Day
Turbine -1	2.5 MW	1.9 MW	45000	45000	-	3.5	157500			-	
Turbine -2	1.4 MW	1.2MW	29000	29000	-	3.5	101500			-	
UPPCL	6.0 MW	5.4MW		76000	-	6.5	494000				
				150000	150000		753000	5.02			
PROPOSED POWER PLANT	9.325 MW	9.0 MW			150000				2.5	2.52	378000

Secondly, our existing power plants are obsolete on technology and have higher operating costs. Besides, *operating multiple units increases operating costs* and is advisable to install one common unit for the entire campus reducing the manpower and other operating costs also.

Following is the rationale on nullifying and replacement of existing power plants and details of multiple operating costs for operating the existing power plants:

- **Man Power requirement:** Each boiler house with turbine set requires the following team to efficiently operate daily activities:

Particulars:	HOD	Shift Manager	Operator	Asst Op.	Op. Helper	Assistant
Boiler	1	3	3	3	6	6
Turbine	1	3	3	3	6	6

Operating 2 existing power plants and one additional plant would require 3 sets of the above-mentioned team whereas installing one comprehensive plant would only require one set of manpower and hence would be commercially feasible as well as technically suitable also.

- **Self-Consumption of individual power plant:** Scale of operations largely impacts the power plant efficiency for the reason that smaller power plants consume more proportion of their self-generated power whereas larger power plants proportionately generate more power and consume lesser proportion. Details ratio wise as under:

Particulars:	Capacity (KVA)	Utilized (KVA)	Total Generation	Power consumed	Self	Net Power	%power generated
Turbine 1	2500	1900	60000	15000		45000	75%
Turbine 2	1400	1200	33600	8600		25000	74.4%
New proposed Turbine	9000	8000	192000	22000		170000	88%

Our present power plants provide net 75% power to the plant out of the total generated whereas new power plant will generate 88% net power for production out of the total generation hence making this commercially more viable.

- **Steam consumption to power generation ratio:** Smaller turbines have lower ratio of power generated versus steam consumed whereas larger turbines have a much better ratio of power generation in proportion to steam consumed thereby making them highly efficient. This can be achieved for the primary reason that smaller turbines have a basic engineering designs whereas larger turbines are manufactured on the latest reaction turbine model which can be engineered into large frame turbines due to scale of operations. Ratio wise generation of turbines to steam input is as follows:

Particulars:	Capacity (KVA)	Utilized (KVA)	Steam required (TPH)	Steam to Power Ratio
Turbine 1	2500	1900	18	105
Turbine 2	1400	1200	12	100
New Proposed Turbine	9000	8000	60	133

Higher Steam to power ratio indicates that more power is generated for every unit of steam consumed. Steam being the source of energy and hence being the cost factor in generating power has commercial value. Installing the new power plant will help us reduce our total fuel cost drastically due to better ratio of power generation w.r.t. steam consumed. Thus, making it viable for us to install a comprehensive power plant to substitute total plant production requirement.

- **Full cost of Existing power plants has been recovered by the company, as the electricity produced by the plant in monetary terms is much more than the actual historical cost of plant, details are as follows:**
 - i. We also bring to your notice that we had installed Power Plant no 2 (Turbine capacity 1400KVA) along with our machine commissioned in the year 2021. The total capex invested on this Turbine was bare 2.5 crores as this was a low-cost machinery purchased from the market through a system integrator. Considering the power generated during its operations of 3 years, we have generated approx 2,87,10,000 units of power (95,70,000 lac units per year averaged, after considering the 330 working days) up to year ended 2024. The cost benefit of the same amounts to Rs 8.61 crores (assuming Rs 3 cost advantage per unit differential from UPPCL)
 - ii. Similarly, Power Plant 1 (Turbine capacity 2.500KVA) was installed and commissioned in 2016 with a capex of 7.5 crores and has run for a good 8 years up to March 2024. Every year average generation from this turbine is approx 1.48 crore units of power, after considering the 330 working days. Assuming Rs 3 per unit cost difference between UPPCL power and captive generated power, the average payback per year has been approx 4.45 crores. The cost benefit of the same amounts to Rs 35.64 crores (the average payback per year i.e. 4.45 multiply by 8 years of operations). Hence, both the machines have well covered their costs of installations till date and are practically a free asset to the company. They will continue to operate by the end of year 2025 till the new power plant of 9MW is installed and commissioned successfully.
- In Clarification to the status of existing operational power plants, we bring to your notice that these plants are much smaller in capacity and operate on obsolete technologies and hence will be shut down these existing Power plants after the new power plant would be installed and commissioned to production as per schedule.

Installation of solar plant (Capacity and Use)

Nikita Papers is in the process of installing a 1MW rooftop solar power plant also in line with the Govt of India initiative of renewable energy. This plant is on Opex Built and Operate model and the company will be charged on per unit of power generated through solar. The power generation from this rooftop solar would be approx 4000 units per day which will substitute lighting load and other auxiliary power of the plant during daylight availability. However, it's not suitable for process operations as the power generated is only during sunlight availability whereas our operations run 24x7 and hence cannot be integrated with production line.

Rationale for setting up new power plant since the Company has already set up a Thermal Power Plant in FY 2021

The waste to energy boilers based on Refuse Derived Fuel (“RDF”) were only allowed to cement industry due to concern of air pollution. The company had installed the existing power plant in 2021 on Biomass which was allowed and permitted by State Pollution Control Board (“Department”), later on in the year 2022, the company had filed application dated November 12, 2022 and initiated the discussions with State Pollution Control Board regarding to take the permission for use of RDF in company as same is much more cost-efficient technology. In the year 2023, the permission was received from the department on January 13, 2023, the department has provided permission under guidance of CAQM (central air quality management) and allowed the Company to setup a prototype boiler to operate to the limit of 60 tons per day RDF as fuel. Thereafter, successful running of this prototype project and multi stage evaluation by the department they agreed to permit this technology to the company. The company had again applied for the permission for use RDF fuel vide application dated October 23, 2023 and the department had granted us permission for additional use of 400 tons RDF process per day in November 23, 2023 as of now total permission for use of RDF is 460 tons per day.

Hence, now the company has been permitted to install waste to energy power generation using RDF as fuel for our process allowing us to take up installation of the mentioned 9.0MW captive power project.

Also, the Company had taken up installation of second line of paper machine in 2020-21 which in itself was a large project amounting to Capex of approx. 85 crores and the company did not want to add further Capex of 50 crores by undertaking waste to energy project at the same time. Presently the company has stabilized the new production line and now the company is ready to install 9.0MW waste to energy project with the help of IPO proceeds.

2. Working Capital Requirements:

The Details of Working Capital Requirement are given below:

(Amount in Lakhs)

Particulars	31.03.2022	31.03.2023	31.03.2024	31.03.2025	31.03.2026
	(Audited)	(Audited)	(Audited)	(Projected)	(Projected)
<i>Current Assets</i>					
Inventories	4,127.16	4,191.65	4,190.97	4,560.00	5,078.00
Trade Receivables	8,639.15	9,316.04	12,421.25	12,657.00	14,000.00
Cash and Cash Equivalents	490.07	501.48	814.98	915.30	870.32
Short-term Loans and Advances	230.90	759.71	1,416.82	1,486.25	1,650.00
Other Current Assets	469.62	930.41	1,431.41	1,667.40	1,670.30
Total (A)	13,956.90	15,699.30	20,275.43	21,285.95	23,268.62
<i>Current Liabilities</i>					
Short-Term Borrowings	4,722.83	9,450.94	14,115.15	14,806.78	16,231.65
Trade Payables	4,671.30	2,294.52	1,571.50	1615.00	1665.00
Short-Term Provisions	6.20	8.38	272.82	160.40	151.35
Other Current Liabilities	930.21	649.02	641.76	646.80	717.96
Total (B)	10,330.54	12,402.86	16,601.23	17,228.98	18765.96
Net Working Capital (A)-(B)	3,626.36	3,296.44	3,674.20	4,056.97	4,502.66
Incremental Working Capital				382.77	445.69
Sources of Working Capital					

Working Capital Funding through IPO				300.00	200.00
Internal Sources/Share Capital/ Borrowings				82.77	245.69

Assumptions for working capital projections made by our company:

We produce high-quality kraft paper, in a variety of shades, bursting factors, and grammage ranges to cater to different market needs. We Specialized and operate in manufacturing multiplayer Kraft paper with 18-28 burst factor, to grow the business on a larger platform, we need to focus on this evolving landscape and build on it to improve our supply chain with offerings the products across a broader spectrum. Further, In order to support its incremental business requirements, funding growth opportunities and for other strategic, business, and corporate purposes requires additional working capital and such funding is expected to lead to a consequent increase in our revenues and profitability. This includes offering flexibility in credit periods to stimulate increased sales volume and foster stronger customer relationships and settle our payables we aim to negotiate more favorable terms and conditions with our suppliers.

Basis of Estimation

Particulars	<i>(in days)</i>				
	2021-22	2022-23	2023-24	2024-25	2025-26
No. of Days for Trade Receivables	88	85	134	125	125
No. of Days for Inventory Days	42	38	45	45	45
No. of Days for Trade Payables	53	23	20	19	17

Justification:

Trade Receivables Days	<p>Trade Receivables days stood at 88, 85 and 134 in the financial years 2021-22, 2022-23 and 2023-24 respectively.</p> <p>Going forward, our company aims to offer and maintain competitive credit facilities for our customers and debtors. Our credit terms will vary depending on the type of customer or debtor. Based on our projected financials, we anticipate that customer and debtor levels will average 125 days for both the 2024-25 and 2025-26 financial years. This estimate aligns with our projected increase in operational levels, current payment terms, and industry trends.</p> <p>Trade receivables days calculated as closing trade receivables divided by revenue with customers over 365 days.</p>
Inventory Days	<p>Our company manages inventory levels based on demand, production schedules, and delivery timelines. Effective inventory management is crucial in our sector and is anticipated to expand in tandem with our business growth. Therefore, we plan to focus on optimizing our inventory management practices.</p> <p>According to industry trends, we project inventory turnover days to be approximately 45 days for the financial years 2024-25 and 2025-26. This is compared to turnover days of 42, 38, and 45 for the financial years 2021-22, 2022-23, and 2023-24, respectively.</p>
Short-Term Loans and Advances	<p>Short-term loans and advances encompass funds allocated as advances to suppliers and employees. Advances to suppliers are prepayments made to secure goods or services, while advances to employees might cover travel expenses, project-related costs, or other short-term needs.</p> <p>As our business volume grows, we expect an increase in these short-term loans and advances. This anticipated rise is crucial to support our operational needs effectively. By</p>

	ensuring that we have sufficient short-term financing, we aim to maintain a steady flow of resources, prevent any interruptions in our supply chain, and uphold cost efficiency. This approach helps us manage working capital efficiently and supports smooth business operations as we scale.
Other Current Assets	Other current assets, including GST (Input Tax Credit) balances, income tax refund receivables, and prepaid expenses, are anticipated to see a positive impact from the growth in business volume. overall, the expansion of our business is expected to enhance these current asset categories, improving our financial position and liquidity.
Trade Payables Days	<p>Trade Payables days stood at 53, 23 and 20 of total expenses excluding employee benefit expenses, depreciation & amortization, finance costs and tax expense incurred in financial year 2021-22, 2022-23 and 2023-24 respectively.</p> <p>Though, with the rationalization of the operations, and to get benefitted by offering faster payments, our Company intends to reduce the period of days involved in trade payable. Our company shall try to make early payments to negotiate better terms and finer pricing with increased liquidity, accordingly in estimated financials, Trade Payables days are estimated 19 for financial year 2024-25. and 17 for financial year 2025-26. This reduction reflects our commitment to optimizing cash flow, enhancing supplier relationships, and leveraging financial efficiencies.</p> <p>Trade payable days calculated as trade payables divided by total expenses (excluding employee benefits expense, depreciation and amortization, finance cost and tax expense) over 365 days</p>
Other Current Liabilities	<p>Our company's other current liabilities encompass statutory dues, employee-related liabilities, and advances from customers. For the financial years 2021-22, 2022-23, and 2023-24, these liabilities averaged 10 days, 6 days, and 7 days, respectively.</p> <p>Looking ahead, we have projected other current liabilities to remain at 6 days for both the financial years 2024-25 and 2025-26. This estimate is based on our anticipated operational scale and financial activities, and it is deemed reasonable given our planned business volume. By maintaining these liability levels, we aim to ensure alignment with our operational needs and financial strategies, while effectively managing our short-term obligations.</p>

(Part-B)

Rational of estimated working Capital for Financial year 2024-25 and 2025-26:

Exhibit-1 Incremental Working Capital

Particulars	31.03.2023	31.03.2024	Incremental Working Capital	31.03.2025	Incremental Working Capital	31.03.2026	Incremental Working Capital
	(Audited)	(Audited)		(Projected)		(Projected)	
(A)	(B)	(C)	(D)=(C)-(B)	(E)	(F)=(E)-(C)	(G)	(H)=(G)-(E)
Current Assets							
Inventories	4,191.65	4,190.98	(0.68)	4,560.00	369.03	5,078.00	518.00
Trade Receivables	9,316.04	12,421.25	3105.21	12,657.00	235.75	14,000.00	1,343.00

Cash and Cash Equivalents	501.48	814.98	313.5	915.30	100.32	870.32	(44.98)
Short-term Loans and Advances	759.71	1,416.82	657.11	1,486.25	69.43	1,650.00	163.75
Other Current Assets	930.41	1,431.41	501.00	1,667.40	235.99	1,670.30	2.90
Total (A)	15,699.29	20,275.43	4576.14	21,285.95	1,010.52	23,268.62	1,982.67
Current Liabilities							
Short-Term Borrowings	9,450.94	14,115.15	4664.21	14,806.78	691.3	16,231.65	1424.87
Trade Payables	2,294.52	1,571.50	(723.07)	1615.00	43.50	1665.00	50.00
Short-Term Provisions	8.38	272.82	264.44	160.40	(112.42)	151.35	(9.05)
Other Current Liabilities	649.02	641.76	(7.27)	646.80	5.04	717.96	71.16
Total (B)	12,402.86	16,601.23	4198.32	17228.98	627.75	18765.96	1536.98
Net Working Capital (A)-(B)	3,296.43	3,674.21	377.77	4056.97	382.77	4502.66	445.69

S.No	Particulars	Number of Days for the year ended			
		March 31, 2023 (Audited)	March 31, 2024 (Audited)	March 31, 2025 (Projected)	March 31, 2026 (Projected)
1.	Trade receivables	85	134	125	125
2.	Inventories	38	45	45	45
3.	Short Term Loans and Advances	7	15	15	15
4.	Other current assets	9	15	16	15
5.	Trade payables	23	20	19	17
6.	Other Current Liabilities (including Provisions)	6	10	8	7

Our company produces high-quality kraft paper in a range of shades, burst factors, and grammage options to meet diverse market demands. We specialize in manufacturing multi-ply kraft paper with burst factors ranging from 18 to 28.

Our company is focused on expanding its business on a larger scale by enhancing our supply chain and broadening our product offerings. We aim to strengthen our existing channels and extend our reach into new markets and territories. To support this growth, maintaining a robust inventory is crucial. Therefore, our strategy includes increasing inventory levels to effectively support various items, categories, and sales.

Further, to meet our growing business needs, fund expansion opportunities, and address various strategic and corporate objectives, we require additional working capital. This funding is anticipated to boost our revenues and profitability. Key strategies include extending credit periods to enhance sales volume and strengthen

customer relationships, as well as negotiating better terms with suppliers to manage payables more effectively. These measures will lead to an increased requirement for working capital, as outlined in Exhibit I & II.

Company Business and Product Offering

Our company in the production of kraft paper, available in a variety of shades, burst factors, and grammage options. Our skill lies particularly in manufacturing multi-ply kraft paper, with burst factors ranging from 18 to 28. This diverse product range is tailored to meet the varied demands of our market, from standard packaging needs to specialized applications requiring higher durability.

Company's Expansion Strategy: To drive our growth, the Company is focusing on 4 key strategic areas:

1. **Enhancing Supply Chain Efficiency:** We are working on optimizing our supply chain to reduce lead times, lower costs, and improve overall efficiency. This includes investing in advanced logistics technologies and streamlining procurement processes.
2. **Broadening Product Offerings:** Our goal is to expand our product line to cater to a wider array of customer needs. This could involve developing new kraft paper grades or custom solutions tailored to specific industries.

Expanding Product Line:

Nikita papers have an inhouse laboratory with a dedicated team of technicians. Continuous product development to suit various market requirements remains their target and regular activity. Presently the team is working on developing technologies to convert regular kraft paper into water repellent, food grade kraft paper which is used for packaging requirements of food chains. This is used as medium to carry burgers, pizzas, bakeries and other take away items. To ensure bacteria free paper, team has implemented certain treatments with the help of UNIDO (UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANISATION) which is under trial and will be implemented commercially as soon as the trials are proved successful.

3. **Strengthening Market Presence:** We purpose to consolidate our position in existing markets and explore opportunities in new regions. This includes enhancing our distribution network and increasing our market penetration.

Expanding Market Presence to new regions:

Product lines of the Company include manufacturing of Corrugation, Fluting and Carry Bag paper which is sold in a geographical circle of 250 to 300 kilometers due to the freight cost. However, special grades of paper such as paper bag grade and food grade are not limited by cost of transport and can be easily marketed to widespread markets. In line with the same, nikita papers is marketing these grades to countries such as Bangladesh, UAE, Saudi Arabia, Egypt and other gulf countries. Pursuant to the same team has participated at various exhibitions to expand presence to new regions, a few of them are:

- Paper Arabia at Dubai
- Paper – ME at Cairo
- Papertech Expo, Dhaka Bangladesh
- Paper Arabia, Saudi
- Paper – ME at Kenya

4. **Inventory Management:** To support our expansion and meet the anticipated rise in demand, maintaining a robust inventory is crucial. We plan to increase our inventory levels to ensure we can adequately support a broader range of products and maintain consistent supply to our customers.

Funding Requirements and Working Capital: To facilitate our expansion efforts and achieve our strategic goals, we require additional working capital. Key aspects of our strategy to optimize working capital include extending i) Credit Periods by offering extended credit terms to our customers, we aim to boost sales volume and foster stronger customer relationships. This approach will help us capture a larger share of the market and enhance our competitive positioning; and ii) Negotiating Better and more favorable terms with our suppliers to manage our payables more effectively. Improved supplier terms will help optimize our cash flow and reduce the pressure on our working capital.

Now after explaining our business plans with detailed timeline, we wish to humbly explain the increase in working capital requirements, item-wise/head-wise as per the following submission

Trade Receivables Days

Trade Receivables days stood at 85 and 134 in the financial years 2022-23 and 2023-24 respectively.

In terms of our long-term business growth plans, the company is broadening its product range and geographic reach. To attract and retain new clients, we need to offer and maintain competitive credit facilities. Credit terms will vary based on the type of customer or debtor. The general credit terms vary according to the type of customers/debtors. Based on our projected financials, we anticipate that customer/debtor days will 125 days for the fiscal year 2024-25 and fiscal year 2025-26. This projection aligns with our increased operational levels, current payment terms, and industry trends.

Inventory Days

In a similar vein, based on industry trends and our procurement and production activities, we project inventory turnover days to be approximately 45 days for the fiscal year 2024-25 and 2025-26 each, compared to 38 days for 2022-23 and 45 days for 2023-24. Our company maintains inventory levels based on demand, production schedules, and delivery requirements. Effective inventory management is crucial in our sector and is expected to align with our business growth. Consequently, we plan to focus on optimizing our inventory management practices.

Short Term loans and Advances

Short term loans and Advances days stood at 7 and 15 in the financial years 2022-23 and 2023-24 respectively. we anticipate this will 15 days for the fiscal year 2024-25 and 2025-26.

Short-term loans and advances encompass payments made to suppliers and employees. As we planned to offering more advanced and value-added products, it is necessary to place advance orders with certain vendors to ensure a steady supply. We anticipate that short-term loans and advances will increase in line with business volume, enabling us to maintain a consistent availability of resources and enhance cost effectiveness.

Other Current Assets

Other Current Assets days stood at 9 and 15 in the financial years 2022-23 and 2023-24 respectively. we anticipate that other current Assets days will 16 days and 15 days for the fiscal year 2024-25 and 2025-26 respectively.

Other current assets, includes GST (ITC Balance), Income Tax Refund Receivables, Prepaid Expenses, shall benefit of increased volume of business. This is because a higher volume of business generally leads to higher amounts of GST credits, larger tax refunds, and possibly more prepaid expenses, all of which contribute to the overall financial health of the business.

Trade Payables Days

Trade Payables days stood at 23 and 20 of total expenses excluding employee benefit expenses, depreciation & amortization, finance costs and tax expense incurred in financial year 2022-23 and 2023-24 respectively.

With the aim of optimizing operations and benefiting from quicker payments, our company plans to shorten the period for trade payables. By making early payments, we seek to negotiate better terms and achieve more favorable pricing due to improved liquidity. Consequently, for the Financial Year 2024-25 and 2025-26, we estimate that the days for trade payables will be 19 and 17 days respectively, as reflected in our financial projections.

Provisions and Other Current Liabilities

Our Company's other Current Liabilities consists of Statutory dues and other payables, Employee Related Liabilities and advances from Customers. During the Financial Year 2022-23 and Financial Year 2023-24, our Company's other current liabilities days stood at 6 and 10 in the financial years 2022-23 and 2023-24 respectively.

The company considers the allocation of 8 days' and 7 days' worth of other current liabilities to be appropriate given its projected business activity for the Financial Year 2024-25 and 2025-26 respectively. This allocation is deemed reasonable and appropriately matches the anticipated scale of operations for that period.

Estimated revenue and orders in hand:

As the production of finished Goods is increasing since past years, the company estimate that number of units sold will also increase by at least 7000 Metric tons as compared to the F.Y. 2023-24 i.e 117733.805 Metric a Tons on the basis of which the estimated revenue of the Company is Rs. 369.60 Cr for the FY 2024-25.

Additionally, the company has orders lined up for the next 15 days, with new orders coming in daily or weekly. As a result, the company doesn't keep a formal order book for future orders.

Details Of Kraft Paper Orders in Hand:

S.NO	PARTY	ORDERS IN HAND (M.T)				TOTAL QTY (MT)	REVENUE (IN LAKHS)
		18BF	20BF	22BF	25BF		
1	ASHISH PAPERS PVT LTD	500	200	175	100	975	303.00
2	KONARK TRADING CO.	300	200	150	100	750	235.00
3	KALYANI TRADERS	375	150	125	50	700	216.50
4	MANAV CRAFTS INDIA PVT LTD	200	100	150	125	575	182.75
5	KRAFT CORPORATION	400	350	125	75	950	294.75
6	SHRI MATA VAISHNO PAPER HUB	350	100	300	50	800	249.50
7	KAGAJ COMPLEX	300	-	-	-	300	90.00
8	SURYA RUBBER INUDTRIES	250	-	-	-	250	75.00
	TOTAL	2675	1100	1025	500	5300	1,646.50

BASIS FOR ISSUE PRICE

QUANTITATIVE FACTORS

6. Comparison of Accounting Ratios with Industry Peers:

S.No.	Name of the company	Face Value (Per Share)	CMP	EPS	P/E Ratio	RONW (%)	NAV (Rs. Per share)	PAT (Rs. in Lakh)
1.	Nikita Papers Limited	10.00	[•]	9.81	[•]	21.46%	42.57	1659.53
Peer Group*								
2.	Magnum Ventures Limited	10.00	47.56	5.04	37.65	26%	115.64	2.470.26
3.	Tamilnadu Newsprint and Papers Limited	10.00	212.30	30.08	14.46	10%	301.94	20.816.00
4.	Ruchira Papers Limited	10.00	131.54	16.48	9.33	12%	138.81	4.919.49
5.	Pakka Limited	10.00	325.00	12.57	34.24	20%	67.58	4.866.93

**Source: All the information for listed industry peers mentioned above are on a standalone basis and is sourced from their respective audited/unaudited financial results and/or annual report*

Notes:

- *Considering the nature and turnover of business of the Company the peer is not strictly comparable. However, the same have been included for broader comparison.*
- *The figures for Nikita Papers Limited are based on the restated results for the year ended March 31, 2024.*
- *The figures for the peer group are based on standalone audited results for the respective year ended March 31, 2024.*

Current Market Price (CMP) is the closing price of respective scrip as on September 26, 2024 and symbolic P/E is taken from NSE as on 26/09/2024.

SECTION V: ABOUT THE COMPANY

OUR BUSINESS

SWOT ANALYSIS

➤ **STRENGTHS**

II. Expansion into Fluting Media:

The company has undertaken an initiative by adding a Fluting Media Multi-liner Kraft paper project to its existing manufacturing unit and in line installed & commissioned Paper Machine (PM) -2. Further, the Company has increased its strength by installing the newly commissioned paper machine -2 by adding volume of production (Capacity 250 Tons Per Day) and also by Making Better/Higher Grades of Paper. This move introduces a value-added product catering to the paper packaging segment. Fluting media, being a component in corrugated packaging, enjoys market demand. By diversifying its product portfolio to include this item, the company expands its revenue streams and strengthens its foothold in the packaging industry.

RAW MATERIAL – REUSABLE PAPER



At Nikita Papers Limited, reusable/waste paper serves as a raw material in the production of Kraft paper. Waste paper, sourced from post-consumer and industrial sources which is gathered at dump grounds which is segregated, collected and stored.

After the cleaning process, the waste paper is pulped, breaking down the fibres into a slurry consistency. This pulp is then blended with additives and chemicals to achieve the characteristics and properties required for Kraft paper production.

**Chemical includes the Maize Starch.

The Waste Papers are supplied by the traders which collect the same from dump grounds & corrugation industries. Traders/suppliers are established within the radius of 150 km of the factory apart from the imported Waste Papers.

Waste Paper from domestic parties has been purchased but not limited to from the following parties:

S.No.	Supplier	% Purchase			
		30.06.2024	2023-24	2022-23	2021-22
1	Supplier 1	33%	44%	7%	1%
2	Supplier 2	7%	17%	15%	9%
3	Supplier 3	0%	8%	20%	13%
4	Supplier 4	6%	6%	3%	1%
5	Supplier 5	4%	4%	1%	0%
6	Supplier 6	26%	4%	0%	0%
7	Supplier 7	0%	3%	5%	0%
8	Supplier 8	0%	2%	4%	1%
9	Supplier 9	0%	1%	1%	4%
10	Supplier 10	0%	1%	9%	13%

Imported Waste Paper has been purchased from the following parties:

S.No.	Supplier	% Purchase				Country of origin
		30.06.2024	2023-24	2022-23	2021-22	
1	Supplier 1	0%	19%	10%	0%	CANADA
2	Supplier 2	34%	38%	30%	25%	CANADA
3	Supplier 3	0%	25%	5%	0%	CANADA
4	Supplier 4	8%	3%	0%	0%	CANADA
5	Supplier 5	0%	0%	10%	30%	USA
6	Supplier 6	0%	0%	25%	10%	CANADA
7	Supplier 7	0%	0%	5%	0%	USA
8	Supplier 8	0%	0%	0%	15%	CANADA
9	Supplier 9	0%	0%	0%	5%	USA
10	Supplier 10	25%	0%	0%	0%	USA
11	Supplier 11	8%	0%	0%	0%	USA
12	Supplier 12	24%	0%	0%	0%	USA

Following are the details of Raw Material purchased from Domestic and International Suppliers for the last three years:

Financial year	Particulars	Raw Materials				Total
		Waste Paper		Soap Stone	Maize Starch	
		Indian	Imported	Indian	Indian	
FY 2023-24	QTY (M.T)	94,403.53	25,651.29	4,855.66	9,552.50	134,462.97
	AVG RATE	14,875.55	16,499.51	4,077.61	32,643.02	16,057.66
	AMOUNT	1,404,304,763.42	423,233,667.27	19,799,485.00	311,822,487.50	2,159,160,403.19
	%*	65.04%	19.60%	0.92%	14.44%	100%
FY 2022-23	QTY (M.T)	95,303.12	25,021.46	7,397.69	9,200.82	136,923.09
	AVG RATE	20,236.31	22,540.03	3,557.06	35,622.09	20,790.03
	AMOUNT	1,928,583,749.26	563,984,314.23	26,314,009.35	327,752,532.00	2,846,634,604.84
	%*	67.75%	19.81%	0.92%	11.51%	100%

FY 2021-22	QTY (M.T)	66,226.03	35,982.45	-	-	102,208.48
	AVG RATE	22,385.40	25,134.29	-	-	23,353.14
	AMOUNT	1,482,495,765.47	904,393,481.26	-	-	2,386,889,246.73
	%*	62.11%	37.89%	0.00%	0.00%	100%

**Percentage is calculated as Total Amount of Raw materials wise Purchased Indian/Imported divided by Total Amount of Raw Material Purchased multiply by Hundred.*

OUR PRODUCT

Kraft Paper:

Grades Of Kraft Paper Manufactured:

- **Corrugation Paper**
 - BF RANGE: 18 BF TO 25 BF (Burst factor)
 - GSM RANGE: 120 GSM TO 200 GSM (GRAMS PER SQ MTR)
- **Fluting Paper**
 - BF RANGE: 18 BF TO 22 BF
 - GSM RANGE: 100 GSM (GRAMS PER SQ MTR)
- **Carry Bag Paper**
 - BF RANGE: 22 BF TO 30 BF
 - GSM RANGE: 80 GSM TO 120 GSM (GRAMS PER SQ MTR)

Production Details:

1. PRODUCTION DETAIL (2023-2024)

Corrugation Paper							
GSM	18BF	20BF	22BF	25BF	28BF	32BF	TOTAL WIGHT (MT.)
120	40856.498	1139.657	...	...	...	...	41996.155
140	39426.670	2433.885	3935.730	100.870	500.403	1660.021	48057.579
180	15359.799	824.837	5728.041	309.374	118.900	492.542	22833.493
200	402.737	36.543	78.798	40.100	...	...	558.178
TOTAL	96045.704	4434.922	9742.569	450.344			113445.405
-							

Carry Bag Paper							
GSM	18BF	20BF	22BF	25BF	28BF	32BF	TOTAL WIGHT (MT.)
80	361.038	...	...	...	361.038
100	7.479	6.888	...	...	14.367
120	369.552	30.340	90.151	1070.549	1560.592
TOTAL-			738.069	37.228	90.151	1070.549	1935.997

Fluting Paper							
GSM	18BF	20BF	22BF	25BF	28BF	32BF	TOTAL WIGHT (MT.)
100	3949.974	262.737	...	...	...	...	4212.711
TOTAL-	3949.974	262.737					4212.711

2. PRODUCTION DETAIL (2022-2023)

Corrugation Paper							
GSM	18BF	20BF	22BF	25BF	28BF	30BF	TOTAL WIGHT (MT.)
120	47685.607	2324.153	...	...	...	...	50009.760
140	33943.102	3547.661	1290.006	94.118	...	...	38874.887
180	12956.479	2042.441	1326.637	104.833	...	...	16430.390
200	431.775	205.384	122.244	15.836	...	...	775.239
TOTAL-	95016.963	8119.639	2738.887	214.787			106090.276

Carry Bag Paper							
GSM	18BF	20BF	22BF	25BF	28BF	30BF	TOTAL WIGHT (MT.)
80	77.402	132.268	50.959	155.473	416.102
100	6.032	146.771	34.751	...	187.554
120	29.960	30.622	...	...	60.582
TOTAL-			113.394	309.661	85.710	155.473	664.238

Fluting Paper							
GSM	18BF	20BF	22BF	25BF	28BF	30BF	TOTAL WIGHT (MT.)
100	3661.300	581.236	...	...	...	...	4242.536
TOTAL-	3661.300	581.236					4242.536

3. PRODUCTION DETAIL (2021-2022)

Corrugation Paper							
GSM	18BF	20BF	22BF	25BF	28BF	30BF	TOTAL WIGHT (MT.)
120	45112.918	1105.224	...	...	...	...	46218.142
140	28856.686	2346.949	1032.732	80.561	...	...	32316.928
180	10638.617	1646.760	1014.821	970.675	...	...	14270.873
200	250.396	180.163	91.030	13.304	...	...	534.893
TOTAL-	84858.617	5279.096	2138.583	1064.540			93340.836

Carry Bag Paper							
GSM	18BF	20BF	22BF	25BF	28BF	30BF	TOTAL WIGHT (MT.)

80	...	...	66.503	109.585	48.308	52.582	276.978
100	...	...	5.539	138.482	30.301	...	174.322
120	...	...	27.236	12.910	...	...	40.146
TOTAL-			99.278	260.977	78.609	52.582	491.446

Fluting Paper							
GSM	18BF	20BF	22BF	25BF	28BF	30BF	TOTAL WIGHT (MT.)
100	3020.289	580.479	...	...	...	...	3600.768
TOTAL-	3020.289	580.479					3600.768

VARIETY WISE REVENUE DETAIL (QTY.IN MT & AMT.IN LAKHS)

GRADE	FY2021-22		FY2022-23		FY2023-24	
	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
CORRUGATION	91617.883	32831.34	108136.420	36485.38	111680.741	30148.03
FLUTING PAPER	3534.302	1348.35	4324.361	1555.07	4147.18	1217.23
CARRYBAG PAPER	482.375	221.76	677.049	297.13	1905.88	709.82
TOTAL	95634.56	34401.45	113137.83	38337.58	117733.805	32075.08

LIST OF MACHINERY

S. No	Particulars	Usage	No.	Capacity	Consumption/ Utilisation	Pressure	Steam Generation	Owned / Lease	Remarks
1	TURBINE-1	Power Generation	1	2.5MW	1.9MW	-	-	leased	76% Utilisation
2	TURBINE-2	Power Generation	1	1.4MW	1.2MW	-	-	owned	85% Utilisation
3	BOILER1	Steam Generation	1	18 TPH	-	45KG/CM2	14TPH	owned	85% Utilisation
4	BOILER 2	Steam Generation	1	18 TPH	-	32KG/CM2	12TPH	owned	78% Utilisation
5	BOILER 3	Steam Generation	1	12 TPH	-	12KG/CM2	6TPH	owned	50% Utilisation
6	PM-1 -1992	Paper making	1	150 TPD	130TPD	-	-	owned	86% Utilisation
7	PM-2 -2021	Paper making	1	250 TPD	225TPD	-	-	owned	90% Utilisation

REQUIREMENT OF POWER & STEAM

Total Plant Requirement: 9.0 Mw: Breakup of the same as follows:

Paper Machine 1	1.8 Mw
Paper Machine 2	5.7 Mw
Other Utilities (Power Plant, Office purpose and General Purpose, water treatment plants)	1.5 Mw
Total	9.0 Mw

Details of Electricity provider	Sanctioned/Generation	Consumption	Unutilised
UPPCL (Uttar Pradesh Power Corporation Limited)	6.0 Mw	5.3 Mw	0.7 Mw
Own Plant (From Turbine 1 and Turbine 2)	3.9 Mw	3.1 Mw	0.8 Mw
Total	9.9 Mw	8.4 Mw	1.5 Mw

Details of proposed Solar Plant with capacity and Unit Generation

Nikita Papers is in the process of installing a 1MW rooftop solar power plant also in line with the Govt of India initiative of renewable energy. This plant is on Opex Built and Operate model and the company will be charged on per unit of power generated through solar. The power generation from this rooftop solar would be approx 4000 units per day which will substitute lighting load and other auxiliary power of the plant during daylight availability. However, it's not suitable for process operations as the power generated is only during sunlight availability whereas our operations run 24x7 and hence cannot be integrated with production line.

REVENUE BIFURCATION

(Amt. in Lakhs)

Product	For the period ended 31st March, 2024		For the FY ended 31st March, 2023		For the FY ended 31st March, 2022	
	Rs.	(%)	Rs.	(%)	Rs.	(%)
Kraft paper	32075.08	94.73%	38337.58	96.25%	34401.45	96.52%
Waste Paper & Others*	661.42	1.95%	133.1	0.33%	178.46	0.50%
Commission on sale**	1123.58	3.32%	1362.51	3.42%	1061.17	2.98%
Total	33860.08	100%	39833.21	100%	35641.08	100%

* Selling of the Raw material i.e waste paper which is not suitable for the production of the company.

** referral commissions by introducing manufacturers to suppliers of waste paper and facilitating connections in both directions.

HUMAN RESOURCES

**Note: As on the date of Draft Red Herring Prospectus, the Company has not employed any Contractual Employees.*

LAND AND PROPERTIES

The details of the freehold and leasehold properties in the name of Nikita Papers Limited as on the date of this Draft Red Herring Prospectus is provided herein below.

S. No	Address	Details of the Agreements	Date of Agreement	Area	Usage	Possession Type	Details of Transferor / Lessor	Validity
1.	C-6, Industrial Estate, Panipat Road, Shamli-247776	The original Agreement executed on 11/04/2001 for 99 years, the same has been transferred to Nikita Papers Ltd via Transfer Agreement	29/06/2007	1036 Sq. Mtr	Factory	Lease	(DIC-Deptt.) District industry centre, Muzaffarnagar, UP through its Deputy Manager.	99 Years
2.	C-9, Industrial Estate, Panipat Road, Shamli-247776	The original Agreement executed on 09/01/1991 & 29/06/2011 for 99 years, the same has been transferred to Nikita Papers Ltd via Transfer Agreement	09.01.1991 & 29/06/2011	3111.22 Sq. Mtr	Factory	Lease	(DIC-Deptt.) District industry centre, Muzaffarnagar, UP through its Deputy Manager.	99 Years
3.	Behind C-10, Industrial Estate, Panipat Road, Shamli-247776 Khasra No.1580,1581,1582,1583,1586	Consideration paid Rs. 1,90,000/-	15/09/1989	12800 Sq. Mtr	Factory	Owned	Nakli Gurjar S/o Sandal Gurjar as per agreement. (Transferor)	NA
4.	C-10, Industrial Estate, Panipat Road, Shamli-247776	Lessor-Industrial Estate Administration Yearly rent Re. 1/-	06/03/1990	2044 Sq. Mtr	Factory	Lease	(DIC-Deptt.) District industry centre, Muzaffarnagar, UP through its Deputy Manager via	99 Years

							Order dated	
5.	C-11, Industrial Estate, Panipat Road, Shamli-247776	Lessor- Industrial Estate Administration Yearly rent Re. 1/-	06/06/2002	947 Sq. Mtr.	Expansion of Water effluent treatment plant	Lease	(DIC- Deptt.) District industry centre, Muzaffarnagar, UP through its Deputy Manger via Order dated	99 Years
6.	A-10 Floor Ist Land Mark Near Deepali Chowk SaraswatiVihar Pitampura, Delhi, India, 110034	Lessor- Akhil Kumar Gupta Yearly Rent : INR 10,000/- per month	19/03/2024	-	Registered Office	Lease	Akhil Kumar Gupta S/o Sh. Umesh Kumar Gupta	0101/2024 to 30/11/2024

Further, No Expansion of Water effluent treatment plant is Required, Water effluent treatment plant is Adequate upto the 500 TPD (Tones Per Day) Production of Kraft Paper.

➤ **Detailed Process Breakdown of ETP (Effluent Treatment Plant) and its application in the paper plant:**

1. Collection Pit:

- **Purpose:** The starting point where all the wastewater generated from different sections of the paper plant is gathered.
- **Application:** Ensures that all effluent is centralized for subsequent treatment steps.

2. Hill Screen:

- **Purpose:** A screening device that removes large particles, such as wood chips, pulp fibers, and other debris from the wastewater.
- **Application:** Prevents clogging and damage to downstream equipment, enhancing the efficiency of the treatment process.

3. Equalization Tank:

- **Purpose:** Balances the inflow of wastewater, ensuring consistent flow and concentration of pollutants for uniform treatment.
- **Application:** Helps in avoiding shock loads on the biological treatment systems and stabilizes the overall treatment process.

4. Fiber Collection Tank:

- **Purpose:** Captures and recycles fibers that are present in the wastewater, returning them to the production cycle.
- **Application:** Minimizes material loss and improves resource efficiency by recovering reusable fibers.

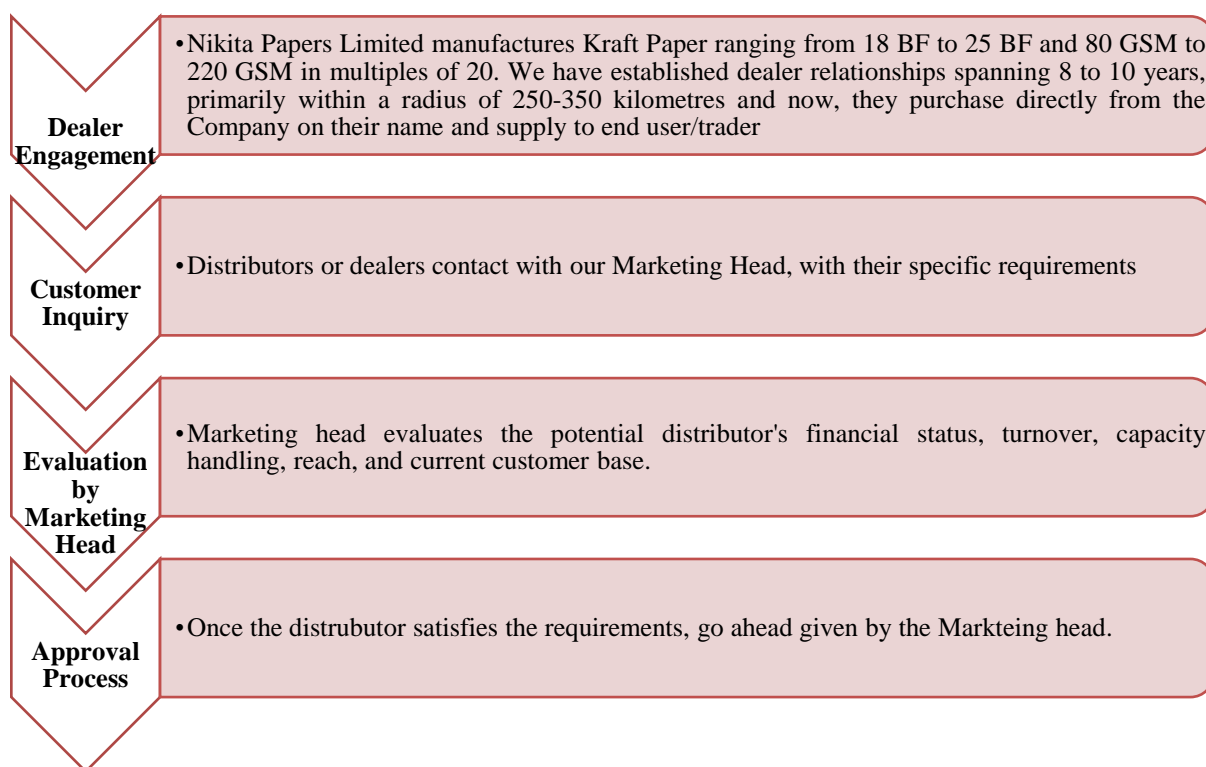
5. Primary Clarifier:

- **Purpose:** A sedimentation tank where heavier suspended solids settle at the bottom.
 - **Application:** Reduces the load on subsequent treatment processes by removing a significant portion of solids.
- 6. Secondary Clarifier:**
- **Purpose:** Further clarification to remove remaining suspended solids after primary treatment.
 - **Application:** Enhances the quality of the effluent by reducing turbidity before it enters biological treatment or filtration.
- 7. Aeration Tanks (Aeration Tank 1 & 2):**
- **Purpose:** Introduce air to promote aerobic biological treatment, where microorganisms break down organic pollutants.
 - **Application:** Reduces biological oxygen demand (BOD) and chemical oxygen demand (COD) in the wastewater, crucial for meeting discharge regulations.
- 8. Multi-Grade Filter (MGF):**
- **Purpose:** A filtration system that uses multiple layers of media to remove fine suspended particles from the treated wastewater.
 - **Application:** Ensures that the effluent meets high standards of clarity before final discharge or reuse.
- 9. Oil and Chemical Monitoring System (OCMS):**
- **Purpose:** Monitors and controls the levels of oils, chemicals, and other pollutants in the wastewater.
 - **Application:** Prevents harmful substances from entering the environment by ensuring they are within permissible limits.
- 10. Micron Filter:**
- **Purpose:** A final filtration stage that removes microscopic particles that may still be present after previous treatment steps.
 - **Application:** Provides high-quality water that can be safely reused in the paper plant or discharged.
- 11. Sludge Pit & Dry Sludge:**
- **Purpose:** Collects sludge (solid waste) generated during the treatment process and processes it for safe disposal or further use.
 - **Application:** Sludge management is crucial for minimizing waste and reducing environmental impact. The dry sludge can sometimes be repurposed, for example, as a soil conditioner or in brick manufacturing.
- 12. Reuse Tank:**
- **Purpose:** Holds treated water that is suitable for reuse within the paper manufacturing process.
 - **Application:** Conserves water by recycling treated effluent back into the production cycle, reducing the need for fresh water.
- 13. Paper Machine & Pulp Mill:**
- **Purpose:** These are parts of the production process where treated water is used again, particularly in paper formation and fiber processing.
 - **Application:** The reuse of treated water here reduces operational costs and supports sustainable manufacturing practices by minimizing water withdrawal from natural sources.

➤ **Overall Application in the Paper Plant:**

- **Environmental Compliance:** The ETP ensures that the paper plant complies with environmental regulations by treating the effluent to meet Recycling standards. This includes reducing pollutants such as BOD, COD, suspended solids, and toxic substances.
- **Water Recycling:** By treating and reusing wastewater, the plant significantly reduces its freshwater consumption, which is critical in regions facing water scarcity.
- **Cost Efficiency:** Recycling water and recovering fibers from the effluent not only reduces waste but also cuts down on raw material and water procurement costs.
- **Sustainability:** The ETP supports the plant's overall sustainability goals by minimizing the environmental footprint of the paper manufacturing process, reducing waste, and promoting the circular use of resources

MARKETING APPROACH



TOP CUSTOMER/DEALERS & SUPPLIERS OF COMPANY

DEALERSWISE SALES DETAILS FY 2023-24

S. No.	Party	QTY (M.T)	Revenue (IN Lakhs)
1	Ashish Paper (P) Ltd	17385.324	4,737.31
2	Konark trading co.	15302.998	4,224.69
3	Shri Mata Vaishno Paper Hub	11066.637	2,989.91
4	Manavv Crafts India Private Limited	10785.861	2,936.23
5	Kraft Corporation	11524.489	3,126.94
6	Kalyani Traders	8402.555	2,299.77

7	Solitaire trading co.	4684.673	1,312.68
8	Kagaz Complex	4128.972	1,120.10
9	Kraft India	3788.321	1,024.47
10	Surya Rubber Industries	3704.212	1,011.34
11	Acs Papers India Pvt Ltd	3200.267	882.52
12	BTMC Paper	1432.237	396.97
	Total	95406.546	26,062.92

DEALERSWISE SALES DETAILS FY 2022-23

S. No.	Party	QTY (M.T)	Revenue (IN Lakhs)
1	Ashish Paper (P) Ltd	13694.419	4,585.77
2	Manavv Crafts India Private Limited	12816.338	4,347.62
3	Kraft Corporation	9100.152	3,090.67
4	Shri Mata Vaishno Paper Hub	7430.305	2,414.91
5	Kraft India	7212.698	2,350.51
6	Aneja Paper & Polymer Pvt Ltd	6914.794	2,326.57
7	Kalyani Traders	6045.813	2,074.82
8	Konark Trading Co.	5686.624	1,985.12
9	Harlal gupta & sons pvt. Ltd.	5286.04	1,640.26
10	BTMC Paper	3560.578	1,200.67
	Total	77747.761	26,016.92

DEALERSWISE SALES DETAILS FY 2021-22

S. No.	Party	QTY (M.T)	Revenue (IN Lakhs)
1	Ashish paper (p) ltd., delhi	10993.123	4,460.87
2	Kraft India	11178.453	4,389.74
3	Manavv Crafts India Private Limited	6921.052	2,687.60
4	Shri Mata Vaishno Paper Hub	6798.765	2,668.54
5	Kraft Corporation	4010.589	1,512.84
6	Kalyani Traders	3871.061	1,663.12
7	BTMC Paper	4012.064	1,644.57
8	Konark Trading CO.	3811.283	1,555.91
	Total	51596.39	20,583.19

DETAILS OF PERCENTAGE INCREASE IN THE DEALERS IN THE LAST THREE YEARS

Particular	2023-24	2022-23	2021-22
No. of dealers	12	10	8
Increase in % of dealers	20%	25%	60%*

*In FY 2020-21 total No. of dealers was 5

OUR MANAGEMENT

BOARD OF DIRECTORS

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Red Herring Prospectus:

S. No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship/partner
1.	<p>Name: Mr. Ashok Kumar Bansal Designation: Managing Director Address: 544-B Kamla Colony, Shamli Uttar Pradesh - 247776 Date of Birth: October 08, 1959 Qualification: NIL* Occupation: Business Nationality: Indian Term: 5 years Date of Appointment: Since incorporation Date of Appointment as MD: March 12, 2024 Date of Expiration as MD: March 11, 2029 DIN: 00321238</p>	64	1. Alliance Farms and Agriculture Limited
2.	<p>Name: Mr. Sudhir Kumar Bansal Designation: Chairman & Director Address: 544-B Kamla Colony, Shamli Uttar Pradesh-247776 Date of Birth: May 10, 1957 Qualification: NIL* Occupation: Business Nationality: Indian Date of Appointment: Since Incorporation Date of Appointment as Chairman: March 12, 2024 DIN: 00321226</p>	67	1.Alliance Farms and Agriculture Limited 2.Shamli Steels Private Limited 3.Radiant Acids & Alkalies Limited.
4.	<p>Name: Ms. Sandhya Bansal Designation: Director Address: 544-B Kamla Colony, Shamli Uttar Pradesh - 247776 Date of Birth: January 22, 1959 Qualification: NIL* Occupation: Business Nationality: Indian Date of Appointment: June 02, 2021 DIN: 09190361</p>	65	Nil

*Refer Risk Factor 54 in the chapter titled "Risk Factor" on page no. [●].

BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY

Mr. Ashok Kumar Bansal (Managing Director)

Mr. Ashok Kumar Bansal serves as the Managing Director of Nikita. He holds a graduate degree in Management and having 40 years of experience in the Paper Industry. His roles include driving sales and marketing, leadership, and decision-making. As Managing Director of Nikita, Mr. Ashok Bansal leads the company. He is also a director at Nikita Papers Ltd and Alliance Farms & Agriculture Ltd. skills include understanding the paper industry, decision-making, and leadership.

Mr. Sudhir Kumar Bansal (Chairman)

Mr. Sudhir Kumar Bansal serves as the Chairman at Nikita Papers Limited. He is a graduate in Management with 40 years of experience in the paper industry, Manufacturing and Plant Management. Mr. Bansal is known for his leadership skills and decision-making ability.

At Nikita Papers Limited, Mr. Bansal plays a key role in guiding the company. He is also a director at Nikita Papers Ltd and Alliance Farms & Agriculture Ltd. Known for his understanding of the paper industry, Mr. Sudhir Bansal provides strategic insight and leadership for the organizations.

Mr. Ashok Kumar Mittal, (Independent Director)

Mr. Ashok Kumar Mittal, aged 69 years Completed Graduation (B. Sc) in 1976 from DAV College, Muzaffar Nagar (UP) and Started Automobile Dealership in Sep. 1976 which continued upto March 2004. Thereafter Started Chemical Industry in 1997 and continue till date with the status of largest manufacture of Ferrous Sulphate (Fertilizer) in India. Further He has been mentoring various Other Social Activities and active in many social organizations with various position held Joined Lions Club International as member in Sep. 1979. Executive member of VV Inter College Management Committee, Shamli from 1985 – 1990, President of Lions Club Shamli in 1999 - 2000 and 2018 – 2019, Life member and Chairman of Lala Gangasharan Lions Eye Hospital Charitable Trust from 2021 – 2023, Promoter & Managing Director of Bhawani Acids & Alkalies Pvt. Ltd, Director of Kamaan Healthcare Pvt. Ltd.

CHANGES IN THE BOARD FOR THE LAST THREE YEARS

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:


Name of Director	Date of Event	Reason for Change
Mr. Naresh Chandra Bansal	30/04/2021	Mr. Naresh Chandra Bansal was deceased on April 30, 2021
Ms. Antara Rakesh	03/05/2021	Appointment as Additional Director
Ms. Antara Rakesh	02/06/2021	Ms. Antara Rakesh had resigned from the directorship vide her resignation letter dated June 2, 2021 due to personal reasons
Ms. Sandhya Bansal	02/06/2021	Appointed as Additional Director
Ms. Sandhya Bansal	30/11/2021	Appointed as Director
Mr. Ashok Kumar Mittal	24/01/2024	Appointed as Additional Director
Mr. Akash Gupta	24/01/2024	Appointed as Additional Director
Mr. Sudhir Kumar Jain	24/01/2024	Appointed as Independent Director
Mr. Sudhir Kumar Bansal	10/02/2024	Appointed as Additional Director
Mr. Ashok Kumar Bansal	12/03/2024	Appointed as Managing Director
Mr. Sudhir Kumar Bansal	12/03/2024	Appointed as Director and Chairman
Mr. Ashok Kumar Mittal	12/03/2024	Appointed as Independent Director
Mr. Akash Kumar Gupta	12/03/2024	Appointed as Independent Director
Mr. Sudhir Kumar Jain	12/03/2024	Appointed as Independent Director

OUR PROMOTERS

The Promoters of our Company is:

S. No.	Name	No. of Shares	Shareholding %
12.	Ms. Sandhya Bansal	9,47,150	5.21

Brief profile of our Individual Promoters is as under:

	Name	Sandhya Bansal
	Date of Birth	22/01/1959
	Age	65
	Qualification	Nil
	Personal Address	544-B Kamla colony, Shamli- 227776 (UP)
	Experience	Sandhya Bansal serves as the Director of Marketing at Nikita Papers Limited since 02/06/2021. She has a career spanning 32 years and worked as a Freelancing Marketing Strategist before her current role.
	PAN	ACRPB7469F
Directorship & Other Ventures	NA	

HUFs forming part of Promoters

Name	Sudhir Kumar Bansal & Sons HUF
Came Into Existence	08/02/1982
Karta	Sudhir Kumar Bansal
Coparceners	Sandhya Bansal, Ayush Bansal, Nikita Agarwal, Ankita Garg
PAN	AADHS0832F
Address	544-B Kamla Colony, Shamli Uttar Pradesh – 247776

Name	Abhinav Bansal & Sons HUF
Came Into Existence	17/02/2014
Karta	Abhinav Bansal
Coparceners	Antara Rakesh, Vansh Bansal, Mishika Bansal
PAN	AAOHA2334R
Address	544-B Kamla Colony, Shamli Uttar Pradesh – 247776

Name	Ayush Bansal & Sons HUF
Came Into Existence	03/09/2008
Karta	Ayush Bansal
Coparceners	Riha Bansal, Parth Bansal, Samarth Bansal
PAN	AAJHA6736N
Address	544-B Kamla Colony, Shamli Uttar Pradesh – 247776

OUR PROMOTER GROUP

A. Natural Persons who form part of our Promoter Group:

Promoters	Promoter 1	Promoter 2	Promoter 3	Promoter 4	Promoters5	Promoter 6
Name	Ashok Kumar Bansal	Sudhir Kumar Bansal	Ayush Bansal	Anuj Bansal	Abhinav Bansal	Sandhya Bansal
Father	Ashok Kumar Bansal	Sudhir Kumar Bansal	Ayush Bansal	Anuj Bansal	Abhinav Bansal	Rameshwar Agarwal
Mother	Late N.C Bansal	Late N.C Bansal	Sudhir Bansal	Ashok Bansal	Ashok Bansal	Yashoda Devi
Spouse	Mithlesh Bansal	Mithlesh Bansal	Sandhya Bansal	Neera Bansal	Neera Bansal	Sudhir Kumar Bansal
Brother	Neera Bansal	Sandhya Bansal	Riha Bansal	Suruchi Mittal	Antara Rakesh	Sunil Agarwal
Sister	Sudhir Bansal	Ashok Kumar Bansal	NA	Abhinav Bansal, Rachit Bansal	Anuj Bansal & Rachit Bansal	Na
Sons	Abhinav Bansal, Anuj Bansal & Rachit Bansal	Ayush Bansal	Parth Bansal, Samarth Bansal (All Minor)	Shivansh Bansal, Arman Bansal (All Minor)	Vansh Bansal (Minor)	Ayush Bansal
Daughters	NA	Nikita Agarwal & Ankita Garg	NA	NA	Mishika Bansal (Minor)	Nikita Agarwal & Ankita Garg
Spouse Father	Harsharan Das Agarwal	Rameshwar Agarwal	Ravinder Manchanda	Suresh Mittal	Rakesh Sinha	Late NC Bansal
Spouse Mother	Mithlesh Rani	Yashoda Devi	Kanwal Manchanda	Asha Mittal	Manju Sinha	Mithlesh Bansal
Spouse Brothers	Sudhir Agarwal	Sunil Agarwal	NA	Rachit Mittal	NA	Ashok Kumar Bansal
Spouse Sisters	NA	NA	Pooja Manchanda	Aditi Bansal	NA	Sangeeta Gupta

Details of HUF Promoters are as under:

Promoters	Ashok Kumar Bansal & Sons HUF	Naresh Chand Bansal & Sons HUF	Sudhir Kumar Bansal & Sons HUF	Ayush Bansal & Sons HUF	Abhinav Bansal & Sons HUF	Anuj Bansal & Sons HUF
Coparceners	Neera Bansal, Abhinav Bansal, Anuj bansal, Rachit Bansal	Mithlesh Bansal, Sudhir Bansal, Ashok Bansal, Sangeeta Gupta	Sandhya Bansal, Ayush Bansal, Nikita Agarwal, Ankita Garg	Riha Bansal, Parth Bansal, Samarth Bansal	Antara Rakesh, Vansh Bansal, Mishika Bansal	Suruchi Mittal, Shivansh Bansal, Arman Bansal

OUR GROUP COMPANIES / ENTITIES

GROUP COMPANIES OF OUR COMPANY

Except as below mentioned, the Company does not have any 'group company' as on the date of this Draft Red Herring Prospectus our company

OTHER CONFIRMATIONS

- e.** There is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors.
- f.** There are is no conflict of interest between the lessor of the immovable properties, (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors.

SECTION VI – FINANCIAL INFORMATION

FINANCIAL INDEBTEDNESS

A. Secured Loans (All amounts in ₹ lacs, unless otherwise stated)

Name of Lender	Nature	Facility	Purpose	ROI (%)	Sanctioned Amount (Rs.)	Outstanding As on 31/03/2024
Punjab National Bank	Long term Loan	Term loan	Installation of plant	8.55	4344.00	3419.66
SIDBI	Long term Loan	Term loan	For purchase of machineries and other equipments	8.05	292.00	118.96
HDFC	Long term Loan	Term loan	Boiler & machinery equipments	8.25	1083.00	874.67
HDFC (119917304)	Long term Loan	Long term vehicle loan	Purchase of car	7.65	16.00	8.49
HDFC (68032554)	Long term Loan	Long term vehicle loan	Purchase of car	9.5	19.32	2.01
HDFC (85006071)	Long term Loan	Long term vehicle loan	Purchase of car	8.7	11.00	2.15
HDFC (84880003)	Long term Loan	Long term vehicle loan	Purchase of car	8.7	14.99	2.92
HDFC (137858210)	Long term Loan	Long term vehicle loan	Purchase of car	8.5	38.00	33.12
HDFC (142258495)	Long term Loan	Long term vehicle loan	Purchase of car	8.7	29.35	25.72
Punjab National Bank	Long term Loan	Long term vehicle loan	Purchase of car	8.15	20.00	16.91
HDFC	Short Term Borrowing	Cash credit	Working capital	8.25	4000.00	3885.12
HDFC	Short Term Borrowing	Credit Card	Working capital	NA	95.00	90.76
Punjab National Bank	Short Term Borrowing	Cash credit	Working capital	8.55	4800.00	4710.50
AXIS BANK	Short Term Borrowing	Cash credit	Working capital	9.20	1750.00	216.90
TOTAL						13407.89

Further, Long Term Vehicle Loans are taken for the cars purchased by the company for travelling of directors & other staff of the company and for other purpose as company needed time to time.

MANAGEMENTS' DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

FISCAL YEAR ENDED MARCH 31, 2024 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2023 (BASED ON RESTATED FINANCIAL STATEMENTS)

Revenues

◆ **Revenue of operations**

Net revenue from operations for the Financial Year 2023-24, stood at Rs. 33,860.08 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 39,833.21 Lakhs, representing a decrease of 15%. Even though number of units sold increased revenue from operations faced a drop due to decline in prices. This is due to bad demand for Kraft and duplex, analyzed in association with waste paper dealers. As bad demand exerts pressure on the market, dealers and manufacturers are selling their stocked goods, this oversupply of waste paper in comparison to demand has led to a substantial drop in prices.

Rationale for increase in the PAT for FY 2024 and shall be updated in the RHP

(₹ in Lakhs)

Particulars	For the year ended 31 st March,		
	2024	2023	2022
Revenue from operations (A)	33,860.08	39,833.21	35,641.08
Change in (A) %	(15%)	11.76%	NA
Cost of Goods sold (B)	22,304.36	28,823.71	23,303.48
Change in (B) %	(22.62%)	23.69%	NA
COGS margin [B/A]	65.87%	72.36%	65.38%
Profit After Tax (C)	1,659.53	864.52	695.21
Change in (C) %	91.99%	24.35%	NA
PAT Margin (%) [(C)/(A)]	4.90%	2.17%	1.95%

Decrease in Revenue in FY 2024:

- **Decline in Price:** Due to lower demand of Kraft Paper and duplex, paper industry faced a substantial fall in price. Thus, even when the quantity sold remained the same, revenue from operations decreased by 15%.

Following are the empirical data showing comparison of last three years showing decrease in the Avg Rate per M.T.:

Financial Year	Kraft Paper		
	QTY (M.T)	Avg. Rate Per M. T. (In Rs.) **	Total Amount (in Lakhs)
2023-24	117733.805	27243.73	32075.08
2022-23	113137.83	33885.73	38337.58
2021-22	95634.56	35971.78	34401.45

**Average Selling Rate Per Metric Ton (In. Rs.)

Increase in PAT and PAT margin in FY 2024.

- **Decline in Price of Raw Material:** Due to the decline in paper industry, price of raw material also fell substantially i.e. from ₹20,850.68 per MT in FY 2022-23 to ₹16,549.41 per MT in FY 2023-24, representing a decrease of 20.63%.
- **Better Recovery Rate:** Due to lower prices, company purchased higher quality raw material, this reduced the normal waste that the company usually incurs. Thus, with lesser consumption of raw material more goods were produced stating increase in recovery rate from 87.5% to 92.5%.
In addition, company incurred a capital expenditure of ₹2,138.22 in purchase of Plant and Machinery. This in turn increased the efficiency of production and thus increasing the recovery rate of the company.
- **Cost of Fuel Reduced:** The company has substituted portion of their power plant fuel that was earlier biomass with RDF (refused derived fuel) which is substantially low in cost thereby increasing the company profits.

As decrease in Revenue in FY 2023-24 is of 15% but decrease in COGS is of 22.62% which in turn is decreased from 72.36% to 65.87% of revenue from operations. This shows the increase in PAT margin from 2.17% to 4.90%

◆ Other Income

Other Income for the Financial Year 2023-24, stood at Rs. 818.20 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 297.70 Lakhs, which represents increase of 174.84%. This is because company has booked state subsidy of Rs.7.5 crore in 2023-24 with an increment of 191.30% from previous year. Also increase in other income is due to profit from sale of fixed assets of Rs. 14.45 lakhs.

Below are details of subsidy accrued in the FY 2023-24:

CLAIM FROM JAN 2021 TO MARCH 2022

QUARTER	INTEREST PAID TO BANK	INTEREST CLAIMED	SGST DEPOSITED	CLAIM 60%	TOTAL
JAN TO MARCH 2021	9,744,113.00	1,250,000.00	347,611.00	208,566.60	1,458,566.60
APRIL TO JUNE 2021	9,482,215.00	1,250,000.00	-	-	1,250,000.00

JULY TO SEPT.2021	9,387,294.00	1,250,000.00	1,500,000.00	900,000.00	2,150,000.00
OCT. TO DEC.2021	7,532,364.00	1,250,000.00	4,895,386.00	2,937,231.60	4,187,231.60
JAN TO MARCH 2022	7,120,300.00	1,250,000.00	15,620,020.00	9,372,012.00	10,622,012.00
Total	43,266,286.00	6,250,000.00	22,363,017.00	13,417,810.20	19,667,810.20

CLAIM FROM APRIL 2022 TO MARCH 2023

QUARTER	INTEREST PAID TO BANK	INTEREST CLAIMED	SGST DEPOSITED	CLAIM 60%	TOTAL
APRIL TO JUNE 2022	6,912,865.00	1,250,000.00	9,298,339.00	5,579,003.40	6,829,003.40
JULY TO SEPT.2022	6,892,627.00	1,250,000.00	5,024,051.00	3,014,430.60	4,264,430.60
OCT TO DEC 2022	7,282,986.00	1,250,000.00	8,648,450.00	5,189,070.00	6,439,070.00
JAN TO MARCH 2023	7,127,819.00	1,250,000.00	11,623,764.00	6,974,258.40	8,224,258.40
Total	28,216,297.00	50,00,000.00	34,594,604.00	2,07,56,762.40	2,57,56,762.00

CLAIM FROM APRIL 2023 TO MARCH 2024

QUARTER	INTEREST PAID TO BANK	INTEREST CLAIMED	SGST DEPOSITED	CLAIM 60%	TOTAL
APRIL TO JUNE 2023	7,431,604.00	1,250,000.00	17,160,393.00	10,296,235.80	11,546,235.80
JULY TO SEPT2023	7,692,392.00	1,250,000.00	21,075,402.00	12,645,241.20	13,895,241.20
OCT TO DEC. 2023	7,594,999.00	1,250,000.00	37,684,006.00	22,610,403.60	23,860,403.60
JAN TO MARCH 2024	7,274,365.00	1,250,000.00	40,796,904.00	24,478,142.40	25,728,142.40
Total	29,993,360.00	5,000,000.00	116,716,705.00	70,030,023.00	75,030,023.00

The company receives government subsidies based on the interest it pays and the SGST (State Goods and Services Tax) it deposits, according to the Uttar Pradesh Industrial Investment & Employment Promotion Policy (IIEPP).

The subsidies increased from ₹2.57 crores in FY 2023 to ₹7.50 crores in FY 2024 because the company boosted its intra-state sales during FY 2023-24, leading to higher SGST deposits. This increase in SGST resulted in the company recording a higher subsidy receivable in its books.

According to the IIEPP Policy, the state subsidy is granted based on the SGST deposited and the interest paid to the bank by the company for five years after the production begins from the related project.

FISCAL YEAR ENDED MARCH 31, 2023 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022 (BASED ON RESTATED FINANCIAL STATEMENTS)

Revenues

◆ Revenue of operations

Net revenue from operations For the Financial Year 2022-23 stood at Rs. 39,833.21 Lakhs. Whereas for the Financial Year 2021-22, it stood at Rs. 35,641.08 Lakhs representing an increase of 11.76%. This is due to increase in the production of the company and simultaneously increase in volume sold during the financial year.

SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

VII. Outstanding dues to Creditors

As per the materiality policy of the Company for disclosing outstanding amounts to creditors. Based on the same, as on 31-03-2024 the Company had outstanding dues to creditors as follows:

(Rs. in Lakhs)

Particulars	31-03-2024
Trade Payables other than Micro, Small & Medium Enterprises	1571.50
Trade Payables to Micro, Small & Medium Enterprises	0.00
Others	33.55
Total	1605.05

GOVERNMENT AND OTHER APPROVALS

BUSINESS RELATED CERTIFICATIONS

Our Company has received the following significant government and other approvals pertaining to our business:


S. No.	Authorization Granted	Issuing Authority	Registration No./ Reference No./ License No	Date of Issue	Valid upto
1	Legal Entity Identifier (LEI)	Ministry of Corporate Affairs	894500MAIDL75QBQTR06	04.12.2018	03.07.2026
2	CCA under Section 25 of Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of Air (Prevention & Control of Pollution) Act, 1981	Uttar Pradesh Pollution Control Board	23239836	23.11.2023	31.12.2025
3	Fire NOC	Uttar Pradesh FireService Department	UPFS/2022/48028/SML /Shamli/196/JD	18.04.2022	17.04.2025
4	Employees Provident Fund Organization	Ministry of Labour and Employment	MRMRT0019776000	16.09.2022	Valid until cancellation
5	Authorization under Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Uttar Pradesh Pollution Control Board	13426	29.03.2021	28.03.2026
6	Certificate for Use of Boiler	Uttar Pradesh Boiler Inspection Department	GT-5105	05.04.2023	27.03.2025
7	Certificate for Use of Boiler	Uttar Pradesh Boiler Inspection Department	UP-6458	08.05.2024	07.05.2025
8	Certificate for Use of Boiler	Uttar Pradesh Boiler Inspection	UP-8514	17.01.2024	13.12.2024

		Department			
9	License under Section 6 of The Factories Act, 1948	Labour Department, Uttar Pradesh	UPFA74000079	23.10.2021	31.12.2024
10	FSC Certification	Independent Body	FSC-C159406	14.08.2020	13.08.2025
11	Importer-Exporter Code	Ministry of Commerce & Industry	3393002996	13.01.1994	Valid until cancellation
12	SIA Capacity	Ministry of Commerce & Industry	1286/SIA/IMO/2018	28.08.2018	Valid until cancellation
13	Shop and Establishment	Department of Labour (Govt. of NCT of Delhi)	2024166255	26.08.2024	Valid until cancellation
14	Legal Entity Identifier (LEI)	Ministry of Corporate Affairs	894500MAIDL75QBQTR06	04.12.2018	03.07.2026

***Note:** the company is not required to have Employee State Insurance registration for its Registered office as the company doesn't have Ten or more employees at its registered office.

APPROVALS APPLIED BUT PENDING AND APPROVALS NOT YET APPLIED

The company has obtained all Approvals except mentioned below which is applied but pending:

<i>Trademark/Wordmark</i>	<i>Date of Application of Trademark</i>	<i>Date of Renewal</i>	<i>Validity</i>	<i>Application No.</i>	<i>Status</i>	<i>Class</i>
	11/03/2024	NA	-	6341137	Accepted & advertise	16

OTHER REGULATORY AND STATUTORY DISCLOSURES

NSE ELIGIBILITY NORMS:

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

TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

Price Information and the Track Record of the Past Issues Handled by the Lead Manager:

ANNEXURE-A

Disclosure of Price Information of Past Issues Handled by Merchant Banker(s)

S. No.	Issuer Name	Issue Size (Rs. in Cr.)	Issue Price (Rs.)	Listing Date	Operating 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	SME/Main Board
1.	Gajanand International Limited	20.64	36.00	September 16, 2024	42.00	(42.60) (1.62)	Not Applicable	Not Applicable	SME
2.	Ambey Laboratories Limited	42.55	68.00	July 11, 2024	89.25	(26.16) 0.13	(29.94) 2.74	Not Applicable	SME
3.	Akiko Global Services Limited	23.11	77.00	July 02, 2024	93.35	(18.80) 3.67	(14.30) 6.99	Not Applicable	SME
4.	Enser Communications Limited	16.17	70	March 22, 2024	72	(2.99) 1.08	146.36 6.65	Not Applicable	SME
5.	Sungarner Energies Limited	5.31	83.00	August 31, 2023	250.00	(17.66) (0.95)	(27.57) 4.37	23.91 15.29	SME

6.	Pearl Green Clubs and Resorts Limited	11.71	186.00	July 07, 2022	198.	3.27	(0.50)	(2.92)	SME
						11.95	45.52	102.80	
7.	Globesecure Technologies Limited	10.12	29.00	June 02, 2022	37.1	212.94	313.07	125.47	SME
						(5.35)	14.94	38.57	
8.	Jeena Sikho Lifecare Limited	55.50	150.00	April 19, 2022	173.	(12.69)	(18.16)	(15.17)	SME
						(2.42)	(7.09)	22.78	
9.	SBL Infratech Limited	2.37	111.00	September 28, 2021	125.00	(55.20)	(64.8)	(47.72)	SME
						(0.53)	(3.77)	(3.48)	
10	Kranti Industries Limited	2.09	37.00	February 28, 2019	36.9	(1.22)	2.84	(12.04)	SME
						(8.38)	1.62	(3.16)	
11	Goblin India Limited	15.20	52.00	October 15, 2019	56.60	125.71	80.21	(27.20)	SME
						4.62	8.70	(20.29)	
12	Ascom Leasing and Investments Limited	6.32	30.00	December 06, 2019	30.0	5.00	0.00	15.83	SME
						(0.60)	(5.47)	(15.60)	
13	Trekkingtoes.Co	4.54	105.0	August	99.7	(55.59)	(59.90)	(67.92)	SME

SECTION IX - MAIN PROVISION OF ARTICLE OF ASSOCIATION

Note: No material clause of Article of Association has been left out from disclosure having bearing on the IPO/disclosure.

SECTION X- OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

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

SECTION XI: DECLARATION

We certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines 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 red herring prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this draft Red Herring prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

NAME OF DIRECTOR	SIGNATURE
Mr. Ashok Kumar Bansal DIN: 00321238 Designation: Managing Director	Sd/-
Mr. Sudhir Kumar Bansal DIN: 00321226 Designation: Director	Sd/-
Mr. Ayush Bansal DIN: 00774900 Designation: Whole Time Director	Sd/-
Mr. Sandhya Bansal DIN: 09190361 Designation: Director	Sd/-
Mr. Ashok Kumar Mittal DIN: 00246177 Designation: Independent Director	Sd/-
Mr. Sudhir Kumar Jain DIN: 10442316 Designation: Independent Director	Sd/-
Mr. Akash Gupta DIN: 07392916 Designation: Independent Director	Sd/-

SIGNED BY THE COMPANY SECRETARY AND THE COMPLIANCE OFFICER.

Sd/-

Ms. Shefali Gupta

SIGNED BY THE CHIEF FINANCIAL OFFICER (CFO)

Sd/-

Mr. Atul Aeron

Date: 29/10/2024

Place: Shamli